

File No. 150788

Committee Item No. 4

Board Item No. 12

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date November 9, 2015

Board of Supervisors Meeting

Date December 1, 2015

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Economic Impact Report</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Commission Motion Nos. 19450 / 19459 (MMRP)</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Commission Resolution No. 19466</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Development Agreement</u> |
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Completed by: Alisa Somera Date November 6, 2015

Completed by: Alisa somera Date November 12, 2015

1 [Development Agreement - 5M Project, LLC - Fifth and Mission Project]

2
3 **Ordinance approving a Development Agreement between the City and County of San**
4 **Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and**
5 **Mission Project at the approximately 4-acre site located at Fifth Street between Mission**
6 **and Howard Streets, with various public benefits including a minimum percentage of**
7 **affordable housing; making findings under the California Environmental Quality Act,**
8 **findings of conformity with the General Plan, and with the eight priority policies of**
9 **Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for**
10 **affordable housing and other community benefits, as set forth in the Development**
11 **Agreement, and waiving any conflicting provision in Planning Code, Article 4, or**
12 **Administrative Code, Article 10; authorizing the acquisition of real property at**
13 **967 Mission Street for affordable housing; and confirming compliance with or waiving**
14 **certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain**
15 **actions taken in connection therewith.**

16 NOTE: Additions are *single-underline italics Times New Roman*;
17 deletions are *strike-through italics Times New Roman*.
18 Board amendment additions are double-underlined;
19 Board amendment deletions are ~~strikethrough normal~~.

20 Be it ordained by the People of the City and County of San Francisco:

21 Section 1. Project Findings. The Board of Supervisors makes the following findings:

22 (a) California Government Code Section 65864 et seq. authorizes any city, county,
23 or city and county to enter into an agreement for the development of real property within the
24 jurisdiction of the city, county, or city and county.
25

1 (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth
2 certain procedures for the processing and approval of development agreements in the City
3 and County of San Francisco (the "City").

4 (c) 5M Project, LLC, a Delaware limited liability company ("Developer") owns and
5 operates the nearly 4-acre area generally between Mission, Fifth and Howard Streets
6 composed of 8 buildings and 7 surface parking lots on 22 parcels, containing approximately
7 317,700 gross square feet of existing office and commercial uses and approximately 219
8 parking spaces, including the historic Dempster Printing Building and Chronicle Building (the
9 "Project Site").

10 (d) Developer filed an application with the City's Planning Department for approval
11 of a development agreement relating to the Project Site (the "Development Agreement")
12 under Chapter 56. A copy of the Development Agreement is on file with the Clerk of the
13 Board in File No. 150788. Developer also filed applications with the Department for certain
14 activities described in Exhibit B to the Development Agreement (together with the
15 Development Agreement, the "Project").

16 (e) The Project is a mixed use development that recognizes the transit-rich location
17 for housing and employment on the Project Site, including office, residential, retail, cultural,
18 educational, open space, parking and related uses. Specifically, the Project includes up to
19 807,600 gross square feet of office uses (including ground floor uses), up to 821,300 gross
20 square feet of residential uses (including both rental and ownership units), approximately
21 68,700 gross square feet of other active ground floor uses, and collectively up to 1,697,600
22 gross square feet of new construction and renovated existing building space, with
23 approximately ~~331,463~~ associated vehicle parking spaces in three subterranean levels,
24 approximately 429 Class 1 bicycle parking spaces, approximately 66 Class 2 bicycle parking
25

1 spaces, and approximately 59,500 square feet of public and private open space, all as more
2 particularly described in the Development Agreement.

3 (f) Concurrently with this Ordinance, the Board is taking a number of actions in
4 furtherance of the Project, as generally described in the Development Agreement, including
5 Exhibit I to the Development Agreement.

6 (g) The Project is anticipated to generate an annual average of approximately 1,200
7 construction jobs and, upon completion, approximately 3,150 net new permanent jobs and an
8 approximately \$12,100,000 annual increase in general fund revenues to the City. In addition
9 to the significant housing, jobs, urban revitalization, and economic benefits to the City from the
10 Project, the City has determined that development of the Project under the Development
11 Agreement will provide additional benefits to the public that could not be obtained through
12 application of existing City ordinances, regulations, and policies. Additional public benefits to
13 the City from the Project include: the creation of affordable housing units anticipated to equal
14 ~~to thirty three~~ forty percent (~~40~~33%) of the total market rate housing units for the Project; a
15 workforce program; community benefits fees; the rehabilitation of the Chronicle and Dempster
16 Printing Buildings; and the retention of the Camelline Building, all as further described in the
17 Development Agreement. The Development Agreement will eliminate uncertainty in the City's
18 land use planning for the Project and secure orderly development of the Project Sites.

19 Section 2. CEQA Findings.

20 On September 17, 2015, by Motion No. 19458, the Planning Commission certified as
21 adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
22 Project pursuant to the California Environmental Quality Act (California Public Resources
23 Code Section 21000 et seq.) ("CEQA"). A copy of Planning Commission Motion No. 19458 is
24 on file with the Clerk of the Board of Supervisors in File No. 150788. Also on September 17,
25 2015, by Motion No. 19459, the Planning Commission adopted findings, including a statement

1 of overriding considerations (the "CEQA Findings") and a Mitigation Monitoring and Reporting
2 Program ("MMRP"). Said Motion is on file with the Clerk of the Board of Supervisors in File
3 No. 150788. On November 17, 2015, the Board of Supervisors, in Motion No. _____
4 affirmed the decisions of the Planning Commission to certify the FEIR and rejected the appeal
5 of the FEIR certification. Copies of the Planning Commission Motion No. 19458 and Board of
6 Supervisors Motion No. _____ are on file with the Clerk of the Board of Supervisors in File
7 Nos. 150788 and _____. In accordance with the actions contemplated herein, this Board
8 has reviewed the FEIR and related documents, and adopts and incorporates by reference as
9 though fully set forth herein the CEQA Findings, including the statement of overriding
10 considerations, and the MMRP.

11 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

12 (a) The Board of Supervisors finds that the Development Agreement will serve the
13 public necessity, convenience and general welfare for the reasons set forth in Planning
14 Commission Resolution No. 19466 and incorporates those reasons herein by reference.

15 (b) The Board of Supervisors finds that the Development Agreement is in conformity
16 with the General Plan, as proposed to be amended and when effective, and the eight priority
17 policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission
18 Resolution No. 19460. The Board hereby adopts the findings set forth in Planning
19 Commission Resolution No. 19460 and incorporates those findings herein by reference.

20 Section 4. Development Agreement.

21 (a) The Board of Supervisors approves all of the terms and conditions of the
22 Development Agreement, in substantially the form on file with the Clerk of the Board of
23 Supervisors in File No. 150788.

24 (b) The Board of Supervisors approves and authorizes the execution, delivery and
25 performance by the City of the Development Agreement as follows: (i) the Director of

1 Planning and (other City officials listed thereon) are authorized to execute and deliver the
2 Development Agreement and consents thereto, and (ii) the Director of Planning and other
3 applicable City officials are authorized to take all actions reasonably necessary or prudent to
4 perform the City's obligations under the Development Agreement in accordance with the
5 terms of the Development Agreement. Without limiting the foregoing, the Director of the
6 Mayor's Office of Housing and Community Development is authorized to execute and perform
7 all City obligations under the Transfer Agreement attached to the Development Agreement for
8 the potential acquisition of certain real property located at 967 Mission Street, or, in the
9 alternative, to accept funds to be used for affordable housing as set forth in the Transfer
10 Agreement. The Director of Planning, at his or her discretion and in consultation with the City
11 Attorney, is authorized to enter into any additions, amendments or other modifications to the
12 Development Agreement that the Director of Planning determines are in the best interests of
13 the City and that do not materially increase the obligations or liabilities of the City or materially
14 decrease the benefits to the City as provided in the Development Agreement.

15 Section 5. Board Authorization and Appropriation.

16 By approving the Development Agreement, including its Exhibits, the Board of
17 Supervisors authorizes the Controller and City Departments to accept the funds paid by
18 Developer as set forth therein, to maintain separate accounts or subaccounts as
19 contemplated therein, and to appropriate and use the funds for the purposes described
20 therein. The Board expressly approves the use of the Impact Fees and Exactions for
21 affordable housing, art and other community benefits, as set forth in Exhibits D and H to the
22 Development Agreement, and waives or overrides any provision in Article 4 of the City
23 Planning Code and Article 10 of the City Administrative Code that would conflict with the uses
24 of these funds as described in the Development Agreement, including without limitation City
25 Planning Code Sections 411.6, 413.10, 415.5, 429.3, 429.5 and City Administrative Code

1 Section 10.100-29. The Board further authorizes the acquisition of the real property at 967
2 Mission Street in accordance with the Transfer Agreement.

3 Section 6. City Administrative Code Conformity.

4 The Development Agreement shall prevail in the event of any conflict between the
5 Development Agreement and City Administrative Code Chapters 14B and 56, and without
6 limiting the generality of the foregoing clause, for purposes of the Development Agreement
7 only, the provisions of City Administrative Code Chapters 14B and 56 are waived or its
8 provisions deemed satisfied as follows:

9 (a) The Project comprises nearly four acres and is the type of large multi-phase and/or
10 mixed-use development contemplated by the City Administrative Code and therefore is
11 hereby deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

12 (b) The provisions of Development Agreement Section 4.4 and the Workforce
13 Agreement attached to the Development Agreement as Exhibit F shall apply in lieu of the
14 provisions of City Administrative Code Chapter 14B, Section 14B.20 and Chapter 56,
15 Section 56.7(c).

16 (c) The provisions of the Development Agreement regarding any amendment or
17 termination, including those relating to "Material Change," shall apply in lieu of the provisions
18 of Chapter 56, Section 56.15.

19 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the
20 Memorandum of Understanding between Developer and the Mayor's Office of Economic and
21 Workforce Development for the reimbursement of City costs, a copy of which is on file with the
22 Clerk of the Board of Supervisors in File No. 150788.

23 Section 7. Chapter 56 Waiver; Ratification.

24 (a) In connection with the Development Agreement, the Board of Supervisors finds
25 that the requirements of Chapter 56, as modified hereby, have been substantially complied

1 with and waives any procedural or other requirements of Chapter 56 if and to the extent that
2 they have not been strictly complied with.

3 (b) All actions taken by City officials in preparing and submitting the Development
4 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
5 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken
6 by City officials consistent with this Ordinance.

7 Section 8. Effective and Operative Date.

8 This ordinance shall become effective 30 days from the date of passage. This
9 Ordinance shall become operative only on (and no rights or duties are affected until) the later
10 of (a) 30 days from the date of its passage, or (b) the date that Ordinance _____,
11 Ordinance _____, and Ordinance _____ have become effective. Copies of said
12 Ordinances are on file with the Clerk of the Board of Supervisors in File No. 150787 & 150932

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16
17 By: _____

18 Charles Sullivan
19 Deputy City Attorney

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REVISED LEGISLATIVE DIGEST

(11/9/2015, Amended in Committee)

[Development Agreement - 5M Project, LLC - Fifth and Mission Project]

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets, with various public benefits including a minimum percentage of affordable housing; making findings under the California Environmental Quality Act, findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4, or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

Background Information

Existing Law

California Government Code section 65864 *et seq.* (the Development Agreement Statute”) and San Francisco Administrative Code Chapter 56 (“Chapter 56”) authorize the City to enter into a development agreement regarding the development of real property.

Amendments to Current Law

This ordinance approves a development agreement between the City and County of San Francisco and 5M Project, LLC (“Developer”) in accordance with the Development Agreement Statute and Chapter 56. The development agreement would provide to Developer the right to develop the project site as described in the development agreement. There are no proposed amendments to Chapter 56.

Background Information

Under the development agreement, Developer will attain the vested right to develop the proposed project on the nearly 4-acre site located between Mission, Fifth and Howard Streets. The proposed project is a mixed-use development of new construction and renovated existing buildings, with 3 new buildings and 4 retained buildings, and contains up to 1,697,600 gross square feet (“gsf”) of building space. The project includes up to 821,300 gsf of residential uses (approximately 690 units), 807,600 gsf of office uses, 59,500 square feet of open space

and approximately 331,463 vehicle parking spaces, 429 Class 1 bicycle spaces and 66 Class 2 bicycle spaces. The term of the development agreement is 15 years.

By approving the ordinance, the Board would approve the use of impact fees and exactions for affordable housing and other community benefits, as set forth in the development agreement, and would waive any provision in Planning Code Article 4 and Administrative Code Article 10 that would conflict with the described uses. Accordingly, initial funds paid by Developer would be applied toward the creation of affordable housing and later funds would be applied toward transportation and other benefits. The Board is also confirming compliance with Administrative Code Chapters 14B and 56 or waiving any conflicting provision.

The Director of the Mayor's Office of Housing and Community Development would be authorized to acquire certain real property located at 967 Mission Street for the development of affordable housing, or in the alternative, to accept funds to be used for affordable housing as set forth in a transfer agreement that is attached to the development agreement.

By separate legislation, the Board is considering a number of actions in furtherance of project, including the approval of amendments to the City's General Plan, Planning Code and Zoning Map.

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11/17/15
Supervisor Yee Amendments

11/16/2015
[CHILD CARE (Rev)]

✓ (File No. 150708)
Development Agmt

1. 5M DA Project Description Amendment: Child Care alternative N-1 use:

Amend Development Agreement to add the following new Section 7.9:

"7.9 Child Care Use. Provided all Subsequent Approvals and applicable operating and licensing and other requirements as may be necessary are first obtained, Developer shall use good faith efforts to lease approximately 3,000 square feet of the N-1 Building active ground floor area to a qualified non-profit child care operator at a cost not exceeding landlord's actual costs (which shall not in any event exceed actual operating and tenant improvement costs reasonably allocated to similar child cares facilities in similar buildings). Developer shall commence efforts to engage such a qualified operator no less than one year prior to the N-1 Building anticipated completion date, which shall include efforts such as outreach to existing qualified non-profit child care operators and organizations. In connection with any such child care use, the portion of the open space immediately adjacent to the N-1 Building as may be required for applicable licensing requirements may be used for the child care facility. If, despite Developer's good faith efforts to do so, (1) a qualified non-profit operator has not been engaged or (2) Subsequent Approvals or licensing and operating requirements are not obtained within six (6) months of the issuance of a certificate of occupancy for the N-1 Building, then this obligation shall terminate. Upon any termination of the child care use, the open space that was used for the child care facility will become part of the adjacent open space area accessible to the public."

✓ (File No. 150787)

2. 5M SUD Amendment:

Insert the following at the end of 5M SUD Section 249.74(d)(7)(A):

"Any open space used to satisfy child care use licensing or other requirements may be used in calculating residential and non-residential open space requirements within the District."

11/17/15

Supervisor Kim Amendments

11/12/2015
[Mary Court West]

Construct Mary Court West with first Building.

Add the following new paragraph 8 to Development Agreement Exhibit B (Project Description):

8. Mary Court West.

a. Notwithstanding the foregoing provisions for construction of Mary Court West (approx. 14,600 sf), in connection with the construction of Building H-1, the Parties agree that if the Building H-1 is not constructed first (as is currently anticipated), then Mary Court West will be constructed when the first new Building, i.e., either Building H-1, M-2 or N-1, is constructed, and shall be completed before the issuance of the first certificate of occupancy for that first Building;

b. The City shall credit each subsequent new Building required to provide open space in accordance with the 5M SUD with the amount of open space constructed (or to be constructed pursuant to a permit), to the extent such preceding open space exceeds the open space required to be provided for such new Building.

(File No. 150768)
Development Agreement

Increase FCHD funding from \$300,000 to \$800,000.

Delete Development Agreement Section 4.1.1(i) and insert the following at the end of Section 4.1.1:

In addition to the 5M Community Benefit Fee, at the time of issuance of the first construction document for the H-1 Building, Developer shall contribute Eight Hundred Thousand Dollars (\$800,000) to MOHCD for the SOMA Community Stabilization Fund (as defined in and subject to the procedures of Planning Code section 418.7) to fund consultant work and other studies or measures in furtherance of adopting a Filipino Cultural Heritage District ("FCHD"), and to fund programs for direct service and space stabilization to implement and support the FCHD of which not less than Five Hundred Thousand Dollars shall be allocated to such implementation and support programs. All funds and grants must be distributed by MOHCD in accordance with the requirements of MOHCD and the SOMA Community Stabilization regulations and policies including, where applicable, a competitive process. All expenditures must first be approved by the City's Board of Supervisors in accordance with Planning Code section 418.7.

✓ (File No. 150788)
Development Agmt

11/12/2015

[\$1m Youth Funds to SOMA Stabilization]

(File No. 150788)
Development Agreement

Direct specified youth funds to MOHCD for SOMA Community Stabilization Fund.

Amend introductory paragraph of Development Agreement Exhibit C (Youth Development) as follows:

Developer shall make contributions to support youth development in the total amount of ~~\$4,000,000~~ ~~3,500,000~~ (Four Three Million Five Hundred Thousand Dollars) (the "Youth Development Funds"). Of this amount, (1) \$1,000,000 (One Million Dollars) shall be paid to the City's Department of Children, Youth and Families ("DCYF"), (2) \$1,500,000 (One Million Five Hundred Thousand Dollars) shall be paid to MOHCD, and (3) ~~1,000,000~~ \$1,500,000 (One Million Five Hundred Thousand Dollars) of the Project's Impact Fees and Exactions payable to the Downtown Park Fund shall be paid to the City's Department of Parks and Recreation ("RecPark") and allocated as provided below. The Youth Development Funds shall be paid to DCYF, MOHCD and RecPark, respectively, in the amounts and on or before the dates specified in Exhibit D and allocated as set forth in this Exhibit.

Amend paragraph 2(a) as Exhibit C as follows:

Non-Profit Capital Funds. The MOHCD funds shall be paid in the amount and at the time set forth in Exhibit D, and distributed allocated by MOHCD to the SOMA Community Stabilization Fund Northern California Community Loan Fund either as a lump sum or in installments to be used only for direct service or space stabilization in areas such as for capital improvements, organizational expansion and/or building acquisition within the SoMa impact area identified in Attachment 1 so as to provide facilities for youth and family organization or organizations, and which facilities may also serve as a site for civic gatherings and neighborhood programming. Consideration will be given to organizations with a demonstrated track record of providing financial expertise, supplying grants and technical assistance to youth and family serving non-profit organizations arts and cultural institutions in SoMa (including those that target high risk and/or disadvantaged populations) that are seeking to acquire permanently affordable program and office space. All funds and grants must be distributed by MOHCD in accordance with the requirements of MOHCD and the SOMA Community Stabilization regulations and policies including, where applicable, a competitive process. All expenditures must first be approved by the City's Board of Supervisors in accordance with Planning Code section 418.7.

Amend paragraph 3(a) as Exhibit C as follows:

Gene Friend Recreation Center and Manalo Draves Park. The Developer's Downtown Park Fund contribution shall be paid at the times provided in Exhibit D. RecPark will use no less than \$1,000,000 (One Million Dollars) of these funds to support renovations and upgrades to the Gene Friend Recreation Center and the adjacent outdoor play area located at 270 Sixth Street and \$500,000 (Five Hundred Thousand Dollars) (the "GFRC") and the balance for improvements to at either the GFRC or Manalo Draves Park.

(File No. 150700)
Development Agmt
✓

Direct specified workforce funds to MOHCD for SOMA Community Stabilization Fund.

Retain \$1.5 million of Workforce Job Readiness and Training Funds, but amend references in Exhibit F (Workforce Agreement) from OEWD to MOHCD, and allocate funds for distribution through the SOMA Community Stabilization Fund.

Delete paragraphs 3 (*ICT Internships*), 4 (*TechSF -ICT Training Program*) and 5 (*Specialized Construction Training*) of Exhibit F, and replace with the following as a new paragraph 3:

SOMA Stabilization Fund's Economic Advancement for Families and Individuals. Approximately \$1,000,000 (One Million Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to MOHCD's program for economic advancement for families and individuals. MOHCD's and the SOMA Stabilization Fund's economic advancement program brings together legal services, case management, adult educational support, support for transitional age youth, financial literacy and asset building, social capital development, and strategic linkages through neighborhood and community centers to maximize individual and family economic self-sufficiency. Priority shall be given to those services which help individual and families overcome barriers and enable them to access services, often those services which other City departments have also prioritized.

Add Supplemental Community Benefits Fee.

Add the following to the Development Agreement Definitions Section 1:

"5M Supplemental Community Benefits Fee means an amount equal to \$1.41 per square foot of gross square feet of floor area (as defined in Planning Code Section 102) of commercial or residential uses (exclusive of Existing Uses) of the N-1 Building and H-1 Building as same is set forth in the applicable Approval and shall be payable at the time of issuance of the certificate of occupancy for the applicable Building."

Add the following at the end of Development Agreement Section 4.1.1:

"Developer shall pay the 5M Supplemental Community Benefits Fee and a sum equal to \$1,000,000 (One Million Dollars) to the Office of Community Investment and Infrastructure ("OCII") on or before the dates provided in the Community Benefits Schedule attached hereto as Exhibit D, which shall be allocated to the Yerba Buena Gardens Separate Account for capital expenditures, the operation and maintenance of the public use areas of Yerba Buena Gardens and for no other purpose. If OCII shall have ceased to exist for any reason whatsoever, then all such amounts shall be paid to the City."

(File No. 150708)
Development Agmt
✓

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND 5M PROJECT, LLC

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- G Transportation Program
- H Art Program
- I List of Approvals
- J MMRP
- K Form of Assignment and Assumption Agreement
- L Notice of Completion and Termination

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND 5M, LLC

THIS DEVELOPMENT AGREEMENT dated for reference purposes only as of this ____ day of _____, 2015, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "**City**"), acting by and through its Planning Department, and 5M Project, LLC, a Delaware limited liability company ("**Developer**"), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the Administrative Code. The City and Developer are also sometimes referred to individually as a "**Party**" and together as the "**Parties**". Capitalized terms not defined when introduced shall have the meanings given in Article 1.

RECITALS

This Agreement is made with reference to the following facts:

A. Developer owns and operates the nearly 4-acre area generally between Mission, Fifth and Howard Streets composed of 8 building and 7 surface parking lots on 22 parcels, containing approximately 317,700 gross square feet of existing office and commercial uses and 219 parking spaces, including the historic Dempster Printing Building, Camelline Building and San Francisco Chronicle Building, all located on the real property more particularly described on Exhibit A (the "**Project Site**").

B. The Developer proposes a mixed use development that recognizes the transit-rich location for housing and employment on the Project Site, including office, residential, retail, cultural, educational, open space, parking and related uses. Specifically, the Project includes up

to 807,600, gross square feet of office uses (including ground floor uses), up to 821,300 gross square feet of residential uses (including both rental and ownership units), approximately 68,700 gross square feet of other active ground floor uses, and collectively up to 1,697,600 gross square feet of new construction and renovated existing building space, approximately 331 associated parking spaces in three subterranean levels, approximately 429 Class 1 bicycle parking spaces, approximately 66 Class 2 bicycle parking spaces, and approximately 59,500 square feet of public and private open space, all as more particularly described on Exhibit B (the "**Project**").

C. The Project is anticipated to generate an annual average of approximately 1,200 construction jobs during construction and, upon completion, approximately 3,150 net new permanent jobs, and an approximately \$12,100,000 annual increase in general fund revenues to the City.

D. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864 *et seq.* (the "**Development Agreement Statute**"), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property. Pursuant to Government Code Section 65865, the City adopted Chapter 56 of the Administrative Code ("**Chapter 56**") establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute. The Parties are entering into this Agreement in accordance with the Development Agreement Statute and Chapter 56.

E. In addition to the significant housing, jobs, urban revitalization, and economic benefits to the City from the Project, the City has determined that as a result of the development

of the Project in accordance with this Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Major additional public benefits to the City from the Project include an increase in affordable housing that exceeds that otherwise required and is anticipated to equal forty percent (40%) of the total market-rate housing for the Project; a robust workforce commitment, community benefits fees, and the rehabilitation of the Chronicle and Dempster Printing Buildings; and the retention of the Camelline Building; each as further described in this Agreement.

F. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in a way as to fully comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*; "CEQA"), the CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*); "CEQA Guidelines"), the Development Agreement Statute, Chapter 56, the Planning Code, the Enacting Ordinance and all other applicable Laws in effect as of the Effective Date. This Agreement does not limit the City's obligation to comply with applicable environmental Laws, including CEQA, before taking any discretionary action regarding the Project, or the Developer's obligation to comply with all applicable Laws in connection with the development of the Project.

G. The Final Environmental Impact Report ("FEIR") prepared for the Project and certified by the Planning Commission on September 17, 2015, together with the CEQA findings (the "CEQA Findings") and the Mitigation Measures adopted concurrently therewith and set forth in the MMRP, comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The FEIR thoroughly analyzes the Project and Project alternatives, and the Mitigation Measures were designed to mitigate significant impacts to the extent they are

susceptible to feasible mitigation. On _____, 2015, the Board of Supervisors, in Motion No. _____, affirmed the decisions of the Planning Commission to certify the FEIR and rejected the appeal of the FEIR certification. The information in the FEIR and the CEQA Findings were considered by the City in connection with approval of this Agreement.

H. On September 17, 2015, the Planning Commission held a public hearing on this Agreement and the Project, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission adopted the CEQA findings and determined among other things that the FEIR thoroughly analyzes the Project, and the Mitigation Measures are designed to mitigate significant impacts to the extent they are susceptible to a feasible mitigation, and further determined that the Project and this Agreement will, as a whole, and taken in their entirety, continue to be consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended, and the Planning Principles set forth in Section 101.1 of the Planning Code (together the "**General Plan Consistency Findings**"). The information in the FEIR and the CEQA Findings has been considered by the City in connection with this Agreement.

I. On _____, 2015 the Board of Supervisors, having received the Planning Commission's recommendations, held a public hearing on this Agreement pursuant to the Development Agreement Statute and Chapter 56. Following the public hearing, the Board made the CEQA Findings required by CEQA, approved this Agreement, incorporating by reference the General Plan Consistency Findings [and adopted Resolution Nos. _____].

J. On _____, 2015, the Board adopted Ordinance Nos. _____, amending the Planning Code, Zoning Map, and General Plan, and adopted Ordinance No. _____, approving this Agreement (File No. _____) and authorizing the Planning

Director to execute this Agreement on behalf of the City (the "Enacting Ordinance"). The Enacting Ordinance took effect on _____, 2015.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

In addition to the definitions set forth in the above preamble paragraph, Recitals and elsewhere in this Agreement, the following definitions shall apply to this Agreement:

1.1 "5M Community Benefit Fee" means an amount equal to eight dollars thirty-five cents (\$8.35) per square foot of new gross floor area as defined in Planning Code Section 102 of commercial or residential uses (exclusive of Existing Uses) as same is set forth in the applicable Approval.

1.2 "5M Supplemental Community Benefits Fee" means an amount equal to \$1.41 per square foot of gross square feet of floor area (as defined in Planning Code Section 102) of commercial or residential uses (exclusive of Existing Uses) of the N 1 Building and H 1 Building as same is set forth in the applicable Approval and shall be payable at the time of issuance of the certificate of occupancy for the applicable Building.

1.3 ~~1.2~~ "5M SUD" means Planning Code Section 249.74 as adopted by the Board in Ordinance No. ____.

1.4 ~~1.3~~ "Administrative Code" means the San Francisco Administrative Code.

1.5 ~~1.4~~ "Affiliate" or "Affiliates" means an entity or person that directly or indirectly controls, is controlled by or is under common control with, a Party (or a managing

partner or managing member of a Party, as the case may be). For purposes of the foregoing, "control" means the ownership of more than fifty percent (50%) of the equity interest in such entity, the right to dictate major decisions of the entity, or the right to appoint fifty percent (50%) or more of the managers or directors of such entity.

1.6 ~~1.5~~ "Agreement" means this Development Agreement, the Exhibits which have been expressly incorporated herein and any amendments thereto.

1.7 ~~1.6~~ "Applicable Laws" has the meaning set forth in Section 5.2 (where not capitalized, "applicable Law" has its plain meaning and refers to Laws as otherwise defined herein).

1.8 ~~1.7~~ "Approvals" means the City approvals, entitlements, and permits listed on Exhibit I.

1.9 ~~1.8~~ "Assignment and Assumption Agreement" has the meaning set forth in Section 12.2.

1.10 ~~1.9~~ "Backup Payment" has the meaning set forth in the Housing Program.

1.11 ~~1.10~~ "BMR units" has the meaning set forth in the Housing Program.

1.12 ~~1.11~~ "Board of Supervisors" or "Board" means the Board of Supervisors of the City and County of San Francisco.

1.13 ~~1.12~~ "Building" or "Buildings" means each of the existing, modified and new buildings on the Project Site, as described in the Project Description attached as Exhibit B.

1.14 ~~1.13~~ "CEQA" has the meaning set forth in Recital F.

1.15 ~~1.14~~ "CEQA Findings" has the meaning set forth in Recital G.

1.16 ~~1.15~~ "CEQA Guidelines" has the meaning set forth in Recital F.

1.17 ~~1.16~~ "Chapter 56" has the meaning set forth in Recital D.

1.18 ~~1.17~~ "City" means the City as defined in the opening paragraph of this Agreement. Unless the context or text specifically provides otherwise, references to the City means the City acting by and through the Planning Director or, as necessary, the Planning Commission or the Board of Supervisors.

1.19 ~~1.18~~ "City Agency" or "City Agencies" means the City departments, agencies, boards, commissions, and bureaus that execute or consent to this Agreement, or are controlled by persons or commissions that have executed or consented to this Agreement, that have subdivision or other permit, entitlement or approval authority or jurisdiction over development of the Project, or any improvement located on or off the Project Site, including, without limitation, the City Administrator, Planning Department, Mayor's Office of Housing and Community Development ("MOHCD"), Office of Economic and Workforce Development ("OEWD"), SFMTA, DPW, DBI, together with any successor City agency, department, board, or commission. Nothing in this Agreement shall affect the exclusive jurisdiction under the City's Charter of a City department that has not approved or consented to this Agreement in connection with the issuance of a Subsequent Approval.

1.20 ~~1.19~~ "City Attorney's Office" means the Office of the City Attorney of the City and County of San Francisco.

1.21 ~~1.20~~ "City Costs" means the actual and reasonable costs incurred by a City Agency in preparing, adopting or amending this Agreement, in performing its obligations or defending its actions under this Agreement or otherwise contemplated by this Agreement, as determined on a time and materials basis, including reasonable attorneys' fees and costs but excluding work, hearings, costs or other activities contemplated or covered by Processing Fees;

provided, however, City Costs shall not include any costs incurred by a City Agency in connection with a City Default or which are payable by the City under Section 9.6 when Developer is the prevailing party.

1.22 ~~1.21~~ "**City Parties**" has the meaning set forth in Section 4.7.

1.23 ~~1.22~~ "**City-Wide**" means all real property within the territorial limits of the City and County of San Francisco, not including any property owned or controlled by the United States or by the State of California and therefore not subject to City regulation.

1.24 ~~1.23~~ "**Commence Construction**" means groundbreaking in connection with the commencement of physical construction of the applicable Building foundation, but specifically excluding the demolition or partial demolition of existing structures.

1.25 ~~1.24~~ "**Community Benefits**" has the meaning set forth in Section 4.1.

1.26 ~~1.25~~ "**Costa-Hawkins Act**" has the meaning set forth in Section 5.11.

1.27 ~~1.26~~ "**Default**" has the meaning set forth in Section 9.3.

1.28 ~~1.27~~ "**Dempster Building**" has the meaning set forth in Exhibit B.

1.29 ~~1.28~~ "**Dempster MOU**" has the meaning set forth in Section 3.2.2.

1.30 ~~1.29~~ "**Design for Development**" means that certain 5M Design for Development adopted by the City Planning Commission by Resolution No. ____ on _____, 2015 as same may be amended from time to time.

1.31 ~~1.30~~ "**Developer**" has the meaning set forth in the opening paragraph of this Agreement, and shall also include any and all successor Transferees of all or any part of the Project Site during the Term.

1.32 ~~1.31~~ "**Development Agreement Statute**" has the meaning set forth in Recital D, as in effect as of the Effective Date.

1.33 ~~1.32~~ "DPW" means the San Francisco Department of Public Works.

1.34 ~~1.33~~ "Effective Date" has the meaning set forth in Section 2.1.

1.35 ~~1.34~~ "Enacting Ordinance" has the meaning set forth in Recital J.

1.36 ~~1.35~~ "Excusable Delay" has the meaning set forth in Section 11.5.2.

1.37 ~~1.36~~ "Existing Standards" has the meaning set forth in Section 5.2.

1.38 ~~1.37~~ "Existing Uses," means all existing lawful uses of the existing Buildings and improvements (and including, without limitation, pre-existing, non-conforming uses under the Planning Code) on the Project Site as of the Effective Date, as the same may be modified by the Approvals and any Subsequent Approvals.

1.39 ~~1.38~~ "Federal or State Law Exception" has the meaning set forth in Section 5.6.

1.40 ~~1.39~~ "FEIR" has the meaning set forth in Recital G.

1.41 ~~1.40~~ "Finally Granted" means (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any of the Approvals, this Agreement or the FEIR shall have expired and no such appeal shall have been filed, or if such an administrative or judicial appeal is filed, the Approvals, this Agreement or the FEIR, as applicable, shall have been upheld by a final decision in each such appeal without adverse effect on the applicable Approval, this Agreement or the FEIR and the entry of a final judgment, order or ruling upholding the applicable Approval, this Agreement or the FEIR and (ii) if a referendum petition relating to this Agreement is timely and duly circulated and filed, certified as valid and the City holds an election, the date the election results on the ballot measure are certified by the Board of Supervisors in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

1.42 ~~1.41~~ "**Future Changes to Existing Standards**" has the meaning set forth in Section 5.3.

1.43 ~~1.42~~ "**General Plan Consistency Findings**" has the meaning set forth in Recital H.

1.44 ~~1.43~~ "**Housing Program**" means the Affordable Housing Program attached hereto as Exhibit E.

1.45 ~~1.44~~ "**Impact Fees and Exactions**" means any fees, contributions, special taxes, exactions, impositions and dedications charged by the City in connection with the development of Projects, including but not limited to transportation and transit fees, child care requirements or in-lieu fees, housing (including affordable housing) requirements or fees, dedication or reservation requirements, and obligations for on-or off-site improvements. Impact Fees and Exactions shall not include the Mitigation Measures, Processing Fees, taxes or special assessments or school district fees, SFPUC Capacity Charges and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by Developer as and when due in accordance with applicable Laws.

1.46 ~~1.45~~ "**Law(s)**" means the Constitution and laws of the United States, the Constitution and laws of the State of California, the laws of the City and County of San Francisco, and any codes, statutes, rules, regulations, or executive mandates thereunder, and any State or Federal court decision (including any order, injunction or writ) thereunder. The term "**Laws**" shall refer to any or all Laws as the context may require.

1.47 ~~1.46~~ "**Litigation Extension**" has the meaning set forth in Section 11.5.1.

1.48 ~~1.47~~ "**Losses**" has the meaning set forth in Section 4.7.

1.49 ~~1.48~~ "**Material Change**" means any modification that would materially alter the rights, benefits or obligations of the City or Developer under this Agreement that is not consistent with the 5M SUD or the Design for Development or that (i) extends the Term, (ii) changes the permitted uses of the Project Site, (iii) decreases the Community Benefits, (iv) increases the maximum height, density, bulk or size of the Project, (vii) changes parking ratios, or (viii) reduces or changes the Impact Fees and Exactions.

1.50 ~~1.49~~ "**Mitigation Measures**" means the mitigation measures (as defined by CEQA) applicable to the Project as set forth in the MMRP or that are necessary to mitigate adverse environmental impacts identified through the CEQA process as part of a Subsequent Approval.

1.51 ~~1.50~~ "**MMRP**" means that certain mitigation monitoring and reporting program attached hereto as Exhibit J.

1.52 ~~1.51~~ "**Mortgage**" means a mortgage, deed of trust or other lien on all or part of the Project Site to secure an obligation made by the applicable property owner.

1.53 ~~1.52~~ "**Mortgagee**" means a person or entity that obtains title to all or part of the Project Site as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action.

1.54 ~~1.53~~ "**Municipal Code**" means the San Francisco Municipal Code.

1.55 ~~1.54~~ Intentionally left blank.

1.56 ~~1.55~~ "**Non-City Agency**" has the meaning set forth in Section 7.3.

1.57 ~~1.56~~ "**Non-City Approval**" has the meaning set forth in Section 7.3.

1.58 ~~1.57~~ "**OEWD**" means the San Francisco Office of Economic and Workforce Development.

1.59 ~~1.58~~ "**Official Records**" means the official real estate records of the City and County of San Francisco, as maintained by the City's Assessor-Recorder's Office.

1.60 ~~1.59~~ "**Party**" and "**Parties**" has the meaning set forth in the opening paragraph of this Agreement.

1.61 ~~1.60~~ "**Planning Code**" means the San Francisco Planning Code.

1.62 ~~1.61~~ "**Planning Commission**" means the Planning Commission of the City and County of San Francisco.

1.63 ~~1.62~~ "**Planning Department**" means the Planning Department of the City and County of San Francisco.

1.64 ~~1.63~~ "**Planning Director**" means the Director of Planning of the City and County of San Francisco.

1.65 ~~1.64~~ "**Processing Fees**" means the standard fee imposed by the City upon the submission of an application for a permit or approval, which is not an Impact Fee or Exaction, in accordance with the City practice on a City-Wide basis.

1.66 ~~1.65~~ "**Project**" means the mixed use development project as described in Recital B and Exhibit B and the Approvals, together with Developer's rights and obligations under this Agreement.

1.67 ~~1.66~~ "**Project Site**" has the meaning set forth in Recital A, and as more particularly described in Exhibit A.

1.68 ~~1.67~~ "**Public Health and Safety Exception**" has the meaning set forth in Section 5.6.

1.69 ~~1.68~~ Intentionally left blank.

1.70 ~~1.69~~—"SFMTA" means the San Francisco Municipal Transportation Agency.

1.71 ~~1.70~~—"SFPUC" means the San Francisco Public Utilities Commission.

1.72 ~~1.71~~—"SFPUC Capacity Charges" means all water and sewer capacity and connection fees and charges payable to the SFPUC, as and when due in accordance with the applicable City requirements.

1.73 ~~1.72~~—"Subdivision Code" means the San Francisco Subdivision Code.

1.74 ~~1.73~~—"Subdivision Map Act" means the California Subdivision Map Act, California Government Code § 66410 *et seq.*

1.75 ~~1.74~~—"Subsequent Approval" means any other land use approvals, entitlements, or permits from the City other than the Approvals, that are consistent with the Approvals and that are necessary or advisable for the implementation of the Project, including without limitation, demolition permits, grading permits, site permits, Building permits, lot line adjustments, sewer and water connection permits, major and minor encroachment permits, street and sidewalk modifications, street improvement permits, permits to alter, certificates of occupancy, transit stop relocation permits, subdivision maps, improvement plans, lot mergers, lot line adjustments, and re-subdivisions. A Subsequent Approval shall also include any amendment to the foregoing land use approvals, entitlements, or permits, or any amendment to the Approvals that are sought by Developer and approved by the City in accordance with the standards set forth in this Agreement.

1.76 ~~1.75~~—"Term" has the meaning set forth in Section 2.2.

1.77 ~~1.76~~—"Third-Party Challenge" has the meaning set forth in Section 7.4.

1.78 ~~1.77~~ "**Transfer Agreement**" means that certain Agreement for Transfer of Real Estate attached as Schedule 2 of Exhibit E for the transfer of certain property outside the Project Site from Developer to the City to be used by the City for the development of affordable housing or to fund the development of affordable housing, as may be determined by City, as further described in the Housing Program.

1.79 ~~1.78~~ "**Transfer,**" "**Transferee**" and "**Transferred Property**" have the meanings set forth in Sections 12.1, and in all events excludes (1) a transfer of membership interests in Developer or any Transferee, (2) grants of easement or of occupancy rights for existing or completed Buildings or other improvements (including, without limitation, space leases in Buildings), (3) the placement of a Mortgage on the Project Site, and (4) a transfer of the Dempster Building and a transfer under the Transfer Agreement in accordance with this Agreement.

1.80 ~~1.79~~ "**Transportation Program**" means the transportation program set forth in Exhibit G.

1.81 ~~1.80~~ "**Vacation Ordinance**" has the meaning set forth in Exhibit I.

1.82 ~~1.81~~ "**Vested Elements**" has the meaning set forth in Section 5.1.

1.83 ~~1.82~~ "**Workforce Agreement**" means the Workforce Agreement attached hereto as Exhibit F.

2. EFFECTIVE DATE; TERM

2.1 Effective Date. This Agreement shall take effect upon the later of (i) the full execution and delivery of this Agreement by the Parties and (ii) the date the Enacting Ordinance is effective and operative ("**Effective Date**").

2.2 Term. The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for fifteen (15) years thereafter unless extended or earlier terminated as provided herein ("**Term**"); provided, however, (i) the Term shall be extended for each day of a Litigation Extension, and (ii) Developer shall have the right to terminate this Agreement with respect to a parcel upon completion of the Building within that parcel, and the Community Benefit Programs and other improvements tied to that Building, as set forth in Section 7.1. The term of any conditional use permit, any tentative Subdivision Map and any subsequent subdivision map shall be for the longer of (i) the Term (as it relates to the applicable parcel) or (ii) the term otherwise allowed under the Subdivision Map Act.

3. GENERAL RIGHTS AND OBLIGATIONS

3.1 Development of the Project. Developer shall have the vested right to develop the Project in accordance with and subject to the provisions of this Agreement and the City shall consider and process all Subsequent Approvals for development of the Project in accordance with and subject to the provisions of this Agreement. The Parties acknowledge that Developer has obtained all Approvals from the City required to commence construction of the Project, other than any required Subsequent Approvals and that Developer may proceed in accordance with this Agreement with the construction and, upon completion, use and occupancy of the Project as a matter of right, subject to the attainment of any required Subsequent Approvals and any Non-City Approvals.

3.2 Transfer of Properties. In connection with the Project, Developer will:

3.2.1 transfer certain real property located off of the Project Site to the City in accordance with the Transfer Agreement (or alternatively pay to the City the Backup Payment); and

3.2.2 transfer certain real property, referred to as the Dempster Building located on the Project Site at 447 Minna Street, to the Community Arts and Stabilization Trust ("CAST") or to another nonprofit organization (or to the City), as set forth in Section 7.8 and Exhibit H, to be used for arts, and other cultural and community purposes when and as described in the Memorandum of Understanding (the "**Dempster MOU**") entered into by Developer and CAST, dated July 5, 2015. The Dempster MOU shall not be materially amended with respect to the rights, obligations and conditions to the transfer or use of the Dempster Building, as described in Section 7.8 below, without the prior review and written approval of City, acting by and through its Director of Planning, which approval shall not be unreasonably withheld or delayed.

4. PUBLIC BENEFITS; DEVELOPER OBLIGATIONS AND CONDITIONS TO DEVELOPER'S PERFORMANCE

4.1 Community Benefits Exceed Those Required by Existing Ordinances and Regulations. The Parties acknowledge and agree that the development of the Project in accordance with this Agreement provides a number of public benefits to the City beyond those achievable through existing Laws, including, but not limited to, those set forth in this Article 4 (the "**Community Benefits**"). The City acknowledges and agrees that a number of the Community Benefits would not be otherwise achievable without the express agreement of Developer under this Agreement. Developer acknowledges and agrees that, as a result of the benefits to Developer under this Agreement, Developer has received good and valuable consideration for its provision of the Community Benefits, and that the City would not be willing to enter into this Agreement without the Community Benefits. Payment or delivery of each of the Community Benefits is tied to a specific Building as described in the Community Benefits

Schedule attached as Exhibit D or as described elsewhere in this Agreement. Upon Developer's Commencement of Construction, the Community Benefits obligations tied to that Building shall survive the expiration or termination of this Agreement to the date of completion of the applicable Community Benefit. Time is of the essence with respect to the completion of the Community Benefits.

4.1.1 Community Benefits. Developer shall provide the following Community Benefits (collectively, the "**Community Benefit Programs**"):

- (a) the 5M Community Benefit Fee;
- (b) the Housing Program benefits as further described in Exhibit E;
- (c) the Workforce Agreement benefits including the Workforce Jobs Readiness Training as further described in Exhibit F;
- (d) the Transportation Program benefits as further described in Exhibit G;
- (e) the transfer of the Dempster Building to CAST, as described in Section 3.2.2 and in Section 7.8;
- (f) the Arts Program benefits as described in Section 5.4.2.1 and Exhibit H;
- (g) the Youth Development Program benefits, as described in Exhibit C;
- (h) ~~(h)~~ a One Million Dollar (\$1,000,000) contribution to the City's Real Property Director for capital improvements to and

associated technical studies for the San Francisco Old Mint building at the time and as provided in Exhibit D; and

(i) ~~a Three Hundred Thousand Dollar (\$300,000) contribution to the Planning Department to fund staff time, consultant work and other studies or measures in furtherance of adopting a Filipino Cultural Heritage District in the vicinity of the Project at the time and as provided in Exhibit D.~~

In addition to the 5M Community Benefit Fee, at the time of issuance of the first construction document for the H-1 Building, the Developer shall contribute Eight Hundred Thousand Dollar (\$800,000) to MOHCD for the SOMA Community Stabilization Fund (as defined in and subject to the procedures of Planning Code section 418.7) to fund consultant work and other studies or measures in furtherance of adopting a Filipino Cultural Heritage District ("FCHD"), and to fund programs for direct service and space stabilization to implement and support the FCHD of which not less than Five Hundred Thousand Dollars shall be allocated to such implementation and support programs. All funds and grants must be distributed by MOHCD in accordance with the requirements of MOHCD and the SOMA Community Stabilization regulations and policies including, where applicable, a competitive process. All expenditures must first be approved by the City's Board of Supervisors in accordance with Planning Code section 418.7.

Developer shall pay the 5M Community Benefits Fee or complete each of the Community Benefits on or before the dates provided in this Agreement (including the Community Benefits Schedule attached hereto as Exhibit D) and the Approvals. Any payments or property received by the City as part of the Community Benefits shall be used by the City as

described in this Agreement. Upon Developer's request, the City shall provide to Developer evidence of the use of the funds by the City consistent with the requirements of this Agreement.

Developer shall pay the 5M Supplemental Community Benefits Fee and a sum equal to \$1,000,000 (One Million Dollars) to the Office of Community Investment and Infrastructure ("OCII") on or before the dates provided in the Community Benefits Schedule attached hereto as Exhibit D, which shall be allocated to the Yerba Buena Gardens Separate Account for capital expenditures, the operation and maintenance of the public use areas of Yerba Buena Gardens and for no other purpose. If OCII shall have ceased to exist for any reason whatsoever, then all such amounts shall be paid to the City.

4.2 Conditions to Performance of Community Benefits. Developer's obligation to perform Community Benefits is expressly conditioned upon each and all of the following conditions precedent:

- (a) All Approvals shall have been Finally Granted;
- (b) The City and any applicable Non-City Agency shall have performed or granted any and all of their respective actions, approvals or authorizations and/or issued such permits or licenses required in order to permit Developer to Commence Construction of the Building or Project component to which Community Benefit applies, and same shall have been Finally Granted except to the extent that such actions, approvals or authorizations, or permits or licenses have not been performed or granted due to the failure of Developer to timely initiate and then diligently and in good faith pursue such actions, approvals, authorizations or issuances; and
- (c) Developer shall have obtained all Subsequent Approvals necessary to Commence Construction of the applicable Building to which the Community

Benefit or Project component applies, and same shall have been Finally Granted, except to the extent that such Subsequent Approvals have not been obtained or Finally Granted due to the failure of Developer to timely initiate and then diligently and in good faith pursue such Subsequent Approvals.

Whenever this Agreement requires completion of a Community Benefit at or before completion of a Building, the City may, except as set forth in Section 7.8, withhold a certificate of occupancy for that Building until the required Community Benefit is completed.

4.3 No Additional CEQA Review Required; Reliance on FEIR for Future Discretionary Approvals. The Parties acknowledge that the FEIR prepared for the Project complies with CEQA. The Parties further acknowledge that (a) the FEIR contains a thorough analysis of the Project and possible alternatives, (b) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Project, and (c) the Board of Supervisors adopted CEQA Findings, including a statement of overriding considerations in connection with the Approvals, pursuant to CEQA Guidelines Section 15093, for those significant impacts that could not be mitigated to a less than significant level. For these reasons, (i) the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Project vested under this Agreement, and (ii) the City shall rely on the FEIR, to the greatest extent possible in accordance with applicable Laws, in all future discretionary actions related to the Project; provided, however, that nothing shall prevent or limit the discretion of the City to conduct additional environmental review in connection with any Subsequent Approvals to the extent that such additional environmental review is required by applicable Laws, including CEQA.

4.3.1 Compliance with CEQA Mitigation Measures. Developer shall comply with all Mitigation Measures imposed as applicable to each Project component, except for any Mitigation Measures that are expressly identified as the responsibility of a different party or entity. Without limiting the foregoing, Developer shall be responsible for the completion of all Mitigation Measures identified as the responsibility of the "owner" or the "project sponsor". The Parties expressly acknowledge that the FEIR and the associated MMRP are intended to be used in connection with each of the Approvals and any Subsequent Approvals to the extent appropriate and permitted under applicable Law. Nothing in this Agreement shall limit the ability of the City to impose conditions on any new, discretionary permit resulting from Material Changes as such conditions are determined by the City to be necessary to mitigate adverse environmental impacts identified through the CEQA process and associated with the Material Changes or otherwise to address significant environmental impacts as defined by CEQA created by an approval or permit; provided, however, any such conditions must be in accordance with applicable Law.

4.4 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate against any employee, City employee working with Developer's contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with

members of such protected classes, or in retaliation for opposition to discrimination against such classes.

4.5 City Cost Recovery

4.5.1 Developer shall timely pay to the City all Impact Fees and Exactions applicable to the Project or the Project Site as set forth in Section 5.4 of this Agreement.

4.5.2 Developer shall timely pay to the City all Processing Fees applicable to the processing or review of applications for the Approvals and Subsequent Approvals as set forth in Section 5.4 of this Agreement.

4.5.3 Developer shall pay to the City all City Costs incurred in connection with the drafting and negotiation of this Agreement, defending the Approvals and Subsequent Approvals as set forth in Section 7.4, and in processing and issuing any Subsequent Approvals or administering this Agreement (except for the costs that are covered by Processing Fees), within sixty (60) days following receipt of a written invoice complying with Section 4.5.4 from the City.

4.5.4 OEWD shall provide Developer on a quarterly basis (or such alternative period as agreed to by the Parties) a reasonably detailed statement showing costs incurred by OEWD, the City Agencies and the City Attorney's Office, including the hourly rates for each City staff member at that time, the total number of hours spent by each City staff member during the invoice period, any additional costs incurred by the City Agencies and a brief non-confidential description of the work completed (provided, for the City Attorney's Office, the billing statement will be reviewed and approved by OEWD but the cover invoice forwarded to Developer will not include a description of the work). OEWD will use reasonable efforts to

provide an accounting of time and costs from the City Attorney's Office and each City Agency in each invoice; provided, however, if OEWD is unable to provide an accounting from one or more of such parties OEWD may send an invoice to Developer that does not include the charges of such party or parties without losing any right to include such charges in a future or supplemental invoice. Developer's obligation to pay the City Costs shall survive the termination of this Agreement. Developer shall have no obligation to reimburse the City for any City Cost that is not invoiced to Developer within eighteen (18) months from the date the City Cost was incurred. The City will maintain records, in reasonable detail, with respect to any City Costs and upon written request of Developer, and to the extent not confidential, shall make such records available for inspection by Developer.

4.5.5 If Developer in good faith disputes any portion of an invoice, then within sixty (60) days following receipt of the invoice Developer shall provide notice of the amount disputed and the reason for the dispute, and the Parties shall use good faith efforts to reconcile the dispute as soon as practicable. Developer shall have no right to withhold the disputed amount. If any dispute is not resolved within ninety (90) days following Developer's notice to the City of the dispute, Developer may pursue all remedies at law or in equity to recover the disputed amount.

4.6 Prevailing Wages. Developer agrees that all persons performing labor in the construction of public improvements as defined in the Administrative Code, or otherwise as required by California law, on the Project Site shall be paid not less than the highest prevailing rate of wages for the labor so performed as provided under Section 6.22(E) of the Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California,

and Developer shall include this requirement in any contract entered into by Developer for the construction of any such public improvements. Upon request, Developer and its contractors will provide to City any workforce payroll records as needed to confirm compliance with this section.

4.7 Indemnification of City. Developer shall indemnify, reimburse, and hold harmless the City and its officers, agents and employees (the "**City Parties**") from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims ("**Losses**") arising or resulting directly or indirectly from (i) any third party claim arising from a default by Developer under this Agreement, (ii) Developer's failure to comply with any Approval, Subsequent Approval or Non-City Approval, (iii) the failure of any improvements constructed pursuant to the Approvals or Subsequent Approvals to comply with any Federal or State Laws, the Existing Standards or any permitted Future Changes to Existing Standards, (iv) any accident, bodily injury, death, personal injury or loss of or damage to property occurring on a Project Site (or off-site, with regard to the Public Improvements) in connection with the construction by Developer or its agents or contractors of any improvements pursuant to the Approvals, Subsequent Approvals or this Agreement, (v) a Third-Party Challenge instituted against the City or any of the City Parties, (vi) any dispute between Developer, its contractors or subcontractors relating to the construction of any part of the Project, and (vii) any dispute between Developer and any Transferee or any subsequent owner of any of the Project Site relating to any assignment of this Agreement or the obligations that run with the land, or any dispute between Developer and any Transferee or other person relating to which party is responsible for performing certain obligations under this Agreement, each regardless of the negligence of and regardless of whether liability without fault is imposed or sought to be imposed on the City or any of the City Parties, except to the extent that such indemnity is void or

otherwise unenforceable under applicable Law, and except to the extent such Loss is the result of the negligence or willful misconduct of the City Parties. The foregoing indemnity shall include, without limitation, reasonable attorneys' fees and costs and the City's reasonable cost of investigating any claims against the City or the City Parties. All indemnifications set forth in this Agreement shall survive the expiration or termination of this Agreement, to the extent such indemnification obligation arose from an event occurring before the expiration or termination of this Agreement. To the extent the indemnifications relate to Developer's obligations that survive the expiration or termination of this Agreement, the indemnifications shall survive for the term of the applicable obligation plus four years.

5. VESTING AND CITY OBLIGATIONS

5.1 Vested Rights. By the Approvals the City has made a policy decision that the Project, as described in and as may be modified in accordance with the Approvals, is in the best interests of the City and promotes the public health, safety and welfare. Developer shall have the vested right to develop the Project as set forth in this Agreement, including without limitation with the following vested elements: the locations and numbers of Buildings proposed, the land uses, height and bulk limits, including the maximum density, intensity and gross square footages, the permitted uses, the provisions for open space vehicular access and parking, (collectively, the "**Vested Elements**"; provided the Existing Uses on the Project Site shall also be included as Vested Elements). The Vested Elements are subject to and shall be governed by Applicable Laws. The expiration of any Building permit or Approval shall not limit the Vested Elements, and Developer shall have the right to seek and obtain subsequent Building permits or approvals, including Subsequent Approvals at any time during the Term, any of which shall be

governed by Applicable Laws. Each Subsequent Approval, once granted, shall be deemed an Approval for purposes of this Section 5.1.

5.2 Existing Standards. The City shall process, consider, and review all Subsequent Approvals in accordance with (i) the Approvals, (ii) the San Francisco General Plan, the Municipal Code (including the Subdivision Code) and all other applicable City policies, rules and regulations as each of the foregoing is in effect on the Effective Date ("**Existing Standards**"), as the same may be amended or updated in accordance with permitted Future Changes to Existing Standards as set forth in Section 5.3, and (iii) this Agreement (collectively, "**Applicable Laws**").

5.3 Future Changes to Existing Standards. All future changes to Existing Standards and any other Laws, plans or policies adopted by the City or adopted by voter initiative after the Effective Date ("**Future Changes to Existing Standards**") shall apply to the Project and the Project Site except to the extent they conflict with this Agreement or the terms and conditions of the Approvals. In the event of such a conflict, the terms of this Agreement and the Approvals shall prevail, subject to the terms of Section 5.6.

5.3.1 Future Changes to Existing Standards shall be deemed to conflict with this Agreement and the Approvals if they:

(a) limit or reduce the density or intensity of the Project, or any part thereof, or otherwise require any reduction in the square footage or number of proposed Buildings or change the location of proposed Buildings or change or reduce other improvements from that permitted under this Agreement for the Project, the Existing Standards, or the Approvals;

(b) limit or reduce the height or bulk of the Project, or any part thereof, or otherwise require any reduction in the height or bulk of individual proposed Buildings or other improvements that are part of the Project from that permitted under this Agreement, the Existing Standards, or the Approvals;

(c) limit, reduce or change the location of vehicular access or parking from that permitted under this Agreement, the Existing Standards, or the Approvals;

(d) limit any land uses for the Project from that permitted under this Agreement, the Existing Standards, the Approvals or the Existing Uses;

(e) change or limit the Approvals or Existing Uses;

(f) materially limit or control the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of the Project in any manner, including the demolition of existing Buildings at the Project Site;

(g) require the issuance of permits or approvals by the City other than those required under the Existing Standards, except as otherwise provided in Section 5.4.2;

(h) limit or control the availability of public utilities, services or facilities or any privileges or rights to public utilities, services, or facilities for the Project as contemplated by the Approvals;

(i) materially and adversely limit the processing or procuring of applications and approvals of Subsequent Approvals that are consistent with Approvals; or,

(j) impose or increase any Impact Fees and Exactions, as they apply to the Project, except as permitted under Section 5.4.2 of this Agreement.

5.3.2 Developer may elect to have a Future Change to Existing Standards that conflicts with this Agreement and the Approvals applied to the Project or the Project Site by giving the City notice of its election to have a Future Change to Existing Standards applied, in which case such Future Change to Existing Standards shall be deemed to be an Existing Standard; provided, however, if the application of such Future Change to Existing Standards would be a Material Change to the City's obligations hereunder, the application of such Future Change to Existing Standards shall require the concurrence of any affected City Agencies. Nothing in this Agreement shall preclude the City from applying Future Changes to Existing Standards to the Project Site for any development not within the definition of the "Project" under this Agreement. In addition, nothing in this Agreement shall preclude Developer from pursuing any challenge to the application of any Future Changes to Existing Standards to all or part of the Project Site.

5.3.3 The Parties acknowledge that, for certain parts of the Project, Developer must submit a variety of applications for Subsequent Approvals before Commencement of Construction. Developer shall be responsible for obtaining all Subsequent Approvals before the start of any construction to the extent required under Applicable Law. Notwithstanding anything in this Agreement to the contrary, when considering any such application for a Subsequent Approval, the City shall apply the applicable provisions, requirements, rules, or regulations that are contained in the California Building Standards Code, as amended by the City, including requirements of the San Francisco Building Code, Public Works Code (which includes the Stormwater Management Ordinance), Subdivision Code, Mechanical Code, Electrical Code, Plumbing Code, Fire Code or other uniform construction codes applicable on a City-Wide basis.

5.3.4 Developer shall have the right, from time to time and at any time, to file subdivision map applications (including phased final map applications and development-specific condominium map or plan applications) with respect to some or all of the Project Site, to subdivide, reconfigure or merge the parcels comprising the Project Site as may be necessary or desirable in order to develop a particular part of the Project as shown generally in Exhibit B. The specific boundaries of parcels shall be set by Developer and approved by the City during the subdivision process. Nothing in this Agreement shall authorize Developer to subdivide or use any of the Project Site for purposes of sale, lease or financing in any manner that conflicts with the Subdivision Map Act or with the Subdivision Code. Nothing in this Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps so long as such changes do not conflict with the provisions of this Agreement or with the Approvals.

5.4 Fees and Exactions.

5.4.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 5.4, and the City shall not impose any new Processing Fees or Impact Fees and Exactions on the development of the Project or impose new conditions or requirements for the right to develop the Project (including required contributions of land, public amenities or services) except as set forth in this Agreement. The Parties acknowledge that the provisions contained in this Section 5.4 are intended to implement the intent of the Parties that Developer have the right to develop the Project pursuant to specified and known criteria and rules, and that the City receive the benefits which will be conferred as a result of such development without abridging the right of the City to act in accordance with its powers, duties and obligations, except as specifically provided in this Agreement.

5.4.2 Impact Fees and Exactions. During the first ten (10) years of the Term, as extended by the Litigation Extension (if any), no Impact Fees and Exactions shall apply to the Project or components thereof except for (i) the SFPUC Capacity Charges in effect at the time of assessment and (ii) those in effect as of the Effective Date. Starting on the tenth (10th) anniversary of the Effective Date, as extended by the Litigation Extension (if any), all Impact Fees and Exactions in effect at the time of assessment shall apply to any development on the Project Site under this Agreement. For the purposes of this Section 5.4.2, any sums payable as part of the Community Benefits Fee shall not be considered Impact Fees and Exactions.

5.4.2.1 Art Fee. Notwithstanding the provisions of Planning Code Section 429.3, sixty percent (60%) of the Public Art Fee contributions from the Project Site will be used for the payment of capital costs, including, without limitation, the costs of interior or exterior design, engineering, and construction, relating to the redevelopment of the Dempster Building, and forty percent (40%) of the Public Art Fee contributions will be used for public art and cultural programming purposes in the publicly accessible open space within the Project Site, as further provided in Exhibit H, the Arts Program.

5.4.3 Processing Fees. Except as provided in Section 5.4.4, for three (3) years following the Effective Date, as extended by the number of days in any extension of the Term under Section 11.5.1, Processing Fees for the Project shall be limited to the Processing Fees in effect, on a City-Wide basis, as of the Effective Date (provided that to the extent Processing Fees are based on time and materials costs, such fees may be calculated based on the schedule for time and materials costs in effect on the date the work is performed by the City). Thereafter, Processing Fees for the Project shall be limited to the Processing Fees in effect, on a

City-Wide basis, at the time that Developer applies for the Subsequent Approval for which such Processing Fee is payable in connection with the applicable portion of the Project.

5.4.4 Recognition of Project Review Process/No Conditional Use Fee.

In recognition of the extensive Design for Development and 5M SUD process, notwithstanding any other provision of Applicable Law, no Processing Fee has been charged under Planning Code Section 352 in connection with the conditional use portions of the Approvals nor shall a Processing Fee be charged or be due for any Conditional Use application filed in connection with any Subsequent Approval, modification of any Approval, or any implementation action in connection with the Project under Section 249.74(e) of the 5M SUD.

5.4.5 Office Allocation. Notwithstanding the provisions of Planning Code Section 321(d)(2), within the Project Site the Developer shall have the greater of the period provided by Applicable Laws or three (3) years from the date on which a Project authorization for an office development is granted to obtain a site permit for an office development Project, as may be extended by a Litigation Extension (if any), but otherwise subject to the provisions of Planning Code Section 321(d)(2).

5.5 Limitation on City's Future Discretion. In accordance with Section 4.3, the City in granting the Approvals and, as applicable, vesting the Project through this Agreement is limiting its future discretion with respect to the Project and Subsequent Approvals to the extent that they are consistent with the Approvals and this Agreement. For elements included in a request for a Subsequent Approval that have not been reviewed or considered by the applicable City Agency previously (including but not limited to additional details or plans for a proposed building), the City Agency shall exercise its discretion consistent with the provisions of the 5M SUD and the other Approvals and otherwise in accordance with customary practice. In no event

shall a City Agency deny issuance of a Subsequent Approval based upon items that are consistent with the Approvals and this Agreement. Consequently, the City shall not use its discretionary authority to change the policy decisions reflected by the Approvals and this Agreement or otherwise to prevent or to delay development of the Project as contemplated in the Approvals and this Agreement. Nothing in the foregoing shall impact or limit the City's discretion with respect to: (i) proposed Subsequent Approvals that seek a Material Change to the Approvals, or (ii) Board of Supervisor approvals of subdivision maps, as required by Law, not contemplated by the Approvals.

5.6 Changes in Federal or State Laws.

5.6.1 City's Exceptions. Notwithstanding any provision in this Agreement to the contrary, each City Agency having jurisdiction over the Project shall exercise its discretion under this Agreement in a manner that is consistent with the public health and safety and shall at all times retain its respective authority to take any action that is necessary to protect the physical health and safety of the public (the "**Public Health and Safety Exception**") or reasonably calculated and narrowly drawn to comply with applicable changes in Federal or State Law affecting the physical environment (the "**Federal or State Law Exception**"), including the authority to condition or deny a Subsequent Approval or to adopt a new Law applicable to the Project so long as such condition or denial or new regulation (i) is limited solely to addressing a specific and identifiable issue in each case required to protect the physical health and safety of the public or (ii) is required to comply with a Federal or State Law and in each case not for independent discretionary policy reasons that are inconsistent with the Approvals or this Agreement and (iii) is applicable on a City-Wide basis to the same or similarly situated uses and applied in an equitable and non-discriminatory manner. Developer retains the right to dispute

any City reliance on the Public Health and Safety Exception or the Federal or State Law Exception.

5.6.2 Changes in Federal or State Laws. If Federal or State Laws issued, enacted, promulgated, adopted, passed, approved, made, implemented, amended, or interpreted after the Effective Date have gone into effect and (i) preclude or prevent compliance with one or more provisions of the Approvals or this Agreement, or (ii) materially and adversely affect Developer's or the City's rights, benefits or obligations, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 5.6.4, as applicable.

5.6.3 Changes to Development Agreement Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute. No amendment of or addition to the Development Agreement Statute which would affect the interpretation or enforceability of this Agreement or increase the obligations or diminish the development rights of Developer hereunder, or increase the obligations or diminish the benefits to the City hereunder shall be applicable to this Agreement unless such amendment or addition is specifically required by Law or is mandated by a court of competent jurisdiction. If such amendment or change is permissive rather than mandatory, this Agreement shall not be affected.

5.6.4 Termination of Agreement. If any of the modifications, amendments or additions described in Section 5.3.3 or this Section 5.6 or any changes in Federal or State Laws described above would materially and adversely affect the construction, development, use, operation or occupancy of the Project as currently contemplated by the Approvals, or any material portion thereof, such that the Project becomes economically

infeasible (a "**Law Adverse to Developer**"), then Developer shall notify the City and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. If any of the modifications, amendments or additions described in Sections 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would materially and adversely affect or limit the Community Benefits (a "**Law Adverse to the City**"), then the City shall notify Developer and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. Upon receipt of a notice under this Section 5.6.4, the Parties agree to meet and confer in good faith for a period of not less than ninety (90) days in an attempt to resolve the issue. If the Parties cannot resolve the issue in ninety (90) days or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in San Francisco for nonbinding mediation for a period of not less than thirty (30) days. If the Parties remain unable to resolve the issue following such mediation, then (i) Developer shall have the right to terminate this Agreement following a Law Adverse to Developer upon not less than thirty (30) days prior notice to the City, and (ii) the City shall have the right to terminate this Agreement following a Law Adverse to the City upon not less than thirty (30) days prior notice to Developer; provided, notwithstanding any such termination, Developer shall be required to complete the Community Benefits for development commenced in connection with a particular new Building as set forth in Section 4.1.

5.7 No Action to Impede Approvals. Except and only as required under Section 5.6, the City shall take no action under this Agreement nor impose any condition on the Project that would conflict with this Agreement or the Approvals. An action taken or condition imposed shall be deemed to be in conflict with this Agreement or the Approvals if such actions

or conditions result in the occurrence of one or more of the circumstances identified in Section 5.3.1.

5.8 Criteria for Approving Subsequent Approvals. The City shall not disapprove applications for Subsequent Approval based upon any item or element that is consistent with this Agreement and the Approvals, and shall consider all such applications in accordance with its customary practices (subject to the requirements of this Agreement). The City may subject a Subsequent Approval to any condition that is necessary to bring the Subsequent Approval into compliance with Applicable Laws. The City shall in no event be obligated to approve an application for a Subsequent Approval that would effect a Material Change. If the City denies any application for a Subsequent Approval that implements a Project as contemplated by the Approvals, the City must specify in writing the reasons for such denial and shall suggest modifications required for approval of the application. Any such specified modifications shall be consistent with Applicable Laws and City staff shall approve the application if it is subsequently resubmitted for City review and corrects or mitigates, to the City's reasonable satisfaction, the stated reasons for the earlier denial in a manner that is consistent and compliant with Applicable Laws and does not include new or additional information or materials that give the City a reason to object to the application under the standards set forth in this Agreement. The City agrees to rely on the FEIR, to the greatest extent possible, as more particularly described in Section 4.3. With respect to any Subsequent Approval, the City agrees to rely on the General Plan Consistency Findings to the greatest extent possible in accordance with applicable Laws; provided, however, that nothing shall prevent or limit the discretion of the City in connection with any Subsequent Approvals that, as a result of amendments to the Approvals, require new or revised General Plan consistency findings.

If any City Agency with jurisdiction objects to a Subsequent Approval for any Building or any Improvement set forth in Section 1 of Exhibit G (including if the Improvement is part of a larger permit application) based upon the proposed width of a sidewalk, street or alley, then within five (5) business days of the objection being raised (whether raised formally or informally), representatives from Developer, MTA, DPW, Planning, and the objecting City Agency shall meet and confer in good faith to attempt to find a mutually satisfactory resolution to the objection that does not conflict with City policy, including the City's Better Streets Plan, its Transit First Policy, or any applicable streetscape plan, the Approvals or this Agreement. If the matter is not resolved within fourteen (14) days following the objection, then the Planning Director shall notify the Clerk of the Board of Supervisors and the members of the Board of Supervisors' Land Use and Transportation Committee. The City Agencies and Developer agree to act in good faith to resolve the matter quickly and in a manner that does not conflict with City policy, the Approvals, this Agreement or applicable law. By entering into this Agreement, the City's Board of Supervisors has reviewed and approved the sidewalk, street and alley widths, as set forth in Exhibit G and the Design for Development, as consistent with the City's central policy objective to ensure street safety for all users while maintaining adequate clearances, including for fire apparatus vehicles.

5.9 Estoppel Certificates. Developer may, at any time, and from time to time, deliver notice to the Planning Director requesting that the Planning Director certify to Developer, a potential Transferee, or a potential lender to Developer, in writing that to the best of the Planning Director's knowledge: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended or modified, and if so amended or modified, identifying the amendments or modifications and stating their date and

providing a copy or referring to the recording information; (iii) Developer is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Defaults; and (iv) the findings of the City with respect to the most recent annual review performed pursuant to Section 8. The Planning Director, acting on behalf of the City, shall execute and return such certificate within forty-five (45) days following receipt of the request.

5.10 Existing, Continuing Uses and Interim Uses. The Parties acknowledge that the Existing Uses are lawfully authorized uses and may continue as such uses may be modified by the Project, provided that any modification thereof not a component of or contemplated by the Project is subject to Planning Code Section 178 and the applicable provisions of Section 5. Developer may install interim or temporary uses on the Project Site, which uses must be consistent with those uses allowed under the Project's zoning and the 5M SUD.

5.11 Costa-Hawkins Rental Housing Act.

5.11.1 Non-Applicability of Costa-Hawkins Act. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act, California Civil Code sections 1954.50 et seq. (the "**Costa-Hawkins Act**") provides for no limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public agency in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (section 1954.52(b)). The Parties

agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the BMR Units. This Agreement falls within the express exception to the Costa-Hawkins Act, Section 1954.52(b) because this Agreement is a contract with a public entity in consideration for contributions and other forms of assistance specified in Chapter 4.3 (commencing with Section 65919 of Division 1 of Title 7 of the California Government Code). The City and Developer would not be willing to enter into this Agreement without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section 1954.52(a) do not apply to the BMR Units as a result of the exemption set forth in California Civil Code section 1954.52(b) for the reasons set forth in this Section 5.11.

5.11.2 General Waiver. Developer, on behalf of itself and all of its successors and assigns of all or any portion of the Project Site, agrees not to challenge and expressly waives, now and forever, any and all rights to challenge the requirements of this Agreement related to the establishment of the BMR Units under the Costa-Hawkins Act (as the Costa-Hawkins Act may be amended or supplanted from time to time). If and to the extent such general covenants and waivers are not enforceable under Law, the Parties acknowledge and that they are important elements of the consideration for this Agreement and the Parties should not have the benefits of this Agreement without the burdens of this Agreement. Accordingly, if Developer challenges the application of this covenant and waiver, then such breach will be an Event of Default and City shall have the right to terminate this Agreement as to the portion of the Project under the ownership or control of Developer.

5.11.3 Inclusion in All Assignment and Assumption Agreements and Recorded Restrictions. Developer shall include the provisions of this Section 5.11 in any and all

assignment and assumption agreements, and any and all recorded restrictions, for any portion of the Project Site that includes or will include BMR Units.

5.12 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment, provided (i) the City shall not institute on its own initiative proceedings for any new or increased special tax or special assessment for a land-secured financing district (including the special taxes under the Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53311 *et seq.*) but not including business improvement districts or community benefit districts formed by a vote of the affected property owners) that includes the Project Site unless the new district is City-Wide or Developer gives its prior written consent to or requests such proceedings, and (ii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted solely at all or any part of the Project Site. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Site, or any portion thereof, that is enacted in accordance with Law and applies to all similarly-situated property on a City-Wide basis.

6. NO DEVELOPMENT OBLIGATION

There is no requirement under this Agreement that Developer initiate or complete development of the Project, or any portion thereof. There is also no requirement that development be initiated or completed within any period of time or in any particular order, subject to the requirement to complete applicable Community Benefits with each portion of the Project started by Developer as set forth in Section 4.2. The development of the Project is subject to numerous factors that are not within the control of Developer or the City, such as availability of financing, interest rates, access to capital, and similar factors. Except as expressly

required by this Agreement, the City acknowledges that Developer may develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement, and that without such a right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, Chapter 56 and this Agreement.

7. MUTUAL OBLIGATIONS

7.1 Notice of Completion, Revocation or Termination. Upon any early revocation or termination of this Agreement (as to all or any part of the Project Site), the Parties agree to execute a written statement acknowledging such revocation or termination, signed by the appropriate agents of the City and Developer, and record such instrument in the Official Records. In addition, upon Developer's request, when one or more Buildings have been completed, and all of the Community Benefits tied to those specific Buildings have also been completed, the City and Developer shall execute and record a notice of completion in the form attached as Exhibit L for the applicable property on which the Buildings or other facilities or improvements are located.

7.2 General Cooperation Agreement to Cooperate. The Parties agree to cooperate with one another to expeditiously implement the Project in accordance with the

Approvals, any Subsequent Approvals and this Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of this Agreement, the Approvals and any Subsequent Approvals are implemented. Except for ordinary administrative costs of the City, nothing in this Agreement obligates the City to spend any sums of money or incur any costs other than City Costs or costs that Developer must reimburse through the payment of permitted Processing Fees. The Parties agree that the Planning Department (or such other department to whom the obligation is delegated by the Director of the Planning Department after notice to Developer) will act as the City's lead agency to facilitate coordinated City review of applications for the Project. As such, Planning Department (or such other department) staff will: (i) work with Developer to ensure that all such applications to the City are technically sufficient and constitute complete applications and (ii) interface with City staff responsible for reviewing any application under this Agreement to facilitate an orderly, efficient approval process that avoids delay and redundancies.

7.2.1 Specific Actions by the City. The City actions and proceedings subject to this Agreement shall be through the Planning Department, as well as affected City Agencies (and when required by applicable Law, the Board of Supervisors), and shall include instituting and completing proceedings for temporary or permanent closing or occupancy, widening, modifying (including changes from vehicular to pedestrian use) or changing the grades of streets, alleys, sidewalks, and other rights-of-way, and other necessary modifications of the streets, the street layout, and other public or private rights-of-way in or near the Project Site, including streetscape improvements, encroachment permits, improvement permits, and any requirement to abandon, remove, and relocate public utilities (and, when applicable, City utilities) within the public rights-of-way as identified in the Approvals and Subsequent

Approvals. Except as set forth in Section 9.4.4, City Agencies shall process with due diligence all submissions and applications by Developer on all permits, approvals, construction or occupancy permits for the Project subject to the acceptance of the same as complete.

7.3 Non-City Approvals Cooperation to Obtain Permits. The Parties acknowledge that certain portions of the Project may require the approval of Federal, State, and local governmental agencies that are independent of the City and not a Party to this Agreement ("**Non-City Agencies**"). The City will reasonably cooperate with reasonable requests by Developer in connection with Developer's efforts to obtain permits, agreements, or entitlements from Non-City Agencies as may be necessary or desirable for the development, operation and use of the Project (each, a "**Non-City Approval**"). The City's commitment to Developer under this Agreement is subject to the following conditions:

(a) Throughout the permit process for any Non-City Approval, Developer shall consult and coordinate with each affected City Agency in Developer's efforts to obtain the permits, agreements, or entitlements, and each such City Agency shall cooperate reasonably with Developer in Developer's efforts to obtain the same.

(b) Developer shall not agree to conditions or restrictions in any Non-City Approval that could create: (1) any obligations on the part of any City Agency, unless the City Agency agrees in writing, following the receipt of any necessary governmental approvals, to assume such obligations; or (2) any restrictions on City property, unless in each instance the City, including each affected City Agency, has previously approved in its sole discretion the conditions or restrictions in writing following the receipt of any necessary governmental approvals.

(c) The City shall have no duty to cooperate with public utilities and communication service providers to the extent that the cooperation efforts requested by Developer are materially in excess of the City's typical efforts in connection with other major development and construction projects in the City.

7.3.1 Costs. Developer shall bear all costs associated with applying for and obtaining any necessary Non-City Approval. Developer, at no cost to the City, shall be solely responsible for complying with any Non-City Approval and any and all conditions or restrictions imposed as part of a Non-City Approval. Developer shall pay or otherwise discharge any fines, penalties, or corrective actions imposed as a result of Developer's failure to comply with any Non-City Approval.

7.4 Cooperation in the Event of Third-Party Challenge. In the event any administrative, legal or equitable action or proceeding is instituted by any party other than the City or Developer challenging the validity or performance of any provision of this Agreement, the Project, the Approvals or Subsequent Approvals, the adoption or certification of the FEIR or other actions taken pursuant to CEQA, or other approvals under Laws relating to the Project, any action taken by the City or Developer in furtherance of this Agreement, or any combination thereof relating to the Project or any portion thereof ("**Third-Party Challenge**"), the Parties shall cooperate in defending against such challenge. The City shall promptly notify Developer of any Third-Party Challenge instituted against the City.

7.4.1 Developer shall assist and cooperate with the City at Developer's own expense in connection with any Third-Party Challenge. The City Attorney's Office may use its own legal staff or outside counsel in connection with defense of the Third-Party Challenge, at the City Attorney's sole discretion. Developer shall reimburse the City for its actual costs in

defense of the action or proceeding, including but not limited to the time and expenses of the City Attorney's Office (at the non-discounted rates then charged by the City Attorney's Office) and any consultants; provided, however, Developer shall have the right to monthly invoices for all such costs.

7.4.2 To the extent that any such action or proceeding challenges or a judgment is entered limiting Developer's right to proceed with the Project or any material portion thereof under this Agreement (whether the Project commenced or not), including the City's actions taken pursuant to CEQA, Developer may elect to terminate this Agreement. Upon any such termination (or, upon the entry of a judgment terminating this Agreement, if earlier), the City and Developer shall jointly seek to have the Third-Party Challenge dismissed and Developer shall have no obligation to reimburse City defense costs that are incurred after the dismissal.

7.4.3 The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project or the issuance of Subsequent Approvals unless the third party obtains a court order preventing the activity.

7.5 Permits to Enter City Property. Subject to the rights of any third party, the rights of the public and the City's reasonable agreement on the scope of the proposed work and insurance and security requirements, each City Agency with jurisdiction shall grant permits to enter City-owned property on the City's standard form permit, including, without limitation, provisions regarding release, waivers and indemnification in keeping with the City's standard practices, so long as the same is consistent with Applicable Law, and otherwise on commercially reasonable terms, in order to permit Developer to enter City-owned property as necessary to

construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

7.6 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Approvals and any Subsequent Approvals. In their course of performance under this Agreement, the Parties shall cooperate and shall undertake such actions as may be reasonably necessary to implement the Project as contemplated by this Agreement, including such actions as may be necessary to satisfy or effectuate any applicable conditions precedent to the performance of the Community Benefits.

Upon Developer's request, the City agrees to use reasonable good faith efforts to assist Developer in applying for and obtaining authorization to utilize for the M-2 Building and, to the extent available, for any on-site BMR units: (i) multi-family tax-exempt or taxable bond financing; (ii) housing tax credits; (iii) grants, subsidies, and residual receipt loans from public entities other than the City; and (iv) any other method of low-cost financing that may be available or become available, as contemplated in the Approvals and as set forth in this Housing Program. All costs incurred by the City in such efforts shall be City Costs.

7.7 Other Necessary Acts. Each Party shall use good faith efforts to take such further actions as may be reasonably necessary to carry out this Agreement, the Approvals and any Subsequent Approvals, in accordance with the terms of this Agreement (and subject to all applicable Laws) in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

7.8 Dempster Building. Subject to Section 4.2(a), Developer shall transfer the Dempster Building in accordance with the provisions of Section 3.2.2, provided, however, if the

transfer of the Dempster Building to CAST or another nonprofit is not completed before issuance of a certificate of occupancy for Building N-1 or H-1, whichever occurs first, despite Developer's good faith efforts to do so; then, the City shall either (1) extend the period for the transfer of the Dempster Building and waive such transfer as a condition of the issuance of a certificate of occupancy for Building N-1 or H-1, as applicable, or (2) accept the transfer of the fee interest in the Dempster Building and assume the transferor's obligations under the Dempster MOU with respect thereto and the condition shall be deemed satisfied. If CAST fails to close escrow when required under the Dempster MOU for any reason other than a Developer default, the City and Developer shall promptly and in good faith meet and confer and select a substitute nonprofit organization to receive the donation of the Dempster Building and the applicable portion of the Public Art Fee to be used for renovation or operation of the Dempster Building. If the City and Developer are not able to reach agreement on a substitute nonprofit arts organization within ninety (90) days, the City shall have the right to designate a substitute nonprofit organization or to accept the donation of the Dempster Building itself upon the same basis and conditions provided in the Dempster MOU. Upon Developer's transfer to CAST or another nonprofit as set forth in this Section 7.8, or upon the City's election not to take title to the Dempster Building (which election must occur within one hundred twenty (120) days after satisfaction of all conditions to transfer and Developer's offer of the Dempster Building to the City as set forth above), Developer and the City shall have no further obligation under this Agreement for the transfer of the Dempster Building and the provisions of Section 4.1.1(e) shall be deemed satisfied.

7.9 Child Care Use. Provided all Subsequent Approvals and applicable operating and licensing and other requirements as may be necessary are first obtained, 5M shall

use good faith efforts to lease approximately 3,000 square feet of the N-1 Building active ground floor area to a qualified non-profit child care operator at a cost not exceeding landlord's actual costs (which shall not in any event exceed actual operating and tenant improvement costs reasonably allocated to similar child care facilities in similar buildings). Developer shall commence efforts to engage such a qualified operator no less than one year prior to the N-1 Building anticipated completion date, which shall include efforts such as outreach to existing qualified non-profit child care operators and organizations. In connection with any such child care use, the portion of the open space immediately adjacent to the N-1 Building as may be required for applicable licensing requirements may be used for the child care facility. If, despite Developer's good faith efforts to do so, (1) a qualified non-profit operator has not been engaged or (2) Subsequent Approvals or licensing and operating requirements are not obtained within six (6) months of the issuance of a certificate of occupancy for the N-1 Building, then this obligation shall terminate. Upon any termination of the child care use, the open space that was used for the child care facility will become part of the adjacent open space area accessible to the public.

8. PERIODIC REVIEW OF DEVELOPER'S COMPLIANCE

8.1 Annual Review. Pursuant to Section 65865.1 of the Development Agreement Statute and Section 56.17 of the Administrative Code (as of the Effective Date), at the beginning of the second week of each January following final adoption of this Agreement and for so long as the Agreement is in effect (the "**Annual Review Date**"), the Planning Director shall commence a review to ascertain whether Developer has, in good faith, complied with the Agreement. The failure to commence such review in January shall not waive the Planning Director's right to do so later in the calendar year; provided, however, that such review shall be deferred to the following January if not commenced on or before August 1st. The Planning

Director may elect to forego an annual review if no significant construction work occurred on the Project Site during that year, or if such review is otherwise not deemed necessary.

8.2 Review Procedure. In conducting the required initial and annual reviews of Developer's compliance with this Agreement, the Planning Director shall follow the process set forth in this Section 8.2.

8.2.1 Required Information from Developer. Upon request by the Planning Director, but not more than sixty (60) nor less than forty-five (45) days before the Annual Review Date, Developer shall provide a letter to the Planning Director explaining, with appropriate backup documentation, Developer's compliance with this Agreement, including, but not limited to, compliance with the requirements regarding Community Benefits. The burden of proof, by substantial evidence, of compliance is upon Developer. The Planning Director shall post a copy of Developer's submittals on the Planning Department's website.

8.2.2 City Report. Within sixty (60) days after Developer submits such letter, the Planning Director shall review the information submitted by Developer and all other available evidence regarding Developer's compliance with this Agreement, and shall consult with applicable City Agencies as appropriate. All such available evidence including final staff reports shall, upon receipt by the City, be made available as soon as possible to Developer. The Planning Director shall notify Developer in writing whether Developer has complied with the terms of this Agreement (the "**City Report**"), and post the City Report on the Planning Department's website. If the Planning Director finds Developer not in compliance with this Agreement, then the City may pursue available rights and remedies in accordance with this Agreement and Chapter 56. The City's failure to initiate or to timely complete the annual review

shall not be a default and shall not be deemed to be a waiver of the right to do so at a later date. All costs incurred by the City under this Section shall be included in the City Costs.

8.2.3 Effect on Transferees. If Developer has effected a Transfer so that its interest in the Project Site has been divided between Developer and/or Transferees, then the annual review hereunder shall be conducted separately with respect to Developer and each Transferee, and if appealed, the Planning Commission and Board of Supervisors shall make its determinations and take its action separately with respect to Developer and each Transferee, as applicable, pursuant to Administrative Code Chapter 56. If the Board of Supervisors terminates, modifies or takes such other actions as may be specified in Administrative Code Chapter 56 and this Agreement in connection with a determination that Developer or a Transferee has not complied with the terms and conditions of this Agreement, such action by the Planning Director, Planning Commission, or Board of Supervisors shall be effective only as to the Party to whom the determination is made and the portions of the Project Site in which such Party has an interest.

8.2.4 Default. The rights and powers of the City under this Section 8.2 are in addition to, and shall not limit, the rights of the City to terminate or take other action under this Agreement on account of the commission by Developer of an Event of Default.

9. ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES

9.1 Enforcement. The only Parties to this Agreement are the City and Developer (and any successors and Transferees). This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

9.2 Meet and Confer Process. Before sending a notice of default in accordance with Section 9.3, the Party which may assert that the other Party has failed to perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with

the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement, or (ii) if a delay in sending a notice pursuant to Section 9.3 would impair, prejudice or otherwise adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request that such meeting and conference occur within three (3) business days following the request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section and may proceed in accordance with the issuance of a notice of default under Section 9.3.

9.3 Default. The following shall constitute a "Default" under this Agreement:

(i) the failure to make any payment within sixty (60) days following notice that such payment was not made when due and demand for compliance; and (ii) the failure to perform or fulfill any other material term, provision, obligation, or covenant of this Agreement and the continuation of such failure for a period of sixty (60) days following notice and demand for compliance. Notwithstanding the foregoing, if a failure can be cured but the cure cannot reasonably be completed within sixty (60) days, then it shall not be considered a Default if a cure is commenced within said 60-day period and diligently prosecuted to completion thereafter. Any notice of default given by a Party shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured (if at all). Notwithstanding any other provision in this Agreement to the contrary, if Developer conveys or transfers some but not all of the Project and there is more than one Party that assumes obligations of "Developer" under this Agreement, there shall be no cross-default between the separate

Parties that assumed Developer obligations. Accordingly, if a Transferee Defaults, it shall not be a Default by any other Transferee or Party that owns a different portion of the Project Site.

9.4 Remedies.

9.4.1 Specific Performance. Subject to, and as limited by, the provisions of Section 9.4.3, 9.4.4 and 9.4.5, in the event of a Default the remedies available to a Party shall include specific performance of this Agreement in addition to any other remedy available at law or in equity.

9.4.2 Termination. Subject to the limitation set forth in Section 9.4.4, in the event of a Default, the non-defaulting Party may elect to terminate this Agreement by sending a notice of termination to the other Party, which notice of termination shall state the Default. This Agreement will be considered terminated effective upon the date set forth in the notice of termination, which shall in no event be earlier than sixty (60) days following delivery of the notice.

9.4.3 Limited Damages. The Parties have determined that except as set forth in this Section 9.4.3, (i) monetary damages are generally inappropriate, (ii) it would be extremely difficult and impractical to fix or determine the actual damages suffered by a Party as a result of a Default hereunder, and (iii) equitable remedies and remedies at law not including damages but including specific performance and termination are particularly appropriate remedies for enforcement of this Agreement. Consequently, Developer agrees that the City shall not be liable to Developer for damages under this Agreement, and the City agrees that Developer shall not be liable to the City for damages under this Agreement, and each covenants not to sue the other for or claim any damages under this Agreement and expressly waives its right to recover damages under this Agreement, except as follows: (1) either Party shall have the right to

recover actual damages only (and not consequential, punitive or special damages, each of which is hereby expressly waived) for a Party's failure to pay sums to the other Party as and when due under this Agreement, (2) the City shall have the right to recover actual damages for Developer's failure to make any payment due under any indemnity in this Agreement, (3) for any Community Benefit for which specific performance is determined by a court of competent jurisdiction not to be an available remedy (and the attached Exhibit does not include a liquidated damages remedy), except if and to the extent directly or indirectly resulting from action or inaction by or on behalf of City or any City Agencies, the City shall have the right to monetary damages according to proof against Developer equal to the costs that would have been incurred by Developer to complete the Community Benefit, (4) either Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6, and (5) the City shall have the right to administrative penalties or liquidated damages if and only to the extent expressly stated in an Exhibit or in Applicable Laws. For purposes of the foregoing, "**actual damages**" means the actual amount of the sum due and owing under this Agreement, with interest as provided by Law, together with such judgment collection activities as may be ordered by the judgment, and no additional sums.

9.4.4 City Processing/Certificates of Occupancy. The City shall not be required to process any requests for approval or take other actions under this Agreement during any period in which payments from Developer are past due. The City shall have the right to withhold a final certificate of occupancy for a Building until all of the Community Benefits tied to that Building have been completed. Subject to the conditions as to offsite obligations in Exhibit G, for a Building to be deemed completed Developer shall have completed all of the streetscape and open space improvements described in Exhibit B for that Building; provided, if

the City issues a final certificate of occupancy before such items are completed, then Developer shall promptly complete such items following issuance.

9.5 Time Limits; Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any condition or failure of performance, including a Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other condition, action or inaction, or cover any other period of time, other than any condition, action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent condition, action or inaction, and the performance of the same or any other term or provision contained in this Agreement. Nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

9.6 Attorneys' Fees. Should legal action be brought by either Party against the other for a Default under this Agreement or to enforce any provision herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys' fees and costs. For purposes of this Agreement, "**reasonable attorneys' fees and costs**" means the reasonable fees and expenses of counsel to the Party, which may include printing, duplicating and other expenses, air freight charges, hiring of experts and consultants, and fees billed for law clerks, paralegals,

librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "**reasonable attorneys' fees and costs**" shall also include, without limitation, all such reasonable fees and expenses incurred with respect to appeals, mediation, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Agreement, the reasonable fees of attorneys of City Attorney's Office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the Law for which the City Attorney's Office's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

10. FINANCING; RIGHTS OF MORTGAGEES.

10.1 Owner's Right to Mortgage. Nothing in this Agreement limits the right of Developer to mortgage or otherwise encumber all or any portion of the Project Site for the benefit of any Mortgagee as security for one or more loans. Developer represents that there are no Mortgages on the Project Site as of the Effective Date.

10.2 Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of this Agreement, including, but not limited to, those which are or are intended to be covenants running with the land, a Mortgagee, including any Mortgagee who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings, or conveyance or other action in lieu thereof, or other remedial action, shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or any part thereof or to guarantee such construction or completion. The foregoing provisions shall not be applicable to any party who, after a foreclosure, conveyance or other action in lieu thereof, or other remedial action, obtains

title to some or all of the Project Site from or through the Mortgagee, or any other purchaser at a foreclosure sale other than the Mortgagee itself, on which certain Community Benefits must be completed as set forth in Section 4.2. Nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any Mortgagee or any other person or entity to devote the Project Site or any part thereof to any uses other than uses consistent with this Agreement and the Approvals, and nothing in this Section shall be deemed to give any Mortgagee or any other person or entity the right to construct any improvements under this Agreement (other than as needed to conserve or protect improvements or construction already made) unless or until such person or entity assumes Developer's obligations under this Agreement.

10.3 Copy of Notice of Default and Notice of Failure to Cure to Mortgagee.

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Mortgagee having a Mortgage on the real property which is the subject of the breach or default who has previously made a written request to the City therefor, at the last address of such Mortgagee specified by such Mortgagee in such notice. In addition, if such breach or default remains uncured for the period permitted with respect thereto under this Agreement, the City shall deliver a notice of such failure to cure such breach or default to each such Mortgagee at such applicable address. A delay or failure by the City to provide such notice required by this Section shall extend for the number of days until notice is given, the time allowed to the Mortgagee for cure. In accordance with Section 2924 of the California Civil Code, the City requests that a copy of any notice of default and a copy of any

notice of sale under any Mortgage be mailed to the City at the address for notices under this Agreement.

10.4 Mortgagee's Option to Cure Defaults. After receiving any notice of failure to cure referred to in Section 10.3, each Mortgagee shall have the right, at its option, to commence within the same period as the Developer to remedy or cause to be remedied any event of default, plus an additional period of: (a) thirty (30) days to cure a monetary event of default; and (b) sixty (60) days to cure a non-monetary event of default which is susceptible of cure by the Mortgagee without obtaining title to the applicable property. If an event of default is not cured within the applicable cure period, the City nonetheless shall refrain from exercising any of its remedies with respect to the event of default if, within the Mortgagee's applicable cure period: (i) the Mortgagee notifies the City that it intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property; and (ii) the Mortgagee commences foreclosure proceedings within sixty (60) days after giving such notice, and thereafter diligently pursues such foreclosure to completion; and (iii) after obtaining title, the Mortgagee diligently proceeds to cure those events of default: (A) which are required to be cured by the Mortgagee and are susceptible of cure by the Mortgagee, and (B) of which the Mortgagee has been given notice by the City. Any such Mortgagee or Transferee of a Mortgagee who shall properly complete the improvements relating to the Project Site or applicable part thereof shall be entitled, upon written request made to the Agency, to a Certificate of Completion.

10.5 Mortgagee's Obligations with Respect to the Property. Notwithstanding anything to the contrary in this Agreement, no Mortgagee shall have any obligations or other liabilities under this Agreement unless and until it acquires title by any method to all or some portion of the Project Site (referred to hereafter as "**Foreclosed Property**"). A Mortgagee that

acquires title by foreclosure to any Foreclosed Property shall take title subject to all of the terms and conditions of this Agreement, to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations which are due as a condition to enjoying the benefits of this Agreement. Upon the occurrence and continuation of an uncured default by a Mortgagee or Transferee in the performance of any of the obligations to be performed by such Mortgagee or Transferee pursuant to this Agreement, the City shall be afforded all its remedies for such uncured default as provided in this Agreement.

10.6 No Impairment of Mortgage. No default by the Developer under this Agreement shall invalidate or defeat the lien of any Mortgagee. Neither a breach of any obligation secured by any Mortgage or other lien against the mortgaged interest nor a foreclosure under any Mortgage or other lien, shall defeat, diminish, render invalid or unenforceable or otherwise impair the Developer's rights or obligations or constitute a default under this Agreement.

10.7 Cured Defaults. Upon the curing of any event of default by Mortgagee within the time provided in this Article 10 the City's right to pursue any remedies with respect to the cured event of default shall terminate.

11. AMENDMENT; TERMINATION; EXTENSION OF TERM

11.1 Amendment or Termination. This Agreement may only be amended with the mutual written consent of the City and Developer, provided following a Transfer, the City and Developer or any Transferee may amend this Agreement as it affects Developer or the Transferee and the portion of the Project Site owned by Developer or the Transferee without affecting other portions of the Project Site or other Transferees. Other than upon the expiration of the Term and except as provided in Sections 2.2, 5.6.4, 7.4.3, 9.4.2 and 11.2, this Agreement

may only be terminated with the mutual written consent of the Parties. Any amendment to this Agreement that does not constitute a Material Change may be agreed to by the Planning Director (and, to the extent it affects any rights or obligations of a City department, with the approval of that City Department). Any amendment that is a Material Change will require the approval of the Planning Director, the Planning Commission and the Board of Supervisors (and, to the extent it affects any rights or obligations of a City department, after consultation with that City department).

11.2 Early Termination Rights. Developer shall, upon thirty (30) days prior notice to the City, have the right, in its sole and absolute discretion, to terminate this Agreement in its entirety at any time if Developer does not Commence Construction on any part of the Project Site by the date which is five (5) years following the Effective Date. Thereafter, the City shall, upon sixty (60) days prior notice to Developer, have the right, in its sole and absolute discretion, to terminate this Agreement if the Developer has not Commenced Construction; provided Developer can prevent any such termination by the City by providing to the City notice, within the above sixty (60) day period, of Developer's intent to start construction and the Developer thereafter Commences Construction within one hundred twenty (120) days following delivery of Developer's notice to the City, or, if unable to actually Commence Construction within said time period, demonstrates reasonable, good faith and continuing efforts to Commence Construction, such as by pursuing all necessary Subsequent Approvals, and thereafter promptly Commences Construction upon receipt of the Subsequent Approvals. Any termination under this Section 11.2 shall result in the termination of the entirety of this Agreement affecting all of the Project Site, and any Transferee shall assume the risk of a termination of this Agreement by Developer or the City under this Section 11.2.

11.3 Termination and Vesting. Any termination under this Agreement shall concurrently effect a termination of the Approvals with respect to the terminated portion of the Project Site, except as to any Approval pertaining to a Building that has Commenced Construction in reliance thereon. In the event of any termination of this Agreement by Developer resulting from a Default by the City and except to the extent prevented by such City Default, Developer's obligation to complete the applicable Community Benefits shall continue as to the Building which has Commenced Construction and all relevant and applicable provisions of this Agreement shall be deemed to be in effect as such provisions are reasonably necessary in the construction, interpretation or enforcement to this Agreement as to any such surviving obligations. The City's and Developer's rights and obligations under this Section 11.3 shall survive the termination of this Agreement.

11.4 Amendment Exemptions. No issuance of a Subsequent Approval, or amendment of an Approval or Subsequent Approval, shall by itself require an amendment to this Agreement. And no change to the Project that is permitted under the 5M SUD shall by itself require an amendment to this Agreement. Upon issuance or approval, any such matter shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the amendment or Subsequent Approval). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to an Approval or Subsequent Approval, then the Parties shall concurrently amend this Agreement (subject to all necessary approvals in accordance with this Agreement) in order to ensure the terms of this Agreement are consistent with the proposed Subsequent Approval or the proposed amendment to an Approval or Subsequent Approval. The Planning Department and the Planning Commission,

as applicable, shall have the right to approve changes to the Project as described in the Exhibits in keeping with its customary practices and the 5M SUD, and any such changes shall not be deemed to conflict with or require an amendment to this Agreement or the Approvals so long as they do not constitute a Material Change. If the Parties fail to amend this Agreement as set forth above when required, however, then the terms of this Agreement shall prevail over any Subsequent Approval or any amendment to an Approval or Subsequent Approval that conflicts with this Agreement.

11.5 Extension Due to Legal Action or Referendum; Excusable Delay.

11.5.1 Litigation and Referendum Extension. If any litigation is filed challenging this Agreement or an Approval having the direct or indirect effect of delaying this Agreement or any Approval (including but not limited to any CEQA determinations), including any challenge to the validity of this Agreement or any of its provisions, or if this Agreement or an Approval is suspended pending the outcome of an electoral vote on a referendum, then the Term of this Agreement and all Approvals shall be extended for the number of days equal to the period starting from the commencement of the litigation or the suspension (or as to Approvals, the date of the initial grant of such Approval) to the end of such litigation or suspension (a "**Litigation Extension**"). The Parties shall document the start and end of a Litigation Extension in writing within thirty (30) days from the applicable dates.

11.5.2 "**Excusable Delay**" means the occurrence of an event beyond a Party's reasonable control which causes such Party's performance of an obligation to be delayed, interrupted or prevented, including, but not limited to: changes in Federal or State Laws; strikes or the substantial interruption of work because of labor disputes; inability to obtain materials; freight embargoes; civil commotion, war or acts of terrorism; inclement weather, fire, floods,

earthquakes or other acts of God; epidemics or quarantine restrictions; litigation; unforeseen site conditions (including archaeological resources or the presence of hazardous materials); or the failure of any governmental agency, public utility or communication service provider to issue a permit, authorization, consent or approval required to permit construction within the standard or customary time period for such issuing authority following Developer's submittal of a complete application for such permit, authorization, consent or approval, together with any required materials. Excusable Delay shall not include delays resulting from failure to obtain financing or have adequate funds, changes in market conditions, or the rejection of permit, authorization or approval requests based upon Developer's failure to satisfy the substantive requirements for the permit, authorization or approval request. In the event of Excusable Delay, the Parties agree that (i) the time periods for performance of the delayed Party's obligations impacted by the Excusable Delay shall be strictly limited to the period of such delay, interruption or prevention and the delayed Party shall, to the extent commercially reasonable, act diligently and in good faith to remove the cause of the Excusable Delay or otherwise complete the delayed obligation, and (ii) following the Excusable Delay, a Party shall have all rights and remedies available under this Agreement, if the obligation is not completed within the time period as extended by the Excusable Delay. If an event which may lead to an Excusable Delay occurs, the delayed Party shall notify the other Party in writing of such occurrence as soon as possible after becoming aware that such event may result in an Excusable Delay, and the manner in which such occurrence is likely to substantially interfere with the ability of the delayed Party to perform under this Agreement.

12. **TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE**

12.1 Permitted Transfer of this Agreement. At any time, Developer shall have the right to convey, assign or transfer all or any part of its right, title and interest in and to all or part of the Project Site (a "**Transfer**") without the City's consent, provided that it also transfers to such party (the "**Transferee**") all of its interest, rights or obligations under this Agreement with respect to such portions of the Project Site (the "**Transferred Property**"). Developer shall not, by Transfer, separate a portion of the Project Site from the Community Benefits tied to that portion of the Project Site, as described in this Agreement, without the prior written consent of the Planning Director. If Developer Transfers one or more parcels such that there are separate fee owners within the Project Site, the obligation to perform and complete the applicable Community Benefits and other improvements associated with a Building; shall be the sole responsibility of the applicable Transferee (*i.e.*, the person or entity that owns the legal parcel on which the Building is located). Notwithstanding the foregoing (i) off-site improvements associated with the Dempster Building may be retained by Developer, and (ii) any ongoing obligations (such as open space operation and maintenance) may be transferred to a residential, commercial or Project Site-wide management association ("**CMA**"), provided such CMA reflects commercially reasonable requirements and standards generally applicable to similar developments and has the financial capacity and ability to perform the obligations so transferred.

12.2 Notice of Transfer. Developer shall provide not less than ten (10) days' notice to the City before any proposed Transfer of its interests, rights and obligations under this Agreement, together with a copy of the assignment and assumption agreement for that parcel (each, an "**Assignment and Assumption Agreement**") with a legal description of the parcel. Each Assignment and Assumption Agreement shall be in recordable form, in substantially the

form attached as Exhibit K (including the indemnifications, the agreement and covenant not to challenge the enforceability of this Agreement, and not to sue the City for disputes between Developer and any Transferee) and any material changes to the attached form will be subject to the review and approval of the Director of Planning not to be unreasonably withheld or delayed. Notwithstanding the foregoing any Transfer of Community Benefit obligations to a CMA as set forth in Section 12.1 shall not require the transfer of land to the CMA.

12.3 Release of Liability. Upon recordation of an approved Assignment and Assumption Agreement, Developer shall be released from any prospective liability or obligation under this Agreement related to the Transferred Property as specified in the Assignment and Assumption Agreement, and the Transferee shall be deemed to be "**Developer**" under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a default by Developer or any other Transferee with respect to any other portion of the Project Site and shall not entitle the City to terminate or modify this Agreement with respect to such other portion of the Project Site, except as otherwise provided herein. Additionally, the annual review provided by Section 8 shall be conducted separately as to Developer and each Transferee and only as to those obligations that Developer or such Transferee has under this Agreement.

12.4 Responsibility for Performance. The City is entitled to enforce each and every such obligation assumed by each Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert as a defense against the City's enforcement of

performance of such obligation that such obligation (i) is attributable to Developer's breach of any duty or obligation to the Transferee arising out of the Transfer or the Assignment and Assumption Agreement or any other agreement or transaction between Developer and the Transferee, or (ii) relates to the period before the Transfer. The foregoing notwithstanding, the Parties acknowledge and agree that a failure to complete a Mitigation Measure may, if not completed, delay or prevent a different party's ability to start or complete a specific Building or improvement under this Agreement if and to the extent the completion of the Mitigation Measure is a condition to the other party's right to proceed as specifically described in the Mitigation Measure, and Developer and all Transferees assume this risk. Accordingly, in some circumstances the City may withhold Subsequent Approvals based upon the acts or omissions of a different party.

12.5 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Site. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site and undertakes any development activities at the Project Site, is, and shall be, constructively deemed to have consented and agreed to, and is obligated by all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Site.

12.6 Rights of Developer. The provisions in this Section 12 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses to

facilitate development of the Project Site, (ii) encumbering the Project Site or any portion of the improvements thereon by any Mortgage, (iii) granting an occupancy leasehold interest in portions of the Project Site, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (v) transferring all or a portion of the Project Site pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a Mortgage.

12.7 Transfers to REITs and UPREITs. The Parties recognize that there are no limitations on transfer of constituent membership interests in Developer. Nevertheless, in the interests of clarity the Parties agree that reappportionments and transfers by Forest City Enterprises, Inc. or any of its direct or indirect subsidiaries or affiliates ("FCE") of beneficial interests in Developer shall be permitted without prior notice to or review or consent from City, notwithstanding any provisions in this Article 12, so long as such reappportionments or transfers are to (1) affiliates or wholly-owned subsidiaries of FCE, or (2) any real estate investment trust sponsored by FCE or any successor, by operation of law or otherwise (a "REIT"), and/or any umbrella limited partnership related to any such REIT and in which the REIT has an ownership interest (an "UPREIT"), or any entity that is an affiliate of either the UPREIT or the REIT. In no event or circumstance shall any City consent or approval be required with respect to the trading or issuance of shares or other securities of FCE or a REIT or UPREIT in the public or private markets or where such Transfers are a part of a merger, consolidation or sale of all or substantially all of the assets or stock of FCE, a REIT, an UPREIT or any of their respective affiliates. The provisions of this Section 12.7 shall similarly apply to permit the transfer of any other constituent member interest in Developer. Reappportionments or transfers of membership interests under this Section 12.7 shall not require an Assignment and Assumption Agreement,

and the rights and obligations Developer (or Transferee) and the City under this Agreement shall not be affected in any way by such reapportionment or transfer.

13. DEVELOPER REPRESENTATIONS AND WARRANTIES

13.1 Interest of Developer; Due Organization and Standing. Developer represents that it is the legal or beneficial owner of the Project Site, with authority to enter into this Agreement on behalf of all fee owners of the Project Site. Developer is a Delaware limited liability company, duly organized and validly existing and in good standing under the Laws of the State of Delaware. Developer has all requisite power to own its property and authority to conduct its business as presently conducted. Developer represents and warrants that there is no existing lien or encumbrance recorded against the Project Site that, upon foreclosure or the exercise of remedies, would permit the beneficiary of the lien or encumbrance to eliminate or wipe out the obligations set forth in this Agreement that run with applicable land.

13.2 No Inability to Perform; Valid Execution. Developer represents and warrants that it is not a party to any other agreement that would conflict with Developer's obligations under this Agreement and it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

13.3 Conflict of Interest. Through its execution of this Agreement, Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the California Government Code, and certifies

that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the Term.

13.4 Notification of Limitations on Contributions. Through execution of this Agreement, Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

13.5 Other Documents. To the current, actual knowledge of Alexa Arena, after reasonable inquiry, no document furnished by Developer to the City with its application for this Agreement nor this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein, or herein, not misleading under the circumstances under which any such statement shall have been made.

13.6 No Bankruptcy. Developer represents and warrants to the City that Developer has neither filed nor is the subject of any filing of a petition under the federal

bankruptcy law or any federal or state insolvency laws or Laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Developer's knowledge, no such filing is threatened.

14. MISCELLANEOUS PROVISIONS

14.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, and the agreements between the Parties specifically referenced in this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter contained herein.

14.2 Incorporation of Exhibits. Except for the Approvals which are listed solely for the convenience of the Parties, each Exhibit to this Agreement is incorporated herein and made a part hereof as if set forth in full. Each reference to an Exhibit in this Agreement shall mean that Exhibit as it may be updated or amended from time to time in accordance with the terms of this Agreement.

14.3 Binding Covenants; Run With the Land. Pursuant to Section 65868 of the Development Agreement Statute, from and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and, subject to Section 12, their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Project Site, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Subject to the provisions on Transfers set forth in Section 12, all provisions of this Agreement shall be enforceable during the Term as equitable servitudes and constitute covenants and

benefits running with the land pursuant to applicable Law, including but not limited to California Civil Code Section 1468.

14.4 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the Laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and the City and County of San Francisco shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

14.5 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both the City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Approvals shall be deemed to refer to this Agreement or the Approvals as amended from time to time pursuant to the provisions of this Agreement, whether or not the particular reference refers to such possible amendment. In the event of a conflict between the provisions of this Agreement and Chapter 56, the provisions of this Agreement will govern and control.

14.6 Project Is a Private Undertaking; No Joint Venture or Partnership. The development proposed to be undertaken by Developer on the Project Site is a private development. The City has no interest in, responsibility for, or duty to third persons concerning

any of said improvements. Developer shall exercise full dominion and control over the Project Site, subject only to the limitations and obligations of Developer contained in this Agreement.

14.6.1 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. Developer is not a state or governmental actor with respect to any activity conducted by Developer hereunder.

14.7 Recordation. Pursuant to the Development Agreement Statute and Chapter 56, the Clerk of the Board of Supervisors shall have a copy of this Agreement recorded in the Official Records within ten (10) days after the Effective Date of this Agreement or any amendment thereto, with costs to be borne by Developer.

14.8 Obligations Not Dischargeable in Bankruptcy. Developer's obligations under this Agreement are not dischargeable in bankruptcy.

14.9 Survival. Following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect except for any provision which, by its express terms, survive the expiration or termination of this Agreement.

14.10 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

14.11 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees

designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate/Finance, 5M Project

To Developer:

5M Project, LLC
5 Third Street, Suite 200
San Francisco, CA 94103
Attn: Martin Cepkauskas

with a copy to:

Forest City Residential Development
875 Howard Street, Suite 330
San Francisco, CA 94103
Attn: Alexa Arena

14.12 Limitations on Actions. Pursuant to Section 56.19 of the Administrative Code, any decision of the Board of Supervisors made pursuant to Chapter 56 shall be final. Any court action or proceeding to attack, review, set aside, void, or annul any final decision or determination by the Board of Supervisors shall be commenced within ninety (90) days after such decision or determination is final and effective. Any court action or

proceeding to attack, review, set aside, void or annul any final decision by (i) the Planning Director made pursuant to Administrative Code Section 56.15(d)(3) or (ii) the Planning Commission pursuant to Administrative Code Section 56.17(e) shall be commenced within ninety (90) days after said decision is final.

14.13 Severability. Except as is otherwise specifically provided for in this Agreement with respect to any Laws which conflict with this Agreement, if any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of this Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

14.14 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

14.15 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

14.16 Sunshine. Developer understands and agrees that under the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act

(California Government Code Section 250 *et seq.*), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. To the extent that Developer in good faith believes that any financial materials reasonably requested by the City constitutes a trade secret or confidential proprietary information protected from disclosure under the Sunshine Ordinance and other Laws, Developer shall mark any such materials as such. When a City official or employee receives a request for information that has been so marked or designated, the City may request further evidence or explanation from Developer. If the City determines that the information does not constitute a trade secret or proprietary information protected from disclosure, the City shall notify Developer of that conclusion and that the information will be released by a specified date in order to provide Developer an opportunity to obtain a court order prohibiting disclosure.

14.17 ~~14.17.1~~ Non-Liability of City Officials and Others. Notwithstanding anything to the contrary in this Agreement, no individual board member, director, commissioner, officer, employee, official or agent of City or other City Parties shall be personally liable to Developer, its successors and assigns, in the event of any default by City, or for any amount which may become due to Developer, its successors and assigns, under this Agreement.

14.18 ~~14.18~~ Non-Liability of Developer Officers and Others. Notwithstanding anything to the contrary in this Agreement, no individual board member, director, officer, employee, official, partner, employee or agent of Developer or any Affiliate of Developer shall be personally liable to City, its successors and assigns, in the event of any default by Developer, or for any amount which may become due to City, its successors and assign, under this Agreement.

14.19 ~~14.19~~ No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

[signatures follow on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Approved as to form:

DENNIS J. HERRERA, City Attorney

By: _____
John Rahaim
Director of Planning

By: _____
Charles Sullivan, Deputy City Attorney

Approved on _____, 2015
Board of Supervisors Ordinance No. _____

Approved and Agreed:

By: _____
Naomi Kelly, City Administrator

By: _____
Mohammad Nuru,
Director of Public Works

Developer:

5M PROJECT, LLC,
a Delaware limited liability company

By: _____
Martin Cepkauskas
Vice President

CONSENT TO DEVELOPMENT AGREEMENT

San Francisco Municipal Transportation Agency

The Municipal Transportation Agency of the City and County of San Francisco ("SFMTA") has reviewed the Development Agreement (the "**Development Agreement**") between the City and 5M Project, LLC, a Delaware limited liability company ("**Developer**") to which this Consent to Development Agreement (this "**SFMTA Consent**") is attached and incorporated. Except as otherwise defined in this SFMTA Consent, initially capitalized terms have the meanings given in the Development Agreement.

By executing this SFMTA Consent, the undersigned confirms that the SFMTA Board of Directors, after considering at a duly noticed public hearing the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program contained or referenced therein, consented to and agrees to be bound by the Development Agreement as it relates to matters under SFMTA jurisdiction, including the Transportation Program and the transportation-related Mitigation Measures.

By executing this SFMTA Consent, the SFMTA does not intend to in any way limit, waive or delegate the exclusive authority of the SFMTA as set forth in Article VIIIA of the City's Charter.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through the
SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____
EDWARD D. REISKIN,
Director of Transportation

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

San Francisco Municipal Transportation Agency Board of Directors
Resolution No. _____
Adopted: _____, 2015

**CONSENT TO DEVELOPMENT AGREEMENT
Arts Commission**

A. The Arts Commission of the City and County of San Francisco has reviewed the Development Agreement (the "**Development Agreement**") between the City and 5M Project, LLC, a Delaware limited liability company ("**Developer**") to which this Consent to Development Agreement (this "**Arts Commission Consent**") is attached and incorporated. Except as otherwise defined in this Arts Commission Consent, initially capitalized terms have the meanings given in the Development Agreement.

B. By executing this Arts Commission Consent, the undersigned confirms that the Arts Commission, after considering at a duly noticed public hearing the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program contained or referenced therein, consented to and agrees to be bound by the Development Agreement as it relates to matters under the Arts Commission's jurisdiction, including the Arts Program.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through the
SAN FRANCISCO ARTS COMMISSION

By: _____
Mr. Tom DeCaigny, Director

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Susan Dawson, Deputy City Attorney

San Francisco Arts Commission
Resolution No. _____
Adopted: _____, 2015

Summary report:	
Litéra® Change-Pro 7.5.0.147 Document comparison done on 11/17/2015 8:39:33 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://CPDBIWOVEN/WorkSite/3307475/1	
Modified DMS: iw://CPDBIWOVEN/WorkSite/3307475/2	
Changes:	
<u>Add</u>	97
<u>Delete</u>	93
<u>Move From</u>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<u>Table Delete</u>	0
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	190

EXHIBIT B
5M PROJECT
PROJECT DESCRIPTION¹

The Project is a mixed-use development of new construction, rehabilitated and renovated existing buildings, and open space, constituting up to 1,697,600 gross square feet (gsf)² of building space, including up to: 821,300 gsf of residential uses (approximately 690 units), 807,600 gsf of office uses (including active office uses at or below the ground floor), 68,700 gsf of other active ground floor uses (including mezzanine and basement spaces), 59,500 square feet of open space and approximately 331 vehicle parking spaces, 429 Class 1 bicycle spaces and 66 Class 2 bicycle spaces. The Project contains up to seven buildings (three new buildings and four retained buildings), with six open space areas and associated streetscape improvements, all as further described in the Design for Development, and below.

1. **Building H-1³**

- Demolition of existing buildings and surface parking lots at 172 Fifth Street, 190 Fifth Street, 910 Howard Street, 912 Howard Street, 918 Howard Street and 924 Howard Street (Assessor's Block/Lot No. 3725/005, 006, 008, 009, 012 & 098) for construction of the following:
 - An up to 617,900 gsf, 395-foot tall 25-story office building with approximately 584,900 gsf of office space above the ground floor, 33,000 square feet of active ground floor and mezzanine space (including 7,100 gsf of retail and 8,600 gsf of office uses, 17,300 square feet of lobby/core and building services space);
 - Up to three subterranean levels of vehicle and bicycle parking and loading, including up to: 122 vehicular parking spaces, 6 loading spaces and 104 Class 1 bicycle spaces, and 23 Class 2 spaces;
 - A three-stall off-street freight loading dock on the ground floor, with a combined automobile parking entrance/exit and freight loading entrance from Howard Street and freight loading exit onto Natoma Street;
 - An approximately 11,000 square-foot private terrace on the southwest side of the building at or about the tenth floor; and

¹ Any capitalized term used in this Exhibit that is not defined herein shall have the meaning given to such term in this Agreement.

² Gross square footage excludes subterranean parking and loading, parking and loading ingress and egress, as well as a full mechanical floor for commercial Building H-1. All quantities stated herein are approximate and nothing herein shall be deemed to require maximum site development, unless otherwise noted. Size and location of private open spaces and related elements may be modified and/or relocated during design development in accordance with Approvals or Subsequent Approvals.

³ As more particularly described in Planning Commission Motion No. [---], dated July __, 2015, and any Subsequent Approvals.

- Construction of an up to 1,600 square-foot pedestrian improvement adjacent to Building H-1 along Mary Street.
- Demolition of existing surface parking on 435-39 and 441-45 Minna Street, 44 and 50 Mary Street, and 432-38 and 440 Natoma Street (Assessor's Block 3725, Lots 043- 047, 077), and construction of Mary Court West, approximately 14,600 sf open space;
- Construction and installation of the following streetscape improvements:
 - Removal of two metered vehicle parking spaces on Howard Street adjacent to the Building and replacement with a passenger loading/unloading zone adjacent to the Project on Howard Street, and addition of a metered commercial loading space;
 - Widening the Fifth Street sidewalk between Natoma and Howard Streets from 10 feet to 18 feet, with a 60-foot long, approximately 8-foot deep inset for three commercial loading spaces;
 - Widening the Mary Street sidewalk adjacent to Mary Court West, from 5 to 10 feet;
 - Streetscape improvements to sidewalks adjacent to Mary Court West;
 - Conversion of Mary Street between Minna and Howard Streets to a shared public way;
 - Sidewalk improvements on Howard Street adjacent to the off-site parcel at 198 Fifth Street;
 - Streetscape improvements to sidewalks adjacent to the Natoma, Fifth, Howard and Mary Street building frontages and street trees within an approximately 300-foot long portion of the south Howard Street sidewalk extending west from Fifth Street.

2. Building N-1⁴

- Demolition of a portion of the existing building at 110 Fifth Street (Assessor's Block/Lot No. 3725/097) to provide an approximately 18,000 square foot footprint for construction of the following:
 - An up to 400-unit, 470-foot tall 45-story residential building with approximately 570,500 gsf devoted to residential use, 13,200 square feet of active ground floor uses (composed of 7,300 gsf of active ground floor retail space; 5,900 square feet lobby/core and building services space);
 - Up to three subterranean levels of vehicle and bicycle parking and loading accessible from Minna Street, including up to: 156 vehicle spaces⁵ and 176 Class 1 bicycle spaces, and 24 Class 2 bicycle spaces;

⁴ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

⁵ Building N-1 is entitled to use of an additional 63 parking spaces, accessory to Building N-1, in the garage of Building H-1

- A one-stall off-street freight loading bay within the building, accessible from a separate entrance on Minna Street.
- Approximately 23,000 sf open space atop Building M-1 (Chronicle Building), including up to 400 sf of café/pop up retail kiosk type space, an access elevator, stairway and a ground-floor entrance lobby on the southern (Minna Street) façade of M-1;⁶
- Construction of a 3,600 square-foot private open space terrace on the north side of the building on or about the sixth floor of the building.
- Construction and installation of the following streetscape improvements:
 - Widening of the Fifth Street sidewalk adjacent to the building, between Minna and Natoma Streets, from 10 feet to 18 feet with an approximately 60-foot long, 8-foot deep inset for three commercial loading spaces;
 - Streetscape improvements to the sidewalks on the Fifth and Minna Street building frontages.

3. Building M-2⁷

- Demolition of existing surface parking at 939-949 Mission Street (Assessor's Block/Lot No. 3725/089-091) for construction of the following:
 - An up to 288-unit, 200-foot tall 20-story residential building with approximately 250,800 gsf devoted to residential use, and 13,500 square feet of active ground floor uses (composed of 6,800 gsf of active retail space and 6,700 square feet of lobby/core and building services).
 - Up to three subterranean levels of vehicle and bicycle parking and loading with an entrance and exit from and onto Minna Street, including up to: 53 vehicle spaces, 149 Class 1 bicycle spaces and 19 Class 2 bicycle spaces.
 - Construction of an approximately 3,600 square-foot private open space terrace on the west side of Building M-2.
- Demolition of existing surface parking on Assessor's Block/Lot 3725/097 and construction of Mary Court East, approximately 11,500 square feet of open space.
- Construction and installation of the following streetscape improvements:
 - New curb and striping on Mission Street for a passenger loading zone and two commercial metered parking spaces, and on Minna Street, removal of up to six parking spaces and replacement with two commercial metered spaces adjacent to the building.
 - Conversion of Mary Street between Mission and Minna Streets to a pedestrian-only alley, the North Mary Pedestrian Alley, closed to vehicular

⁶ Construction of this open space may be carried out together with separate renovations of Building M-1 (Chronicle) described in Item 4 below, if those proceed prior to construction of Building N-1.

⁷ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

and bicycle traffic, and construction associated improvements to the sidewalks and roadway;

- An up to 1,600 square-foot pedestrian improvement adjacent to Building M-2 along North Mary Pedestrian Alley;
- Streetscape improvements on the sidewalks adjacent to the Mission Street building frontage, and streetscape improvements to Minna and Mary Street sidewalks adjacent to Mary Court East constructed with Building M-2.

4. Building M-1⁸

- Renovation of an existing 179,200 square-foot office building located at 901-925 Mission Street (Assessor's Block/Lot 3725/093, commonly referred to as the San Francisco Chronicle Building), as follows:
 - Conversion of up to 40,000 square feet of storage within the building basement to office use;
 - Exterior and interior renovations to accommodate changes to mechanical, electrical and plumbing systems and building circulation necessitated by the demolition of a portion of the existing two-story above-ground connector between Building M-1 and the San Francisco Examiner Building (Block/Lot 3725/097);
 - Exterior and interior renovations to create additional ground floor building ingress/egress on the secondary Minna and/or Mary Street building façades;
- Building M-1 would remain three stories and 50 feet tall, and would include three floors, two first-floor mezzanines and a basement comprising up to: 170,700 gsf of office space, 1,100 gsf of ground floor retail use and 3,400 gsf of lobby/core space.
- Construction and installation of the following streetscape improvements:
 - Widening of the Fifth Street sidewalk from 10 feet to 18 feet (with a 60-foot long 8-foot deep inset for on-street loading) between Minna and Mission Street, and related sidewalk improvements;
 - Sidewalk improvements to the adjacent Mission and Minna Street frontages.
- As noted above, approximately 23,000 sf open space, including up to 400 sf of café/pop up retail kiosk type space, an access elevator, stairway and a ground-floor entrance lobby on the southern (Minna Street) façade, will be constructed in connection with Building N-1.

⁸ As more particularly described in Planning Commission Motion No. [---], dated July __, 2015, and any Subsequent Approvals.

5. Examiner Building⁹

- Renovation and partial demolition of an existing 92,100 square-foot office building located at 110 Fifth Street, (Assessor's Block 3725 Lot 097, commonly referred to as the San Francisco Examiner Building) including an approximately 14,800 square-foot above-ground connector over Minna Street between the Examiner Building and Building M-1, as follows:
 - Demolition of the eastern approximately two-thirds of the existing building and connector;
 - Exterior and interior renovations to the remaining, post-demolition building, including mechanical, electrical and plumbing systems and building circulation;
 - Conversion of up to 9,600 square feet of storage within the building basement to retail use.
- After demolition and renovation, the Examiner Building would remain three stories and 50 feet tall, and would be a 34,900 gsf building composed of up to: 21,800 gsf of office use above the ground floor (including 7,000 gsf of office use within the remaining above-ground connector), 11,800 gsf of active ground floor and basement retail space, and 1,300 gsf of lobby/core space.
- Construction and installation of streetscape improvements to the sidewalk on the Minna Street frontage of the Examiner Building.

6. Camelline Building (430 Natoma Street, Assessor's Block/Lot 3725/042).

- Retention of the existing building for continued use as a 9,600 square foot office building.

7. Dempster Printing Building (447 Minna Street, Assessor's Block/Lot 3725/076).

- Retention of the existing building with exterior and interior structural rehabilitation and interior renovation for continued use as a 12,000 square-foot office building.

8. Mary Court West.

a. Notwithstanding the foregoing provisions for construction of Mary Court West (approx. 14,600 sf), in connection with the construction of Building H-1, the Parties agree that if the Building H-1 is not constructed first (as is currently anticipated), then Mary Court West will be constructed when the first new Building, i.e., either Building H-1, M-2 or N-1, is constructed, and shall be completed before the issuance of the first certificate of occupancy for that first Building;

b. The City shall credit each subsequent new Building required to provide open space in accordance with the 5M SUD with the amount of open space constructed (or to be

⁹ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

constructed pursuant to a permit), to the extent such preceding open space exceeds the open space required to be provided for such new Building.

Summary report:	
Litéra® Change-Pro 7.5.0.147 Document comparison done on 11/17/2015 9:31:53 AM	
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Format changes	0
Total Changes:	7

Exhibit C
Youth Development Program

DRAFT 08/27/2015

Exhibit C
Youth Development Program

Developer shall make contributions to support youth development in the total amount of \$3,500,000 (~~Three~~4,000,000 (Four Million Five Hundred Thousand Dollars) (the "**Youth Development Funds**"). Of this amount, (1) \$1,000,000 (One Million Dollars) shall be paid to the City's~~City's~~ Department of Children, Youth and Families ("**DCYF**"), (2) \$1,500,000 (One Million Five Hundred Thousand Dollars) shall be paid to MOHCD; and (3) ~~1,000,000~~\$1,500,000 (One Million Five Hundred Thousand Dollars) of the Project's Impact Fees and Exactions payable to the Downtown Park Fund shall be paid to the City's~~City's~~ Department of Parks and Recreation ("**RecPark**") and allocated as provided below.¹ The Youth Development Funds shall be paid to DCYF, MOHCD and RecPark, respectively, in the amounts and on or before the dates specified in Exhibit D and allocated as set forth in this Exhibit.

~~1-1.~~ DCYF Funding. DCYF shall allocate approximately one-third of the DCYF funds to each of use categories set forth subsections (a)-(c) below, with each category receiving approximately one-third of each of the three payments specified in Exhibit D.

~~(a)~~ (a) SoMa Summer and After School Youth Programming. DCYF shall allocate funds to support after school youth programming during the summer and after school, including educational and social activities. The funds will be allocated through a competitive process, or as otherwise determined by DCYF, and shall be distributed to South of Market (SoMa)-based youth serving organizations that have a minimum of five (5) years of experience in serving youth in SoMa, including after school programs at Bessie Carmichael and summer programs that target both academic enrichment and augment the recreational activities offered to youth in the neighborhood. Recipient organizations should also have experience leading and facilitating events and have a history of creating partnerships with local community-based organizations in SoMa as a

Exhibit C
Youth Development Program

way to augment offerings and programs to benefit local youths. Potential community-based organizations that would be qualified for such funds include but are not limited to United Playaz, West Bay, and Filipino American Development Foundation/Galing Bata.

~~(b)~~ (b) Bessie Carmichael Student Achievement. DCYF shall allocate funds to support student achievement at Bessie Carmichael. The funds will be distributed to the San Francisco Education Fund, a 501(c)(3) non-profit organization. The purpose of this funding is to facilitate progress with student achievement and improvement plans and implement strategies in partnership with nonprofits to support increased literacy, math proficiency, and college and career readiness.

~~(e)~~ (c) Bessie Carmichael Principal's Principal's Discretionary Fund. DCYF shall allocate funds to the Bessie Carmichael Principal's Discretionary Fund to be distributed to the San Francisco Unified School District for allocation to, and be used for programs at Bessie Carmichael School. The purpose of this funding is to support critical programs at the school, such as the Science Technology Arts and Math Initiative which provides aligned teacher training and professional development.

~~(d)~~ (d) DCYF Discretion. If the DCYF Director determines that any entity designated above is no longer operating a program that is qualified to deliver the specified services, then the DCYF Director shall have the right to substitute an alternative SoMa-based organization to receive the funds, provided DCYF shall continue to allocate the funding generally for the purposes described above.

2-2. MOHCD Funding.

~~(a)~~ (a) Non-Profit Capital Funds. The MOHCD funds shall be paid in the amount and at the time set forth in Exhibit D, and ~~distributed~~ allocated by MOHCD to ~~Northern California Community Loan~~ SoMa Stabilization Fund either as a lump sum or in installments to be used only for direct services or space stabilization in areas such as for capital improvements, organizational expansion and/or building acquisition within the

¹ Any capitalized term used in this Exhibit C that is not defined herein shall have the meaning given to such term in this Agreement.

Exhibit C
Youth Development Program

SoMa impact area identified in Attachment 1 so as to provide facilities for youth and family organization or organizations, and which facilities may also serve as a site for civic gatherings and neighborhood programming. Consideration will be given to organizations with a demonstrated track record of providing financial expertise, supplying grants and technical assistance to youth and family serving non-profit arts and cultural institutions organizations in SoMa (including those that target high risk and/or disadvantaged populations) that are seeking to acquire permanently affordable program and office space. All such funds and grants shall be subject to the limitations set forth in Planning Code Section 418.7, the applicable regulations and policies of MOHCD including where applicable, competitive processes. All expenditures must first be approved by the City's Board of Supervisors in accordance with Planning Code Section 418.7.

3-3. RecPark Funding.

~~(a)~~ (a) Gene Friend Recreation Center. Developer shall pay the RecPark funds to RecPark and Manalo Draves Park. The Developer's Downtown Park Fund contribution shall be paid at the times provided in Exhibit D. RecPark will use no less than \$1,000,000 (One Million Dollars) of these funds to support renovations and upgrades to the Gene Friend Recreation Center and the adjacent outdoor play area located at 270 Sixth Street (together "GFRC") and the balance for improvements at either GFRC or Manalo Draves Park.

4-4. Accounting.

Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in good faith in accordance with the provisions of this Youth Development Program. The Youth Development Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available to Developer upon request. The failure of any recipient to use funds as required by this Exhibit C shall not be a City

Exhibit C
Youth Development Program

or Developer breach of the Agreement. The City shall have no obligation to make any payment or provide any funds except for what it has received from the Developer as set forth in this Exhibit C, and Developer shall have no obligation to make any payment or provide any funds except as set forth in this Exhibit C.

~~5.5. Board Authorization.~~

By approving the Agreement, the Board of Supervisors authorizes the City to accept and expend the Youth Development Funds paid by the Developer as set forth in this Exhibit C. The Board of Supervisors also agrees that any interest earned on any Youth Development Funds held by the City shall remain in designated accounts for youth development purposes consistent with this Exhibit C and shall not be transferred to the City's general fund.

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DRAFT-08/27/2015

Exhibit F

Workforce Agreement

Developer shall make contributions and require Project Sponsors, Contractors, Consultants, Subcontractors and Subconsultants, as applicable, to undertake activities to support workforce development in both the construction and end use phases of the Project, as set forth in this Exhibit F.¹

A. **Workforce Job Readiness and Training Funds.**

The Project shall contribute to ~~OEWD~~Mayor's Office of Housing and Community Development ("MOHCD") \$1,500,000 (One Million Five Hundred Thousand Dollars) to support workforce job readiness and training ("**Workforce Job Readiness and Training Funds**") for allocation to the SOMA Community Stabilization Fund (as defined in and subject to the limitations of Planning Code Section 418.7). Such funds shall be paid to ~~OEWD~~MOHCD at the time and ~~allocated to and used as provided in Exhibit D to this Agreement and allocated only to direct services or space stabilization and used as provided herein.~~ Priority for ~~OEWD's~~MOHCD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations with an existing track record of working in the impacted communities within District 6.

~~1-~~ 1. Barrier Removal Funds. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to reducing barriers to employment for at-risk populations, including low-income youth and young adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment ("**Barrier Removal Funds**"). ~~The Bather~~Barrier Removal Funds shall be used and allocated by ~~OEWD~~MOHCD and the SOMA Stabilization Fund based on a competitive process to a qualified non-profit entity, and distributed over approximately two years (although ~~OEWD~~MOHCD may, in its discretion, advance funds sooner if ~~OEWD~~MOHCD identifies an earlier need for the funds consistent with this Exhibit F). The Barrier Removal Funds will be used to train enrolled individuals in areas such as life skill training, basic education

¹ Any capitalized term used in this Exhibit F, including its Attachments, that is not defined herein shall have the meaning given to such term in this Agreement.

(including assistance with attaining a GED or driver's license if applicable), job placement and retention services, and wrap-around social services, with a goal of allowing participants to be CityBuild-ready. ~~OEWD~~ MOHCD shall give priority to allocating the ~~Bather~~Barrier Removal Funds to increase capacity of an established program. ~~OEWD~~MOHCD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and twenty (120) days after ~~OEWD's~~MOHCD's initial receipt of such funds.

~~2-~~ 2. Job Seeking Resources for Disadvantaged Adults. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to providing job seeking resources for disadvantaged adults, including individuals experiencing homelessness ("**Job Seeking Resources Funds**"). The Job Seeking Resources Funds shall be used and allocated by ~~OEWD~~MOHCD and the SOMA Stabilization Fund based on a competitive process to a qualified ~~nonprofit~~non-profit entity, and distributed over approximately two years (although ~~OEWD~~MOHCD may, in its discretion, advance funds sooner if ~~OEWD~~MOHCD identifies an earlier need for the funds consistent with this Exhibit F). The Job Seeking Resources Funds will be generally targeted to programs that include a comprehensive intake process, and that create a culturally competent, individualized plan for each client, including employment goals, training, and barrier removal. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. ~~OEWD~~MOHCD shall give priority to allocating the Job Seeking Resources Funds to increase capacity of an established program with experience collaborating with other community-based organizations and social services agencies. ~~OEWD~~MOHCD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Job Seeking Resources Funds within one hundred and twenty (120) days after ~~OEWD's~~MOHCD's initial receipt of such funds.

3. SOMA Stabilization Fund's Economic Advancement for Families and Individuals. Approximately \$1,000,000 (One Million Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to MOCHD's program for economic advancement for families and individuals. MOHCD's and the SOMA Stabilization Fund's economic advancement program brings together legal services, case management, adult educational support, support for

transitional age youth, financial literacy and asset building, social capital development, and strategic linkages through neighborhood and community centers to maximize individual and family economic self-sufficiency. Priority shall be given to those services which help individual and families overcome barriers and enable them to access services, often those services which other City departments have also prioritized.

~~3. Paid Information and Communications (ICT) Internships. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to paid ICT internships. According to the San Francisco Controller's Office, the tech sector has accounted for more than 30% of the jobs added in San Francisco since 2010. Yet as tech firms draw talent from across the United States—and across the world—local residents are too often under-represented in the workforce. Paid ICT internships and apprenticeships, both with 5M tenants and with tech firms throughout San Francisco, will provide an opportunity for local residents to gain valuable experience and to build professional networks in the tech world. The program will prioritize South of Market residents.~~

~~4. TechSF Information and Communications Technology (ICT) Training Program. Approximately \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to the TechSF ICT Training Program. TechSF is an OEWD training academy that provides occupational skills training, work experience opportunities, and job placement assistance to training participants and other individuals working in informational technology fields in various industries. TechSF offers training in high-growth ICT occupations including Software Development, Web Design, Motion Graphics, Cloud Services, Network Administration and Support, and other skills in demand to serve a continuum of jobseekers and employers. South of Market residents will be targeted in the program's outreach efforts, and slots will be prioritized for South of Market residents.~~

~~5. Specialized Construction Training and Certifications. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to specialized construction training and certifications. OEWD's CityBuild Academy Pre-apprenticeship Training Program is an 18-week construction training program in partnership with City College, trades unions, and employers. Leveraging its existing resources, CityBuild Academy will provide additional specialized training outside of the Pre-apprenticeship Training Program to prepare residents for construction work at 5M. Priority will be given to South of Market residents.~~

6- 4. Accounting. Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in accordance with the provisions of this Exhibit F. The Workforce Job Readiness and Training Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available upon ~~Developer's~~Developer's request.

7- 5. Board Authorization. By approving the Agreement, the Board of Supervisors authorizes the City (including ~~OEWD~~MOHCD) to accept and expend the Workforce Job Readiness and Training Funds paid by the Developer as set forth in this Exhibit F. The Board of Supervisors also agrees that any interest earned on any the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by ~~OEWD~~MOHCD for workforce readiness and training consistent with this Exhibit F and shall not be transferred to the City's general fund.

B. First Source Hiring Program.

~~1-~~ 1. Each Project Sponsor shall, with respect to each Workforce Building², (i) include in each Contract for construction work a provision requiring each Contractor to enter into a FSHA Construction Agreement in the form attached hereto as Attachment A before beginning any construction work, and (ii) provide a signed copy thereof to the First Source Hiring Administration ("FSHA") and CityBuild within 10 business days of execution.

~~2-~~ 2. Each Project Sponsor shall, with respect to each Workforce Building, comply with the requirements of San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into leases or other occupancy contracts for commercial space at the Premises that are subject to Chapter 83 with a tenant ("**Commercial Tenant**"), will include in each such contract a requirement that the Commercial Tenant enter into a FSHA Operations Agreement in the form attached hereto as Attachment B, and (ii) provide a signed copy thereof to the FSHA within 10 business days of execution.

~~3-~~ 3. CityBuild shall represent the FSHA and will provide referrals of Qualified Economically Disadvantaged Individuals for Entry Level Positions on the construction work for each Workforce Building as required under Chapter 83. The FSHA will provide referrals of Qualified Economically Disadvantaged Individuals for the permanent Entry Level Positions located within the Premises where required under Chapter 83.

~~4-~~ 4. The owners or residents of the individual residential units and any residential Homeowner's Association within the Project shall have no obligations under this Section B and no obligation to enter into a FSHA Construction Agreement or FSHA Operations Agreement.

~~5-~~ 5. FSHA shall notify any Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to Project Sponsor, of any alleged breach on the part of that entity of its

² Any capitalized term used in this Section B that is not defined will have the definition given to such term in Attachment A, including the following terms: Contract, Contractor, Entry Level Positions, Project Sponsor, Qualified Economically Disadvantaged Individuals for Entry Level Positions, and Workforce Building.

obligations under Chapter 83 or its FSHA Construction Agreement or the FSHA Operations Agreement, as applicable, before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. FSHA sole remedies against a Contractor, Subcontractor or Commercial Tenant shall be as set forth in Chapter 83, including the enforcement process. Upon ~~FSHA's~~FSHA's request, a Project Sponsor shall reasonably cooperate with FSHA in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided in no event shall a Project Sponsor be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

~~6-~~ 6. If a Project Sponsor fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 83 or this Section B. If a Project Sponsor fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 83 shall apply, though the City and the Project Sponsor shall have the right to invoke the process set forth in Section 9.2 of the Agreement.

~~7-~~ 7. This Section B is an approved "First Source Hiring Agreement" as referenced in Section 83.11 of the Administrative Code.

C. **Local Business Enterprise (LBE) Utilization Program.**

Each Project Sponsor of a Workforce Building, as defined in Attachment C, and its respective Contractors and Consultants, shall comply with the Local Business Enterprise Utilization Program set forth in Attachment C hereto.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

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AK

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

November 5, 2015

The Honorable Board of Supervisors
City and County of San Francisco
Room 244, City Hall

Angela Calvillo
Clerk of the Board of Supervisors
Room 244, City Hall

Re: Office of Economic Analysis Impact Report for File Numbers 150787 and 150788

Dear Madam Clerk and Members of the Board:

The Office of Economic Analysis is pleased to present you with its economic impact report on file numbers 150787 and 150788, "5M Project Development Agreement: Economic Impact Report." If you have any questions about this report, please contact me at (415) 554-5268.

Best Regards,

Ted Egan
Chief Economist

cc Alisa Somera, Committee Clerk, Land Use & Transportation



5M Project Development Agreement: Economic Impact Report

Office of Economic Analysis
Items # 150787 and 150788
November 5, 2015

Introduction

- On July 21, 2015 Mayor Lee introduced legislation (#150788) to approve development agreement between the City, Forest City Enterprises and the Hearst Corporation (owner of The Chronicle) for 5M project located at Fifth Street between Mission and Howard Streets for 15 years vested right to develop the site.
- The project as proposed in the development agreement would require a change in current zoning for the site.
- The same day, the Mayor also introduced legislation (#150787), which amends the planning code to create the Fifth and Mission Special Use District (SUD) for the associated development agreement.

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Project Description

- The project consists of approximately 4 acres of land, comprising 23 parcels, next to the Chronicle building at Mission Street and Fifth Street (see map on page 6).
- The site is currently occupied by eight buildings that have approximately 318,000 square feet of office and cultural uses, as well as several surface parking lots.
- The total development cost of the project is \$690 million, including about \$62 million in city impact fees, and \$11.8 million in community benefits for the South of Market area.
- The proposed project is a mixed-use development consisting of three new buildings (M2, N1, H1) and four renovated buildings, with building heights ranging from 200 feet to 470 feet.
- Upon completion, the project will have 821,300 square feet of residential uses (688 units), 825,600 square feet of offices uses as well as 74,800 square feet of other active ground floor uses.
- The project will have 630 on-site market rate units as well as 58 on-site permanently affordable units and will sponsor 154 off-site affordable units (83 Senior Units at 967 Mission St. and 71 units at 168-186 Eddy St.).

Project Description: Continued

- The 212 affordable units in total (58 on-site and 154-offsite) leads to an affordable housing ratio of 33%.
- At build out, the project will also have 59,500 square feet of open space, and approximately 463 vehicle parking spaces, 429 Class 1 bicycle spaces and 66 class 2 bicycle spaces.
- The project will also rehabilitate the Chronicle building, retain part of the Examiner building, restore the Dempster Printing building, retain of the Camelline building.
- The project would demolish surface parking lots and several other existing buildings.

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South of Market Community Benefits

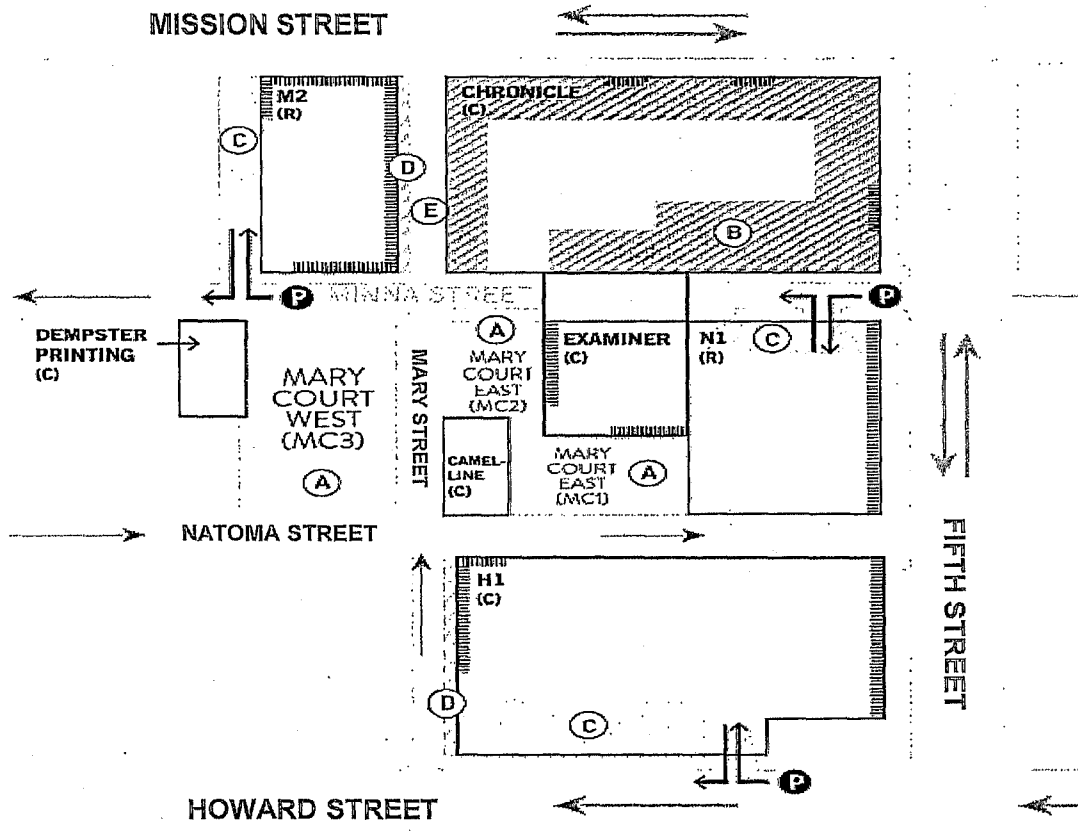
- Under the development agreement, 5M project is committed to provide \$11.8 million in additional community benefits for South of Market area. The detailed breakdown of those community benefits is as follows:
 - \$3.4 million in transportation fee revenue, in addition to what the project is responsible for paying in Transit Development Impact Fee.
 - \$1.5 million for a Workforce Development program that includes funding for barrier removal, job-seeking resources for disadvantaged adults, and internship, training, and certification programs.
 - \$3.5 million for a Youth Development program that includes Department of Children, Youth, and Their Families funding for SOMA youth, non-profit capital funds, and Department of Recreation and Parks Department funding for the Gene Friend Recreation Center.
 - \$1.0 million for the rehabilitation of the Old Mint.
 - \$1.8 million in gap funding for Senior housing development.
 - \$600,000 for non-profit arts facilities.

Map of the 5M Project Area

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KEY

-  Retail/lobby frontages
-  Publicly accessible open space
-  Publicly accessible open space (Chronicle rooftop, above ground)
-  Private open space (N1 and H1 terraces, above ground)
-  Pedestrian enhancement
-  North Mary pedestrian-only alley
-  Private Vehicular parking
-  (R) Residential building
-  (C) Commercial building



Source: Development Agreement

Current and Proposed Zoning of the Land Parcels Affected by the Development Agreement

No	Block	Lot	Current Zoning	Current Height & Bulk Limits	Proposed Tower	Proposed Zoning	Proposed Height & Bulk Limits
1	3725	005	RSD	40-X/85-B	H-1	C-3-S	420-X
2	3725	006	RSD	40-X/85-B	H-1	C-3-S	420-X
3	3725	008	RSD	40-X/85-B	H-1	C-3-S	420-X
4	3725	009	RSD	40-X/85-B	H-1	C-3-S	420-X
5	3725	012	RSD	40-X/85-B	H-1	C-3-S	420-X
6	3725	042	C-3-S	160-F	N-2	C-3-S	160-F
7	3725	043	C-3-S	160-F	Open Space	C-3-S	160-F
8	3725	044	C-3-S	160-F	Open Space	C-3-S	160-F
9	3725	045	C-3-S	160-F	Open Space	C-3-S	160-F
10	3725	046	C-3-S	160-F	Open Space	C-3-S	160-F
11	3725	047	C-3-S	160-F	Open Space	C-3-S	160-F
12	3725	076	C-3-S	160-F	N-3	C-3-S	160-F
13	3725	077	C-3-S	160-F	Open Space	C-3-S	160-F
14	3725	086	C-3-S	160-F	Open Space	C-3-S	160-F
15	3725	089	C-3-S	160-F	M-2	C-3-S	200-S
16	3725	090	C-3-S	160-F	M-2	C-3-S	200-S
17	3725	091	C-3-S	90-X and 160-F	M-2	C-3-S	200-S
18	3725	093	C-3-S	90-X and 160-F	M-1	C-3-S	85-X, 90-X
19	3725	097	C-3-S	160-F	N-1	C-3-S	160-F, 455-S
20	3725	098	RSD	40-X/85-B	H-1	C-3-S	420-X

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Difference in Development Capacity (in Gross Square Feet):
 Current Zoning versus Development Agreement under Proposed Zoning

Use	Current Zoning	Development Agreement under Proposed Zoning	Difference
Office	670,490	825,600	155,110
Retail / Other Ground-Floor Uses	155,750	74,800	-80,950*
Residential	173,272	821,300	648,028
Total Square Footage	999,512	1,721,700	722,188

*We project a decline in retail space because, under current zoning, surface parking lots could be re-developed as buildings supporting retail uses on the ground floor. In the development agreement, these would not be redeveloped.

Economic Impact Factors

The proposed development is expected to affect the local economy in two major ways:

1. The re-zoning will expand the development capacity on the site, leading to an increase in housing and office space in the city. This will place downward pressure on prices and rents for residential and commercial real estate.
2. The construction associated with the development agreement and rezoning will generate economic activity, above-and-beyond what would have spent were development ever to take place under existing zoning.
3. The Community Benefits Agreement provides for \$11.8 million in spending, above and beyond what impact fees require.

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Impact of New Housing

- Increasing the housing supply will put downward pressure on residential rents and home prices in San Francisco.
- In particular, increasing the number of affordable housing units will benefit low-income households, who currently experience the highest housing burdens in the city.
- The proposed re-zoning would expand the city's housing development capacity by approximately 669 units.
- 191 of these units would be affordable to low-income households, based on the difference between what the development agreement requires, and what would have to be built under current zoning, given existing inclusionary housing requirements.
- We project that the expanded market-rate development capacity created by the re-zoning would lead to housing prices being 0.2% lower than they otherwise would be.
- Additionally, we estimate the 191 affordable units will create a direct subsidy of \$1.3 million annually to the low-income households that receive them.
- Furthermore, the new affordable units will reduce demand among low-income households for housing in the private housing market. The effect of that reduced demand will place further downward prices at the low-end of the private market, by 0.4%. This is an additional, indirect, benefit of the new affordable units.

Impact of New Office Space

- Increasing office development will put downward pressure on commercial rents paid by businesses in the city.
- The development agreement and re-zoning would increase the city's stock of office space by about 155,000 square feet, approximately 0.2% of the city total.
- However, the development and re-zoning would also reduce the potential amount of retail space in the city by 81,000 sf.
- Commercial office rent is projected to decline by approximately 0.4% as a result of the development agreement and re-zoning.
- On the other hand, retail rents are projected to increase by approximately 0.6%.

Construction Spending

- According to San Francisco housing construction costs published by RSMeans, residential construction costs (excluding land) are currently \$202 per square foot.
- RSMeans also reports that non-residential construction costs, again excluding land, are \$219 per square foot.
- Given these costs, and the anticipated increase in construction permitted by the development agreement, construction spending in the city is projected to increase by \$259 million.

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REMI Model Assumptions

- The REMI model is a system of mathematical equations that represent important relationships in the local economy.
- The OEA uses REMI to estimate the impact of City policy changes on the local economy, including this proposed re-zoning and development agreement.
- Important assumptions of this analysis include:
 - Impacts will occur over a twenty-year forecast period, from 2016-2035.
 - Construction spending will take place over 5 years, during the 2016-2020 period.
 - Community benefit spending will occur during the same period.
 - The value of the direct affordable housing subsidy, and the price reductions caused by expanding supply, will phase-in during the construction period and remain in place until the end of the forecast period.
 - In the absence of this proposed development agreement and re-zoning, the site would still develop to its maximum capacity, under current zoning, during the same time frame. This may be a conservative assumption. If development under current zoning would not occur until later in the future, the results of this analysis would under-state the true economic impact of the development agreement and re-zoning.

Economic Impact Assessment and Conclusions

- By expanding development in the city, the proposed development agreement and rezoning will cause housing prices and commercial rents to lower than what they will otherwise be. Both will encourage businesses to expand within the city.
- As a result, according to the output of the REMI model, the city's economy is expected to grow by \$70 million, and add 550 jobs, on average, over the 20 year forecast period.

Staff Contacts

Asim Khan, Ph.D., Principal Economist

asim.khan@sfgov.org

(415) 554-5369

Ted Egan, Ph.D., Chief Economist

ted.egan@sfgov.org

(415) 554-5268

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SAN FRANCISCO PLANNING DEPARTMENT

October 15, 2015

Ms. Angela Calvillo, *Clerk of the Board of Supervisors*
Ms. Nicole Elliott, *Legislative Manager for Mayor Edwin Lee*
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Re: Board File Numbers 150787 and 150788
Planning Department Case Number 2011.0409MAP/PCA/DVA
Planning Commission Resolutions in connection with the "5M Project"**
No. 19459 relating to CEQA Findings
No. 19460 relating to General Plan & Planning Code §101.1 Consistency
No. 19464 relating to Planning Code Text & Zoning Map Amendments
No. 19466 relating to a proposed Development Agreement

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Dear Ms. Calvillo and Ms. Elliott,

On September 17, 2015, the San Francisco Planning Commission conducted a duly noticed public hearing at a special meeting to consider a proposed (1) set of amendments to the Planning Code and Zoning Map and (2) Development Agreement in connection with the development project known as the "5M Project." The 5M Project is located on roughly the eastern third of the block bounded by 5th, 6th, Mission and Howard Streets. *At the hearing, the Planning Commission recommended that the Board of Supervisors adopt the proposed amendments and Development Agreement with modifications.* Those modifications are specified in Commission Resolution Numbers 19464 and 19466, which are attached.

The proposed amendments and Development Agreement were addressed in the Environmental Impact Report (EIR) for the 5M Project (Case No. 2011.0409ENV); that EIR was certified by the Planning Commission on September 17, 2015.

Please find attached the following documents relating to the 5M Project: (1) the four above-referenced Planning Commission Resolutions, (2) the Environmental Impact Report [EIR], which consists of the Draft EIR and the Responses to Comments document and (3) the Design for Development [D4D], which is referenced in the proposed Planning Code Text Amendments.

Pursuant to Section 8.12.5 of the Administrative Code ("Electronic Distribution of Multi-page Documents"), the Department is sending electronic documents and one hard copy. Additional hard copies may be requested by contacting Mr. Gino Salcedo of our staff at 575-9139.

If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Daniel A. Sider, AICP
Senior Advisor for Special Projects

cc: Ms. Marlena Byrne, Office of the City Attorney
Mr. Jon Givner, Office of the City Attorney
Ms. Anne Taupier, Office of Economic and Workforce Development



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19458 FEIR Certification

HEARING DATE: SEPTEMBER 17, 2015

Hearing Date: September 17, 2015
Case No.: 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
Project Address: 925 Mission Street and various parcels (aka "5M")
Zoning: C-3-S (Downtown Support) and Residential Service District (RSD)
160-F, 90-X and 40-X/85-B Height and Bulk District
Soma Youth and Family Special Use District
Block/Lot: Block 3725, Lots: 005, 006, 008, 009, 012, 042, 043, 044, 045, 046, 047, 076,
077, 089, 090, 091, 093, 097, 098 and air rights parcels 094, 099, and 100
Project Sponsor: Audrey Tendell
5M Project, LLC
875 Howard Street, Suite 330
San Francisco, CA 94103
Staff Contact: Michael Jacinto – (415) 575-9033
michael.jacinto@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR A PROPOSED MIXED-USE PROJECT THAT INCLUDES APPROXIMATELY 821,300 SQUARE FEET OF RESIDENTIAL USES (APPROXIMATELY 690 UNITS), 807,600 SQUARE FEET OF OFFICE USES, AND 68,700 SQUARE FEET OF OTHER ACTIVE GROUND FLOOR USES (A MIX OF RETAIL ESTABLISHMENTS, RECREATIONAL AND ARTS FACILITIES, RESTAURANTS, WORKSHOPS, AND EDUCATIONAL USES). THE PROJECT WOULD ALSO INCLUDE VEHICULAR PARKING, BICYCLE PARKING, AND LOADING FACILITIES, PRIVATE- AND PUBLICLY-ACCESSIBLE OPEN SPACE, AND STREETScape AND PUBLIC-REALM IMPROVEMENTS.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final Environmental Impact Report identified as Case No. 2011.0409E, the "5M Project" at 925 Mission Street and various other parcels, above (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

- A. The Department determined that an Environmental Impact Report (hereinafter “EIR”) was required and provided public notice of that determination by publication in a newspaper of general circulation on January 30, 2013.
 - B. The Department held a public scoping meeting on February 20, 2013 in order to solicit public comment on the scope of the 5M Project’s environmental review.
 - C. On October 15, 2014, the Department published the Draft Environmental Impact Report (hereinafter “DEIR”) and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department’s list of persons requesting such notice.
 - D. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by Department staff on October 15, 2014.
 - E. On October 15, 2014, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.
 - F. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on October 15, 2014.
2. The Commission held a duly advertised public hearing on said DEIR on November 20, 2014 at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on January 7, 2015.
 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 83-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on August 13, 2015, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.
 4. A Final Environmental Impact Report (hereinafter “FEIR”) has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.
 5. Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.
 6. On September 17, 2015, the Commission reviewed and considered the information considered in the FEIR and hereby does find that the contents of said report and the procedures through which the

FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

7. The project sponsor has indicated that the presently preferred alternative is the Revised Project, analyzed in the Comments and Responses document, and as further refined as described in the various proposed approvals for the 5M Project, and which closely resembles the Preservation Alternative described in the FEIR.
8. The Planning Commission hereby does find that the FEIR concerning File No. 2011.0409E reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR, and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA and the CEQA Guidelines.
9. The Commission, in certifying the completion of said FEIR, hereby does find that the project described in the FEIR:
 - A. Will have significant, project-specific effects on the environment by degrading the Level of Service to LOS E or F, or contributing considerably to existing LOS E or F conditions at four study intersections (i.e., Fourth/Howard; Sixth/Folsom; Sixth/Brannan; and Sixth/Bryant);
 - B. Will have significant, project-specific construction-period transportation impacts;
 - C. Will have significant cumulative effects on the environment by contributing to substantial delays at six study intersections (i.e., Fourth/Howard; Fourth/Folsom; Fifth/Howard; Sixth/Folsom; Sixth/Brannan; Sixth/Bryant); and,
 - D. Will have significant cumulative construction-period transportation impacts.
10. The Planning Commission reviewed and considered the information contained in the FEIR prior to approving the Project.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Moore, Richards, Wu
NOES: None
ABSENT: None
ADOPTED: September 17, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other – Per Development Agreement

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19459 CEQA Findings

HEARING DATE: SEPTEMBER 17, 2015

Date: September 3, 2015
Case No.: 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
Project Address: 925 Mission Street and various parcels (aka "5M")
Project Sponsor: Audrey Tendell
5M Project, LLC
875 Howard Street, Suite 330
San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
Kevin.Guy@sfgov.org

ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INCLUDING FINDINGS REJECTING ALTERNATIVES AS INFEASIBLE, A STATEMENT OF OVERRIDING CONSIDERATIONS, AND A MITIGATION MONITORING, AND REPORTING PROGRAM, RELATING TO THE APPROVAL OF THE 5M PROJECT ("PROJECT"), AT 925 MISSION STREET (ASSESSOR'S BLOCKS-LOTS: 3725/ 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, 097-100).

PREAMBLE

1. On August 19, 2014, May 15, 2015, and August 7, 2015, 5M Project, LLC ("Project Sponsor") filed entitlement applications with the San Francisco Planning Department for the development of a mixed-use commercial, residential and retail/educational/cultural development project ("5M Project").
2. The 5M Project is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings

with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100.

3. The 5M Project proposes to demolish surface parking lots and several existing buildings (926 Howard Street, 912 Howard Street, 409-411 Natoma Street, and 190 Fifth Street), retain the Dempster, Camelline, Chronicle, and Examiner (portion) buildings, and construct three new towers on the 5M Project site, with occupied building heights ranging from approximately 200 feet to 450 feet. The 5M Project includes approximately 821,300 square feet of residential uses (approximately 690 units), 807,600 square feet of office uses (including active office uses at or below the ground floor), and 68,700 square feet of other active ground floor uses (a mix of retail establishments, recreational and arts facilities, restaurants, workshops, and educational uses). The Project is more particularly described in **Attachment A**.
4. The project sponsor, Forest City Residential Development, Inc., applied for environmental review of the originally proposed project on February 2, 2012. Pursuant to and in accordance with the requirements of Section 21094 of CEQA and Sections 15063 and 15082 of the CEQA Guidelines, the San Francisco Planning Department, as lead agency, published and circulated a Notice of Preparation ("NOP") on January 30, 2013, that solicited comments regarding the scope of the environmental impact report ("EIR") for the proposed project. The NOP and its 30-day public review comment period were advertised in a newspaper of general circulation in San Francisco and mailed to governmental agencies, organizations and persons interested in the potential impacts of the proposed project. The Planning Department also published an Initial Study on January 30, 2013 (Appendix A to the Draft EIR), which concluded that many of the physical environmental effects of the proposed project would be less than significant, or that mitigation measures, agreed to by the project sponsor and required as a condition of project approval, would reduce significant impacts to a less-than-significant level. The Initial Study concluded that CEQA does not require further assessment of the originally proposed project's less-than-significant impacts which fall into the following topical areas: Biological Resources; Geology and Soils; Greenhouse Gas Emissions; Hydrology and Water Quality; Hazards/Hazardous Materials; Minerals/Energy Resources; and Agriculture and Forest Resources. The Planning Department held a public scoping meeting on February 20, 2013, at 925 Mission Street.
5. During the approximately 30-day public scoping period that ended on March 1, 2013, the Planning Department accepted comments from agencies and interested parties who identified environmental issues that should be addressed in the EIR. On the basis of public comments submitted in response to the NOP and at the public scoping meeting, the Planning Department found that potential areas of controversy and unresolved issues for the proposed project included: provision of affordable housing; increases in traffic congestion and changes to circulation patterns; pedestrian safety; provision of parks and open space; conflicts with existing land uses; and construction period impacts related to transportation, noise, and vibration. Comments received during the scoping process also were considered in preparation of the Draft EIR.

6. Preliminary analysis included in the Initial Study indicated the project site and vicinity are prone to strong winds and that the project as described in the Initial Study could potentially generate hazardous wind conditions. Between March 2013 and July 2013, the proposed project was revised and its design modified (as part of an iterative process involving real-time wind tunnel analysis) to reduce and avoid potential wind exceedances. In addition, to allow for flexibility to respond to market demands and conditions, the project sponsor identified two potential options for development of the proposed project which that considered a varying mix of residential and office uses (the Office Scheme and the Residential Scheme). These revisions were incorporated into the proposed project as described and evaluated in the Draft EIR (the "Draft EIR Project").
7. The San Francisco Planning Department then prepared the Draft EIR, which describes the Draft EIR Project and the environmental setting, analyzes potential impacts, identifies mitigation measures for impacts found to be significant or potentially significant, and evaluates alternatives to the Draft EIR Project. The Draft EIR assesses the potential construction and operational impacts of the Draft EIR Project on the environment, and the potential cumulative impacts associated with the Draft EIR Project in combination with other past, present, and future actions with potential for impacts on the same resources. The analysis of potential environmental impacts in the Draft EIR utilizes significance criteria that are based on the San Francisco Planning Department Environmental Planning Division guidance regarding the environmental effects to be considered significant. The Environmental Planning Division's guidance is, in turn, based on CEQA Guidelines Appendix G, with some modifications.
8. The Planning Department published a Draft EIR for the project on October 15, 2014, and circulated the Draft EIR to local, state, and federal agencies and to interested organizations and individuals for public review. On October 15, 2014, the Planning Department also distributed notices of availability of the Draft EIR; published notification of its availability in a newspaper of general circulation in San Francisco; posted the notice of availability at the San Francisco County Clerk's office; and posted notices at locations within the project area. The Planning Commission held a public hearing on November 20, 2014, to solicit testimony on the Draft EIR during the public review period. After the Draft EIR hearing, the City's Environmental Review Officer extended the Draft EIR public review period from 45 days to 83 days, ending on January 7, 2015. The public was notified of this extension on the Planning Department's website and through communications to the Planning Commission. A court reporter, present at the public hearing, transcribed the oral comments verbatim, and prepared written transcripts. The Planning Department also received written comments on the Draft EIR, which were sent through mail, fax, hand delivery, or email.
9. The San Francisco Planning Department then prepared the Comments and Responses to Comments on DEIR document ("RTC"). The RTC document was published on August 13, 2015, and includes copies of all of the comments received on the Draft EIR and written responses to each comment.
10. During the period between publication of the Draft EIR and the RTC document, the Project was revised in a manner that is substantially similar to the Preservation Alternative identified and analyzed in the Draft EIR, with the exception that the total square footage would be reduced and the mix of uses would be slightly different. Among other changes, the Revised Project would preserve

the Camelline Building, a historical resource that had previously been proposed to be demolished, thereby eliminating the Draft EIR Project's significant and unavoidable impacts related to historical resources. The total size of the buildings under the Revised Project are less than either the Office or Residential Schemes analyzed in the Draft EIR, although the proposed mix of residential and office uses would be more similar to the Office Scheme. These revisions to the Draft EIR Project are described and evaluated in the RTC document. The Revised Project, as described in the RTC document, and as further refined as described in the various proposed approvals described below, is the Project described in these findings.

11. In addition to describing and analyzing the physical, environmental impacts of the revisions to the Project, the RTC document provided additional, updated information, clarification and modifications on issues raised by commenters, as well as Planning Department staff-initiated text changes to the Draft EIR. The Final EIR, which includes the Draft EIR, the RTC document, the Appendices to the Draft EIR and RTC document, and all of the supporting information, has been reviewed and considered. The RTC documents and appendices and all supporting information do not add significant new information to the Draft EIR that would individually or collectively constitute significant new information within the meaning of Public Resources Code Section 21092.1 or CEQA Guidelines Section 15088.5 so as to require recirculation of the Final EIR (or any portion thereof) under CEQA. The RTC documents and appendices and all supporting information contain no information revealing (1) any new significant environmental impact that would result from the Project or from a new mitigation measure proposed to be implemented, (2) any substantial increase in the severity of a previously identified environmental impact, (3) any feasible project alternative or mitigation measure considerably different from others previously analyzed that would clearly lessen the environmental impacts of the Project, but that was rejected by the project sponsor, or (4) that the Draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.
12. On September 17, 2015, at a duly noticed public hearing at a regularly scheduled meeting, by this Motion No. 19459, the Commission adopted these findings, including a statement of overriding considerations and a Mitigation Monitoring and Reporting Program, pursuant to CEQA, the CEQA Guidelines and Chapter 31.
13. Also on September 17, 2015, the Planning Commission recommended that the Board of Supervisors adopt General Plan Amendments, Planning Code Text and Zoning Map Amendments and a Development Agreement. The Planning Commission also approved Conditional Use Authorizations, the Fifth and Mission Design for Development ("D4D") document, raised the absolute cumulative shadow limits for Boeddeker Park in a joint action with the Recreation and Park Commission, allocated net new shadow within Boeddeker Park, granted Office Allocations, and made findings of General Plan consistency. (See Planning Commission Resolution and Motion numbers 19460 through 19473. The Planning Commission makes these findings and adopts the MMRP as part of each and all of these approval actions.

MOVED that the Planning Commission has reviewed and considered the Final EIR and the record associated therewith, including but not limited to the comments and submissions made to this

Motion No. 19459
September 17, 2015

CASE NO. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
5M Project – CEQA Findings

Planning Commission and the Planning Department's responses to those comments and submissions, and based thereon, hereby adopts the Project Findings required by CEQA attached hereto as **Attachment A** including a statement of overriding considerations, and adopts the **MMRP**, included as **Exhibit 1 to Attachment A**, as a condition of approval for each and all of the approval actions set forth in the Resolutions and Motions described above.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Moore, Richards, Wu

NOES: None

ABSENT: None

ADOPTED: September 17, 2015

ATTACHMENT A

5M PROJECT

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS:

**FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND
STATEMENT OF OVERRIDING CONSIDERATIONS**

SAN FRANCISCO PLANNING COMMISSION

September 17, 2015

In determining to approve the 5M Project ("Project"), as described in Section I.A, Project Description, below, the following findings of fact and decisions regarding mitigation measures and alternatives are made and adopted, and the statement of overriding considerations is made and adopted, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act, California Public Resources Code Sections 21000-21189.3 ("CEQA"), particularly Sections 21081 and 21081.5, the Guidelines for implementation of CEQA, California Code of Regulations, Title 14, Sections 15000-15387 ("CEQA Guidelines"), particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code.

This document is organized as follows:

Section I provides a description of the project proposed for adoption, project objectives, the environmental review process for the project, the approval actions to be taken and the location of records;

Section II identifies the impacts found not to be significant that do not require mitigation;

Section III identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation and describes the disposition of the mitigation measures;

Section IV identifies significant impacts that cannot be avoided or reduced to less-than-significant levels and describes any applicable mitigation measures as well as the disposition of the mitigation measures;

Section V evaluates the different project alternatives and the economic, legal, social, technological, and other considerations that support approval of the project and the rejection as infeasible of alternatives, or elements thereof, analyzed; and

Section VI presents a statement of overriding considerations setting forth specific reasons in support of the actions for the project and the rejection as infeasible of the alternatives not incorporated into the project.

The **Mitigation Monitoring and Reporting Program** ("MMRP") for the mitigation measures that have been proposed for adoption is attached with these findings as **Exhibit 1** to Attachment A to Motion No. 19459. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. The MMRP provides a table setting forth each mitigation measure listed in the Final Environmental Impact Report for the Project ("Final EIR") that is required to reduce or avoid a significant adverse impact. The MMRP also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule. The full text of the mitigation measures is set forth in the MMRP.

These findings are based upon substantial evidence in the entire record before the San Francisco Planning Commission (the "Commission"). The references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("Draft EIR" or "DEIR") or the Responses to Comments document ("RTC") in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

I. PROJECT DESCRIPTION, OBJECTIVES, ENVIRONMENTAL REVIEW PROCESS, APPROVAL ACTIONS, AND RECORDS

The Project is a mixed-use development containing approximately 1,697,600 gross square feet ("gsf") of new, renovated and rehabilitated office, residential, retail, cultural, educational uses and 59,500 square feet of open space uses on an approximately four-acre site bounded by Fifth, Mission and Howard Streets and including parcels on both sides of Mary Street to the west. Overall, the Project is proposed to include up to 807,600 gsf of office uses (including active office uses at or below the ground floor), 68,700 gsf of other active ground floor uses (including mezzanine and basement spaces), and 821,300 gsf of residential uses (approximately 690 dwelling units).

During the period between publication of the Draft EIR and the RTC document, the Project was revised in a manner that is substantially similar to the Preservation Alternative identified and analyzed in the Draft EIR, with the exception that the total square footage is reduced and the mix of uses is slightly different. Among other changes, the Project would preserve the Camelline Building, a historical resource that had previously been proposed to be demolished. The total size of the buildings under the Project is less than either the Office or Residential Schemes analyzed in the Draft EIR, although the proposed mix of residential and office uses is more similar to the Office Scheme.

The Project, which is described and analyzed in the RTC document as the "Revised Project", and as further refined as described in the various proposed approvals set forth below in Section I(B), is defined and more particularly described below in Section I.A.

A. Project Description

1. Project Location and Site Characteristics

The Project is proposed on an approximately 4-acre site, which is located at the nexus of the SoMa, Downtown and Mid-Market Street neighborhoods, is roughly bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street and adjacent properties to the west (the "Project site"). The Project site consists of 22 parcels and extends from the southwest quadrant of Fifth and Mission Streets south along Fifth Street to Howard Street, and west along Mission and Howard Streets to approximately the middle of the block. Mary, Minna and Natoma Streets are streets internal to the site.

The Project site is within the vicinity of numerous public transit routes, including Bay Area Rapid Transit ("BART"), San Francisco Municipal Railway ("MUNI"), Golden Gate Transit, and SamTrans routes. Major transit hubs in the vicinity include the Powell Street BART Station, located approximately 750 feet north of the Project site, and the MUNI Central Subway Project, which would extend along the Fourth Street corridor approximately 750 feet east of the Project site. The Central Subway Project is currently under construction and anticipated for completion in 2019.

Currently, the Project site contains eight buildings and seven surface parking lots with a total of approximately 256 parking spaces. The existing buildings on the site provide a total of approximately 317,700 gsf of building space containing office and commercial uses. No housing is located on the site. Office, cultural, and workshop uses are currently accommodated within the existing buildings on the Project site. Current tenants and organizations on the Project site include the San Francisco Chronicle,, Impact Hub, TechShop, SFMade, and Intersection for the Arts, as well as the San Francisco School of Digital Filmmaking ("SFSDF"), Off the Grid (which hosts twice-a-week events on the site), Best Buddies, and Yahoo!.

2. Project Characteristics

The Project is a mixed-use development of new construction, rehabilitated and renovated existing buildings, and open space, constituting up to: 1,697,600 gross square feet (gsf) of building space, including up to: 807,600 gsf of office uses (including active office uses at or below the ground floor), 821,300 gsf of residential uses (approximately 690 dwelling units), 68,700 gsf of other active ground floor uses (including mezzanine and basement spaces), and 59,500 square feet of open space. Associated

infrastructure and accessory vehicle and bicycle parking would also be developed to support these uses. The Project contains seven buildings (three new buildings with heights ranging from 220 to 470 feet, and four retained existing buildings), and two major open space areas, each as described further below. The Project will merge existing parcels on the Project site and re-subdivide the property to accommodate the proposed development program.

Approximately 463 vehicle parking spaces would be provided in up to three subterranean levels. The Project would also change the existing vehicular and pedestrian circulation pattern to enhance pedestrian comfort within the internal streets while facilitating through-movement of vehicular or bicycle traffic to arterial streets.

The Project includes programming elements that are anticipated to include art and cultural events, other public events, and collaborations among businesses and organizations that use the commercial space. Typical events, occurring up to an estimated three times a month, could have attendance of approximately 500 to 750 people, while larger-scale events, occurring approximately twice per year, could have attendance of up to 5,000 people.

Amendments to the San Francisco Planning Code and the San Francisco General Plan are also proposed as part of the Proposed Project. The Planning Code amendments would include amendments to the Zoning Map and would add a Special Use District (“SUD”), applicable to the entire Project Site, which would include an overlay of density and uses within the SUD. A Development Agreement is also proposed as part of the Project, as well as adoption of the 5M Design for Development (“D4D”), which contain specific development standards and guidelines.

a. Proposed Buildings

The Project contains seven buildings (three new buildings with heights ranging from 220 to 470 feet, and four retained buildings), each as described below.

i. Building M-1 (Chronicle Building)

The existing 3-story, 50-foot-tall Chronicle Building (901-933 Mission Street) would be renovated including: addition of rooftop open space interior structural and circulation alterations necessitated by the addition of the rooftop open space area and the demolition of a portion of the existing two-story above-ground connector between the Chronicle Building and the San Francisco Examiner Building; and other interior and exterior alterations.

The renovated Chronicle Building include up to approximately 170,700 gsf of office space, 1,100 gsf of ground floor retail use and 3,400 gsf of lobby/core space. A rooftop area would provide approximately

23,000 square feet of privately -owned publicly- accessible open space (provided to meet, in part, open space requirements for proposed residential buildings)

ii. Building M-2

Building M-2, located west of Building M-1 (Chronicle Building) along Mission Street, is an approximately 20-story, 220-foot-tall, 264,300 gsf building with approximately 250,800 gsf of residential space (288 units) above approximately 13,500 gsf of active ground floor uses composed of 6,800 gsf of active retail space and 6,700 square feet of lobby/core and building services. Three existing surface parking lots would be removed for construction of this building.

iii. Building N-1

Building N-1 is located south of Building M-1 (Chronicle Building) and east of the existing Examiner and Camelline Buildings. It is a 45-story, approximately 470-foot-tall, 583,700 gsf building. The ground floor would contain approximately 13,200 gsf of active ground floor uses (composed of 7,300 gsf of active ground floor retail space and 5,900 gsf of lobby/core and building services space). The remaining floors would contain 570,500 gsf of residential uses (up to 400 units).

iv. Examiner Building

The eastern approximately two-thirds of the existing 92,100-square-foot Examiner Building (110 Fifth Street) and of the approximately 14,800-square-foot above-ground connector over Minna Street between the Examiner Building and Building M-1 would be demolished, with the remainder of the Examiner Building and above-ground connector retained. The exterior and interior of the remaining, post-demolition Examiner Building would be renovated.

After partial demolition and renovation, the Examiner Building would be three stories and 50 feet tall, and include 34,900-gsf building with 21,800 gsf of office use above the ground floor (including 7,000 gsf of office use within the remaining portion of the above-ground connector), 11,800 gsf of active ground floor and basement retail space, and 1,300 gsf of lobby/core space.

v. Camelline Building

The existing Camelline Building, located at 430 Natoma Street, would be retained for continued use as a 9,600-gsf office building.

vi. Dempster Printing Building

The existing four-story, 12,000 gsf Dempster Printing Building, located at 447 Minna Street would be rehabilitated for office uses. Renovation would include alterations to the interior of the structure, removal

of a non-historic bathroom addition on the south elevation of the building, and potentially an exterior envelope seismic retrofit. No vertical addition to the structure is proposed.

vii. Building H-1

Building H-1, located south of Building N-1 and the Examiner Building on the northwest quadrant of Fifth and Howard Streets, is an approximately 25-story, 395-foot-tall, 617,900 gsf building with 584,900 gsf of office space above the ground floor, 33,000 gsf of active ground floor and mezzanine space (including 7,100 gsf of retail and 8,600 gsf of office uses, and 17,300 gsf of lobby/core and building services space). Construction of Building H-1 would require the demolition of a surface parking lot and the Zihn Building (190 Fifth Street).

b. Publicly Accessible Open Space and Public Realm Improvements

The Project would provide privately-owned publicly-accessible open space as part of the larger program of public realm improvements that would occur throughout the Project site. The public realm includes traditional publicly accessible spaces that, together, meet Planning Code requirements for commercial open space and residential open space.

i. Project Open Space

The Project includes a total of approximately 59,500 gsf of open space and landscaped areas, including 49,100 gsf of privately owned publicly accessible open space, an additional 3,200 gsf of landscaped areas consisting of pedestrian improvements to North Mary Street and South Mary Street, and 7,200 gsf of private residential open space. Open space on the site is allocated as follows:

- Chronicle Rooftop: 23,000 gsf of privately owned, publicly accessible open space;
- Mary Court West: 14,600 gsf of privately owned, publicly accessible open space;
- Mary Court East: 11,500 gsf of privately owned, publicly accessible open space;
- Building M-2 Terrace: 3,600 gsf of private open space for Project residents;
- Building N-1 Terrace: 3,600 gsf of private open space for Project residents; and
- 3,200 gsf of landscaped areas consisting of pedestrian improvements to North Mary Street and South Mary Street.

These spaces are included in the above total open space calculation.

ii. Public Rights of Way/Open Space Connections

The Project would modify the on-site circulation pattern. Mary Street, between Mission and Minna Streets, would be converted to a pedestrian-only alley (referred to as the North Mary Pedestrian Alley) that would be closed to vehicle and bicycle traffic. Mary Street, between Minna and Howard Streets would be converted to a shared public way.

Building H-1 would also contain an approximately 11,000 square foot private terrace at the transition from the base to the tower (approximately the 10th floor) that is not included in the above total open space calculation.

c. Access, Circulation and Parking

i. Vehicular Access, Circulation and Parking

Primary changes to the site's vehicular circulation patterns would occur on Mary Street. The northern segment of existing Mary Street, between Mission and Minna Streets, would be closed to vehicular traffic and converted to a pedestrian alleyway. The central and southern segments of Mary Street, between Minna and Howard Streets, would be converted to shared public ways (public rights-of-way designed for pedestrian use that also permit vehicles and bicycles to share the space).

The Project site currently contains seven surface parking lots with a total of approximately 219 parking spaces accessed from Mission, Minna, Mary, Natoma, Howard, and Fifth Streets. The existing surface parking lots would be eliminated and the space would be developed with the Project. The Project would provide a maximum of 463 vehicle parking spaces in subterranean parking garages.

ii. Bicycle Parking

The Project would provide 429 Class 1 bicycle parking facilities and 66 Class 2 bicycle racks. Class 1 bike parking facilities could be located on the ground floor or first basement level of Project buildings, and Class 2 bike parking facilities would be located throughout the Project site.

d. Transportation Demand Management Plan

The Project includes a transportation demand management ("TDM") plan, which is described in Exhibit G, Transportation Program, to the Development Agreement for the Project. The TDM Plan identifies TDM measures for reducing estimated one-way vehicle trips, and establishes numeric goals associated therewith. Exhibit G to the Development Agreement establishes monitoring and reporting requirements for compliance with the proposed TDM measures.

e. Construction

Project timing would be dictated by the market and demand for space, and may consist of concurrent construction of multiple buildings, with initial construction commencing at approximately the end of 2016. Although no specific construction schedule is required or currently proposed, for purposes of environmental review, the timing of Project construction is analyzed as follows:

- Demolition of four existing buildings located at 910, 912, and 924–926 Howard Street, and 190 Fifth Street;
- Construction of Building M-2;
- Construction of Building H-1;
- Renovation and rehabilitation of Building N-3 (Dempster Printing Building).
- Demolition of the eastern two-thirds (approximately) of the existing Examiner Building at 110 Fifth Street, and concomitant partial demolition of the existing two-story pedestrian connector between the Chronicle and Examiner Buildings;
- Renovation of the interior layout of Building M-1 (Chronicle Building); and
- Construction of modifications to Examiner building and connector, and Building N-1;

Project construction is expected to entail the use of a mix of construction equipment typical of large development projects, including bulldozers, jackhammers, and graders. To the extent that pile driving would otherwise be required, anticipated alternative methods include drilled steel piles or auger-cast piles.

B. Project Objectives

According to the project sponsor, the proposed project is intended to provide a distinct mixed-use development with office, retail, residential, cultural, educational, and open space uses focused on supporting and retaining the next generation of the region's knowledge-based technology industry in San Francisco, and on providing a shared district for uses such as co-working, media, arts, and smallscale urban manufacturing. The project sponsor's key objectives are to:

- Develop a mixed-use project containing residential, commercial, and flexible retail/office/cultural/educational space in Downtown San Francisco.
- Leverage the site's central location and close proximity to major regional and local public transit by building a dense mixed-use project that allows people to work and live close to transit.
- Develop buildings in a manner that reflects the project's location at the intersection of the Downtown core and South of Market Area (SoMa) through urban design features such as incorporating heights and massing at varying scales; orienting tall buildings toward the Downtown core; maintaining a strong streetwall along exterior streets; and utilizing midrise buildings to provide appropriate transitions to larger buildings.

- Create a dense commercial center that includes floorplates large enough to provide the flexible and horizontally-connected workplaces through a continuum of floorplate sizes for a range of users; substantial new on-site open space; and sufficient density to support and activate the new ground floor uses and open space in the project.
- Help meet the job creation goals established in the City's Economic Strategy¹ by generating new employment opportunities in the knowledge economy and stimulating job creation across all sectors.
- Construct high-quality housing with sufficient density to contribute to 24-hour activity on the project site while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents.
- Facilitate a vibrant, interactive ground plane for project and neighborhood residents, commercial users, and the public, with public spaces that can accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between and cross-activation of interior and exterior spaces.
- Establish a pedestrian-oriented project with well-designed streets, alleys, and public spaces generally in accordance with the City's Better Streets Plan.
- Retain the Chronicle Building (901-933 Mission Street) and Dempster Printing Building (447-449 Minna Street) as cultural markers on the site.
- Promote sustainability at the site, building, and user level by incorporating Leadership in Energy and Environmental Design (LEED) or equivalent sustainability strategies.

C. Environmental Review

The environmental review for the Project is described in Planning Commission Motion 19459, to which this Attachment A is attached.

D. Approval Actions

The Project requires the following approvals:

1. Planning Commission Approvals

- Certification of the EIR.
- Recommendations to the Board of Supervisors to approve *General Plan* Amendments.
- Recommendations to the Board of Supervisors to approve Zoning Map and Planning Code text amendments, including create an SUD for the Project site, reclassifying parcels with existing RSD zoning to the C-3-S District, amending height and bulk classifications, as well as other proposed amendments.

- Approval of the Fifth and Mission Design for Development ("D4D") document.
 - Conditional Use Authorization(s) for compliance with SUD/D4D (in place of Planning Code Section 309 Determination of Compliance), for buildings (and related improvements) within the Project site.
 - Raising of the absolute cumulative shadow limits for Boeddeker Park pursuant to Planning Code Section 295 (joint action with the **Recreation and Park Commission**).
 - Approval of Allocation of net new shadow on Boeddeker Park.
 - Authorization of office space under Proposition M of the Planning Code.
 - Recommendation to approve a Development Agreement under Administrative Code Chapter 56, addressing issues such as project vesting, fees and exactions and other public benefits.
2. **Historic Preservation Commission Actions**
- Permit to Alter (Planning Code Article 11), as needed, for potential exterior seismic retrofit/rehabilitation of the Dempster Printing Building.
3. **Arts Commission Actions**
- Consent to Arts Program of Development Agreement (for use of fees for capital improvements and programming).
4. **Board of Supervisors Actions**
- Affirm EIR certification (if necessary on appeal).
 - Approval of General Plan, Zoning Map, and Planning Code text amendments.
 - Approval of development agreement.
 - Approval of sidewalk widening legislation.
 - Approval of Major Encroachment Permit(s).
5. **Other – Local Agencies or Departments**

Implementation of the proposed Project will require consultation with or approvals by various City agencies or departments, including, but not limited to, the following:

- a. **San Francisco Planning Department**
- Approval of General Plan referral(s) associated with the subdivision maps and other street improvement approvals where required under Charter Section 4.105.

- b. **San Francisco Department of Public Works.**
 - Approval of parcel mergers and new subdivision maps.
 - Recommendation of approval of Major Encroachment Permits.
 - Recommendation of approval of sidewalk widening legislation.
 - Authorization of street tree removal.

- c. **San Francisco Department of Building Inspection**
 - Approval of site/building permits and demolition permits.

- d. **San Francisco Municipal Transportation Agency**
 - Approval of pedestrian-only segments of Mary Street.
 - Approval of left turn restriction from Fifth Street (northbound) onto Minna Street (westbound).
 - Consent to Transportation Program of Development Agreement.

E. Findings About Significant Environmental Impacts and Mitigation Measures

The following Sections II, III and IV set forth the findings about the determinations of the Final EIR regarding significant environmental impacts and the mitigation measures proposed to address them. These findings provide written analysis and conclusions regarding the environmental impacts of the Project and the mitigation measures included as part of the Final EIR and adopted as part of the Project.

In making these findings, the opinions of the Planning Department and other City staff and experts, other agencies and members of the public have been considered. These findings recognize that the determination of significance thresholds is a judgment within the discretion of the City and County of San Francisco; the significance thresholds used in the Final EIR are supported by substantial evidence in the record, including the expert opinion of the Final EIR preparers and City staff; and the significance thresholds used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project.

These findings do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Instead, a full explanation of these environmental findings and conclusions can be found in the Final EIR and these findings hereby incorporate by reference the discussion and analysis in the Final EIR supporting the determination regarding the Project impacts and mitigation measures designed to address those impacts. In making these findings, the determinations and conclusions of the Final EIR relating to environmental impacts and mitigation measures, are hereby ratified, adopted and incorporated in these

findings, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As set forth below, the mitigation measures set forth in the Final EIR and the attached MMRP are hereby adopted and incorporated to substantially lessen or avoid the potentially significant impacts of the Project. Accordingly, in the event a mitigation measure recommended in the Final EIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is nevertheless hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measure in the Final EIR due to a clerical error, the language of the mitigation measure as set forth in the Final EIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the numbers contained in the Final EIR.

In Sections II, III and IV below, the same findings are made for a category of environmental impacts and mitigation measures. Rather than repeat the identical finding to address each and every significant effect and mitigation measure, the initial finding obviates the need for such repetition because in no instance are the conclusions of the Final EIR, or the mitigation measures recommended in the Final EIR for the Project being rejected.

F. Location and Custodian of Records.

The public hearing transcripts and audio files, a copy of all letters regarding the Final EIR received during the public review period, the administrative record, and background documentation for the Final EIR are located at the Planning Department, 1650 Mission Street, San Francisco. The Planning Commission Secretary, Jonas P. Ionin, is the custodian of records for the Planning Department and the Planning Commission.

II. IMPACTS FOUND NOT TO BE SIGNIFICANT AND THUS DO NOT REQUIRE MITIGATION

Under CEQA, no mitigation measures are required for impacts that are less than significant (Pub. Res. Code § 21002; CEQA Guidelines §§ 15126.4, subd. (a)(3), 15091). As more fully described in the Final EIR and based on the evidence in the whole record of this proceeding, it is hereby found that implementation of the Project would not result in any significant impacts in the following areas and that these impact areas therefore do not require mitigation:

Land Use

- Impacts LU-1a and LU-1b: The Project would not physically divide an existing community.

- Impacts LU-2a and LU-2b: The Project would not conflict with applicable land use plans, policies or regulations adopted for the purpose of avoiding or mitigating an environmental effect.
- Impacts LU-3a and LU-3b: The Project would not have a substantial impact on the existing character of the site's vicinity.
- Impact C-LU-1: The Project, in combination with past, present and reasonably foreseeable future projects in the vicinity of the site, would not contribute to a considerable cumulative land use impact.

Population, Employment and Housing

- Impacts PH-1a and PH-1b: The Project would not substantially induce population growth, either directly or indirectly.
- Impacts PH-2a and PH-2b: The Project would not displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing.
- Impact C-PH-1: The Project, in combination with past, present, and reasonably foreseeable future projects, would not induce substantial population growth either directly or indirectly, displace substantial numbers of existing units, or create demand for additional housing, necessitating the construction of replacement housing.

Cultural Resources

- Impact CP-1: The Project would not cause a substantial adverse change in the significance of a historical resource due to: 1) the demolition of a total of four buildings at 190 Fifth Street, 910 Howard Street, 912 Howard Street, and 924-926 Howard Street, as well as approximately two-thirds of the Examiner Building (110 Fifth Street) and partial demolition of the two-story pedestrian connector between the Chronicle and Examiner Buildings, which are not considered historical resources.
- Impact CP-6: The Project would not cause a substantial adverse change in the significance of historical resources through use of building materials or wall treatments that are incompatible with adjacent historical resources, including the Chronicle Building, and 194-198 Fifth Street and 934 Howard Street, Category B potential historical resources that are adjacent to the proposed Project.
- Impact C-CP-1: The Project would not demolish the Camelline Building at 430 Natoma Street, a historical resource under CEQA and thus will not make a cumulatively considerable contribution to a significant impact.

Transportation and Circulation

- Impact TR-2: The Project would have less-than-significant impacts at 17 study intersections under Existing plus Project conditions:
 - Fourth/Mission
 - Fifth/Mission
 - Fifth/Minna
 - Fifth/Howard
 - Fifth/Folsom
 - Sixth/Market
 - Sixth/Mission
 - Sixth/Minna
 - Sixth/Natoma
 - Sixth/Howard
 - Sixth/Harrison
 - Fourth/Market/Stockton
 - Fourth/Folsom
 - Fifth/Market
 - Fifth/Natoma
 - Fifth/Harrison
 - Fifth/Bryant
- Impact TR-3: The garage operations of the Project would not result in substantial conflicts that would adversely affect traffic, transit, bicycle, and pedestrian operations.
- Impact TR-4: The Project would not result in a substantial increase in transit demand that could not be accommodated by adjacent Muni transit capacity; nor would it cause a substantial increase in delays or costs such that significant adverse impacts to Muni transit service could occur.
- Impact TR-5: The Project would not result in a substantial increase in transit demand that could not be accommodated by regional transit capacity; nor would it cause a substantial increase in delays or costs such that significant adverse impacts to regional transit service could occur.
- Impact TR-6: The Project would not result in potentially hazardous conditions for bicyclists, or otherwise substantially interfere with bicycle accessibility to the site and adjoining areas.
- Impact TR-8: The loading demand of the Project would be accommodated within the existing and proposed on-street and off-street loading spaces, and would not create potentially hazardous conditions or significant delays for traffic, transit, bicyclists or pedestrians.
- Impact TR-9: The Project would not result in significant impacts on emergency vehicle access.
- Impact C-TR-2: The Project, combined with past, present, and reasonable foreseeable future projects, would not result in a considerable contribution to significant cumulative traffic impacts at eight study intersections that would operate at LOS E or LOS F under 2040 Cumulative

conditions, and would result in less-than-significant cumulative impacts at four study intersections that would operate at LOS D or better under 2040 Cumulative conditions.

- Impact C-TR-3: The Project, combined with past, present, and reasonable foreseeable future projects, would not result in a considerable contribution to significant 2040 Cumulative transit impacts at Muni screenlines.
- Impact C-TR-4: The Project, combined with past, present, and reasonable foreseeable future projects, would result in less-than-significant regional transit impacts on AC Transit, Caltrain, Golden Gate Transit, SamTrans and other regional ferry service under 2040 Cumulative conditions.
- Impact C-TR-5: The Project, combined with past, present, and reasonable foreseeable future projects, would result in less-than-significant cumulative bicycle impacts.
- Impact C-TR-6: The Project, combined with past, present, and reasonable foreseeable future projects, would result in less-than-significant cumulative pedestrian impacts.
- Impact C-TR-7: The Project, combined with past, present, and reasonable foreseeable future projects, would result in less-than-significant cumulative loading impacts.
- Impact C-TR-8: The Project, combined with past, present, and reasonable foreseeable future projects, would result in less-than-significant cumulative emergency vehicle access impacts.

Noise

- Impact M-NO-5: The Project would not expose people to excessive groundborne vibration or groundborne noise levels and the Project's new residential uses would not be substantially affected by existing vibration levels.
- Impact C-NO-2: Operation of the Project in combination with other past, present, and reasonably foreseeable future projects in the vicinity would not result in a significant cumulative permanent increase in ambient noise levels in the project vicinity above levels without the project.

Air Quality

- Impact AQ-1: Construction of the Project would generate fugitive dust and criteria air pollutants, but would not violate an air quality standard, contribute substantially to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants.
- Impact AQ-2: During Project operations, the Project would not result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants.
- Impact AQ-5: The Project would not conflict with implementation of the Bay Area 2010 Clear Air Plan.

- Impact AQ-6: The Project would not create objectionable odors that would affect a substantial number of people.
- Impact C-AQ-1: The Project, in combination with past, present, and reasonably foreseeable future development in the project area would not contribute to cumulative regional air quality impacts.

Wind and Shadow

- Impacts WS-1a and WS-1b: The Project would not alter wind in a manner that substantially affects public areas within the vicinity of the Project site.
- Impact WS-2a and WS-2b: The Project would create new shadow that would not adversely affect outdoor recreation facilities or other public areas within the project site vicinity.
- Impact C-WS-1: The Project, in combination with past, present, and reasonably foreseeable future projects, would not alter wind in a manner that substantially affects public areas within the vicinity of the project site.
- Impact C-WS-2: The Project, in combination with past, present, and reasonably foreseeable future projects, would not create new shadow that could adversely affect outdoor recreation facilities or other public areas within the project site vicinity.

Public Services and Recreation

- Impacts PS-1a and PS-1b: The increased employed and residential population associated with the Project would not increase demand for fire services to an extent that would result in substantial adverse impacts associated with the construction or alteration of facilities to provide such services.
- Impacts PS-2a and PS-2b: The increased employed and residential population associated with the Project would not increase demand for police services to an extent that would result in substantial adverse impacts associated with the construction or alteration of facilities to provide such services.
- Impacts PS-3a and PS-3b: The increased employed and residential population associated with the Project would not increase demand for park and open space service to an extent that would result in substantial adverse impacts associated with the construction or alteration of facilities to provide such services.
- Impacts PS-4a and PS-4b: The increased employed and residential population associated with the Project would not increase the use of existing neighborhood parks or other recreational facilities, such that substantial physical deterioration of the facilities would occur or be accelerated.
- Impacts PS-5a and PS-5b: Construction of open space and recreational facilities associated with the Project would not result in a significant effect on the environment.

- Impacts PS-6a and PS-6b: The Project would not physically degrade existing recreational facilities.
- Impacts PS-7a and PS-7b: The Project would not increase demand for library services to an extent that would result in substantial adverse impacts associated with the construction or alteration of facilities to provide such services.
- Impact C-PS-1: The Project, combined with past, present, and reasonable foreseeable future projects, would not result in adverse physical impacts associated with the provision of, or need for, new or physically altered governmental facilities, the construction of which could cause significant environmental effects, in order to maintain acceptable service ratios, response times, or other performance objectives for fire protection, police protection, parks, and library services.
- Impact C-PS-2: The Project, combined with past, present, and reasonable foreseeable future projects, would not contribute to cumulative effects related to recreational resources.

Utilities and Service Systems

- Impacts UT-1a and UT-1b: Implementation of the Project would not require new or expanded water supply resources or entitlements or require construction of new water treatment facilities.
- Impacts UT-2a and UT-2b: Implementation of the Project would not require the construction of new water delivery infrastructure to serve the Project, the construction of which could cause significant environmental effects.
- Impacts UT-3a and UT-3b: Implementation of the Project would not exceed treatment requirements of the Regional Water Quality Control Board and would not require or result in the construction of new stormwater or wastewater facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.
- Impacts UT-4a and UT-4b: Implementation of the Project would not increase demand for electricity and natural gas to an extent that the demand for these resources would substantially increase, requiring the construction of new facilities.
- Impact C-UT-1: The Project, combined with past, present, and reasonable foreseeable future projects, would not result in adverse physical impacts associated with utilities and service systems.

Growth Inducement

- The Project would not result in adverse growth inducement.

Light and Glare (Initial Study analysis as updated in DEIR)

- The Project would have a less-than-significant impact related to light and glare.

Agricultural and Forest Resources (Initial Study)

- The Project site and vicinity are located within an urban area in the City of San Francisco, and there would be no impacts to agricultural and forestry resources.

Biological Resources (Initial Study)

- The Project would not result in any significant effect with regard to biological resources.

Geology and Soils (Initial Study)

- The Project would not result in any significant effects with regard to geology and soils.

Greenhouse Gas Emissions (Initial Study)

- The Project would not result in any significant impacts with respect to greenhouse gas emissions.

Hazards and Hazardous Materials (Initial Study)

- The Project site is not located within an airport land use plan, or within 2 miles of a public or private airport.
- Concentrations of residual contaminants in the area do not pose a risk to human health or the environment, and that no hazardous materials incidents or violations occurred at the Chronicle or Examiner Buildings.
- The potential for releasing asbestos and lead into the air during renovation and demolition would be reduced to a less-than-significant level by compliance with applicable regulations and procedures in the San Francisco Building Code.
- No schools are located within 0.25 mile of the project site.
- The Project would not impair implementation of, or physically interfere with an adopted emergency response plan or emergency evacuation plan.
- The Project would comply with all applicable Building and Fire Code standards.
- The Project is not expected to contribute to the cumulative release of hazardous materials.

Hydrology and Water Quality (Initial Study)

- The Project would not result in any significant impacts to hydrology or water quality.

Mineral and Energy Resources (Initial Study)

- The Project would not result in any significant impacts related to mineral and energy resources.

III. FINDINGS OF POTENTIALLY SIGNIFICANT IMPACTS THAT CAN BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL THROUGH MITIGATION AND THE DISPOSITION OF THE MITIGATION MEASURES

CEQA requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible (unless mitigation to such levels is achieved through adoption of a project alternative). The findings in this Section III and in Section IV concern mitigation measures set forth in the Final EIR. These findings discuss mitigation measures as identified in the Final EIR for the Project. The full text of the mitigation measures is contained in the Final EIR and in Exhibit 1, the Mitigation Monitoring and Reporting Program. The impacts identified in this Section III would be reduced to a less-than-significant level through implementation of the mitigation measures contained in the Final EIR, included in the Project, or imposed as conditions of approval and set forth in Exhibit 1.

This Commission recognizes that some of the mitigation measures are partially within the jurisdiction of other agencies. The Commission urges these agencies to assist in implementing these mitigation measures, and finds that these agencies can and should participate in implementing these mitigation measures.

Cultural Resources

Impact CP-2: The Project could cause a substantial adverse change in the significance of a historical resource (including three historical resources within the Project site (Chronicle Building, Dempster Printing Building, and Camelline Building) and six historical resources in the immediate vicinity of the project area (936 Mission Street, 951-957 Mission Street, 194-198 Fifth Street, 88 Fifth Street, 66 Mint Street and 959-965 Mission Street) due to below-grade excavation and foundation work, the demolition of four buildings, new building framing, and associated ground borne vibrations.

Construction of subterranean parking and foundations would be undertaken as part of the Project and would require below-ground excavation. In addition, removal of existing buildings and pavement could produce intermittent, substantial vibration over the course of several weeks. Additional impacts depend on the method of construction employed, such as mat slab construction, which would not generate excessive vibration levels, or impact pile driving, which could produce considerable vibration.

Given their proximity to proposed new construction, the following buildings may be susceptible to significant ground vibration generated by construction of the proposed Project: the Chronicle Building (901-933 Mission Street), the Dempster Printing Building (447-449 Minna Street), the Camelline Building (430 Natoma Street), the Land Hotel/Chronicle Hotel building (936 Mission Street), the Ford Apartments/Mint Mall building (951-957 Mission Street), the Chieftain or McVeigh building (194-198

Fifth Street), the Old Mint building (88 Fifth Street), the Provident Loan Association building (66 Mint Street), and the California Casket Co. building (959-965 Mission Street).

Mitigation Measure M-CP-2a: Existing Conditions Study, Monitoring, and Repair

Mitigation Measure M-CP-2b: Groundbourne Vibration Monitoring and Compliance with Threshold Levels

Mitigation Measure M-CP-2c: Shoring and Underpinning

Mitigation Measure M-CP-2d: Historic Resources Construction, Demolition, Monitoring, and Reporting Training

With implementation of Mitigation Measures M-CP-2a through M-CP-2d, the Commission finds that, for the reasons set forth in the FEIR, this impact will be reduced to a less-than-significant level.

Impact CP-3: The Project [could] cause a substantial adverse change in the significance of a historical resource due to potential exterior modifications to the Camelline Building (430 Natoma Street), a historical resource under CEQA.

Unlike the Office and Residential Schemes analyzed in the Draft EIR, the Project would not demolish the Camelline Building (430 Natoma Street), which is a historical resource under CEQA. Instead, the existing Camelline Building would be retained and continue to be used as a 9,600 square foot office building.

No renovation of the Camelline Building is proposed as part of the Project. However, in the event modification of the Camelline Building exterior is proposed in the future, inappropriate renovation would have the potential to cause a substantial adverse change in the building's historical significance by materially altering in an adverse manner those character-defining features that convey its historical significance.

Mitigation Measure M-CP-3: Compliance with the Secretary of the Interior's Standards for Rehabilitation

With implementation of Mitigation Measure M-CP-3, the Commission finds that, for the reasons set forth in the FEIR, Impact CP-3 will be reduced to a less-than-significant level.

Impact CP-4: The Project would result in actions that could cause a substantial adverse change in the significance of the Chronicle Building (901-933 Mission Street), a historical resource under CEQA. These actions would (1) partially demolish the non-historic two-story above-grade pedestrian connector between the Chronicle and Examiner Buildings; 2) develop open space on the rooftop of the

Chronicle Building; and (3) rehabilitate the Chronicle Building, which could endanger its historic status.

Conversion of the Chronicle Building's rooftop to open space to include the proposed greenhouse and one-story café/food kiosk could result in a substantial adverse change to a historical resource. Additionally, inappropriate exterior modification of the Chronicle Building has the potential to cause a substantial adverse change in the building's historical significance by materially altering in an adverse manner those character-defining features that convey its historical significance.

Mitigation Measure M-CP-4a: Compliance with the Secretary of the Interior's Standards for Rehabilitation

Mitigation Measure M-CP-4b: Setback Requirements for Greenhouses and Kiosk Rooftop Additions

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measures M-CP-4a and M-CP-4b would reduce Impact CP-4 to a less-than-significant level.

Impact CP-5: The Project could cause a substantial adverse change in the significance of a historical resource by rehabilitating the Dempster Printing Building at 447-449 Minna Street, which could endanger the building's historic status.

Inappropriate rehabilitation of the Dempster Printing Building has the potential to cause a substantial adverse change in the building's historical significance by materially altering in an adverse manner those character-defining features that convey its historical significance.

Mitigation Measure M-CP-5: Compliance with the Secretary of the Interior's Standards for Rehabilitation

The Commission finds that, for the reasons set forth in the FEIR, implementation of Mitigation Measure M-CP-5 would reduce Impact CP-5 to a less-than-significant level.

Impact CP-7: The Project could cause a substantial adverse change in the significance of an archaeological resource because it would require excavation for building demolition, pavement removal, and construction of underground parking.

The Project has the potential to cause a substantial adverse change to subsurface archaeological resources by adversely affecting the information potential of these resources. The partial or total destruction of archaeological resources by the Project would impair the ability of such resources to convey important scientific and historical information.

Mitigation Measure M-CP-7: Archaeological Testing, Evaluation, Data Recovery and Monitoring

The Commission finds that, for the reasons set forth in the EIR, implementing Mitigation Measure M-CP-7 would reduce Impact CP-7 to a less-than-significant level.

Impact CP-8: The Project could indirectly destroy a unique paleontological resource due to excavation activities.

Project ground-disturbing activities would require excavation to a maximum depth of approximately 45 feet below the existing ground surface to allow for construction of subterranean parking. The Colma Formation, which underlines the project site at an approximate depth of 30+ feet, is known to contain significant vertebrate fossils of extinct species. Disturbance of these fossils could impair their ability to yield important scientific information, a potentially significant impact.

Mitigation Measure M-CP-8: Paleontological Resources Monitoring and Mitigation Program

The Commission finds that, for the reasons set forth in the FEIR, that implementing Mitigation Measure M-CP-8 would reduce Impact CP-8 to a less-than-significant level.

Impact CP-9: The Project could disturb human remains, due to excavation activities.

Project ground-disturbing activities could encounter significant prehistoric archaeological deposits on the surface of the Colma Formation, which is estimated to underlie the project at approximately 30 feet below the existing ground surface. Prehistoric archaeological deposits, particularly residential sites and shell mounds, may contain human remains interred outside of formal cemeteries. Disturbance of such remains would result in a significant impact.

Mitigation Measure M-CP-9: Treatment of Human Remains

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measure M-CP-9 would reduce Impact CP-9 to a less-than-significant level.

Impact C-CP-2: The Project could disturb archaeological resources, paleontological resources, and human remains. Disturbance of these resources and remains, in combination with past, present, and reasonably foreseeable future projects, would make a cumulatively considerable contribution to a significant impact.

The potential disturbance of subsurface cultural resources that may underlie the project site, including archaeological resources, paleontological resources, and human remains, could have a cumulatively significant impact when considered with other past, present, or reasonably foreseeable projects in San Francisco and the Bay Area.

Mitigation Measures M-CP-7, M-CP-8, and M-CP-9

The Commission finds that, for the reasons set forth in the FEIR, implementation of Mitigation Measures M-CP-7, M-CP-8, and M-CP-9 would mitigate this impact to a less-than-significant level.

Transportation and Circulation

Impact TR-7: The Project would result in a significant impact at the east crosswalk and southeast corner of the intersection of Fifth/Mission Streets, but otherwise would not result in substantial overcrowding on public sidewalks, nor create potentially hazardous conditions for pedestrians, or otherwise substantially interfere with pedestrian accessibility to the site and adjoining areas.

During the midday and PM peak hours, the addition of new pedestrian trips to the crosswalk and corners at the adjacent intersections of Fifth/Mission and Fifth/Howard Streets would increase pedestrian crowding at the study locations (e.g., resulting in level of service ("LOS") operating conditions worsening from LOS A to LOS C); however, at most study locations pedestrian conditions would continue to be acceptable, with pedestrian operating conditions at LOS D or better. The exceptions would be at the east crosswalk at the intersection of Fifth/Mission Streets (PM peak hour), and the southeast corner at the intersection of Fifth/Mission Streets (midday and PM peak hours), which would operate at LOS E or LOS F under Existing plus Project conditions.

With the addition of Project-generated pedestrian trips to the sidewalks in the project vicinity, the existing LOS E conditions during the midday and PM peak hours at the southeast corner of the intersection of Fifth/Mission Streets (i.e., the corner adjacent to the Fifth & Mission Garage) would worsen to LOS F conditions during both the midday and PM peak hours, and conditions at the east crosswalk would worsen from LOS C to LOS E during the PM peak hour (during the midday peak hour the east crosswalk would operate at LOS D conditions), and would be considered a significant pedestrian impact.

Mitigation Measure M-TR-7: Sidewalk and Crosswalk Widening

The Commission finds that, for the reasons set forth in the FEIR, implementation of Mitigation Measure M-TR-7 would reduce Impact TR-7 to a less-than-significant level.

Noise

Impact M-NO-1: Construction of the Project would generate noise levels in excess of standards established in the San Francisco General Plan or Noise Ordinance and would result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the Project.

The closest off-site sensitive receptors are those land uses located immediately adjacent to the Project boundaries. During demolition and construction activities, if multiple pieces of heavy construction

equipment operate simultaneously within 5 feet of off-site structures, these façades could be exposed to noise levels ranging up to 105 dBA L_{max}. Because of the close proximity of nearby off-site sensitive receptors and because residential units may be occupied prior to completion of all phases of construction, general construction noise control measures must be implemented to reduce potential construction noise impacts to a less-than-significant level.

Mitigation Measure M-NO-1: Noise Reduction Program

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measure M-NO-1 would reduce construction noise impacts at sensitive receptor locations to a less-than-significant level.

Impact M-NO-2: Construction of the Project would result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels.

The proposed Project could require methods such as drilled steel piles or auger-cast piles to support the building foundation. Other Project construction activities, including demolition and excavation, would also temporarily generate groundborne vibration in the project vicinity. Construction-related vibration over 0.25 inches/second PPV would trigger a potential structural impact for older or historically significant buildings, and over 80 VdB would be a level where a significant vibration impact could be considered to occur due to human annoyance. The potential for human annoyance would occur over a greater area of impact than the potential for structural damage. Due to the scope of construction and the proximity of the five historical resources, there is a potentially significant impact due to ground borne vibrations from construction.

Mitigation Measure M-NO-2: Implement Mitigation Measures M-NO-1, M-CP-2a, and M-CP-2b.

The Commission finds that, for the reasons set forth in the EIR, implementing Mitigation Measure M-NO-2 would reduce impacts with respect to the generation of excessive groundborne vibration during construction to a less-than-significant level.

Impact M-NO-3: Operation of the Project would generate noise levels in excess of standards established in the San Francisco General Plan or Noise Ordinance and would result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the Project.

The Project would introduce additional noise sources to the area, including stationary noise sources such as mechanical equipment (e.g., emergency generators, building heating, ventilation, and air conditioning (HVAC) systems, backup generators, and fire pumps), parking lot activities, roadway traffic noise, and special events.

Mitigation Measure M-NO-3: Noise Control Measures for Stationary Equipment

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measure M-NO-3 would reduce noise impacts associated with new mechanical devices to a less-than-significant level.

Impact M-NO-4: New residential uses and open space uses developed under the Project may be affected by substantial existing noise levels.

The Project would introduce new noise-sensitive residential uses to a densely developed urban neighborhood with elevated ambient noise levels. Since ambient noise measurements indicate that exterior noise levels on the boundaries of the Project site are up to 70 dBA, the proposed new residential uses adjacent to Mission and Fifth Streets could be substantially adversely affected by existing noise levels.

Mitigation Measure M-NO-4: Interior Noise Standards and Acoustical Report

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measure M-NO-4 would reduce noise impacts associated with existing outdoor noise levels to a less-than-significant level.

Impact C-NO-1: Construction of the Project, in combination with other past, present, and reasonably foreseeable future projects in the project vicinity, would result in significant temporary or periodic cumulative increases in ambient noise or vibration levels in the project vicinity above levels existing without the Project.

Construction activity in the vicinity of the Project, including demolition, excavation, and building construction activities, could occur in conjunction with other planned and foreseeable projects.

Mitigation Measure M-NO-1

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measure M-NO-1 would reduce the contribution of the Project to cumulative construction noise impacts to a less-than-significant level.

Air Quality

Impact AQ-3: Construction and operation of the Project would generate toxic air contaminants, including diesel particulate matter, which would expose sensitive receptors to substantial pollutant concentrations.

Site preparation activities, such as demolition, excavation, grading, foundation construction, and other ground-disturbing construction activity would affect localized air quality during the construction phases of the Project. Short-term emissions from construction equipment during these site preparation activities would include directly emitted particulate matter (PM_{2.5} and PM₁₀) and toxic air contaminants such as diesel particulate matter ("DPM"). Additionally, the long-term emissions from the Project's mobile and stationary sources would include particulate matter (PM_{2.5} and PM₁₀) and toxic air contaminants such as DPM, and reactive organic gases ("ROGs"). The generation of these short- and long-term emissions could expose sensitive receptors to substantial pollutant concentrations of toxic air contaminants, resulting in a localized health risk.

Mitigation Measure M-AQ-3a: Construction Emissions Minimization, Reporting, Certification Statement and On-site Requirements

Mitigation Measure M-AQ-3b: Diesel Backup Generator and Fire Pump Specifications

The Commission finds that, for the reasons set forth in the FEIR, implementing Mitigation Measures M-AQ-3a and M-AQ-3b would reduce this impact to a less-than-significant level.

Impact AQ-4: The Project could expose onsite sensitive receptors to substantial air pollutant concentrations through generation of and by locating sensitive receptors near sources of toxic air contaminants.

The Project would include development of residential units, which is considered a sensitive land use for purposes of air quality evaluation. The Project site is located in an area that experiences higher levels of air pollution and is within the Air Pollutant Exposure Zone. The Project therefore would have the potential to expose sensitive receptors to substantial concentrations of air pollutants.

Mitigation Measure M-AQ-4: Enhanced Ventilation Measures

The Commission finds that for the reasons set forth in the FEIR, implementing Mitigation Measure M-AQ-4 would reduce this impact to a less-than-significant level.

Impact C-AQ-2: The Project, in combination with past, present, and reasonably foreseeable future development in the project area would contribute to cumulative health risk impacts on sensitive receptors.

The Commission finds that, for the reasons set forth in the EIR, implementation of *Mitigation Measures M-AQ-3a*, which would reduce construction-period emissions, *Mitigation Measure M-AQ-3b*, which would limit diesel generator and fire pump emissions, and *Mitigation Measure M-AQ-4*, which would require that buildings be designed to reduce outdoor filtration of fine particulate matter indoors by 80 percent,

the Project's contribution to cumulative health risk impacts on sensitive receptors would be reduced to a less-than-significant level.

Hazards and Hazardous Materials

Impact HZ-1 (Initial Study): The proposed project could create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, or reasonably foreseeable accident conditions involving the release of materials into the environment.

The Phase I ESA identified the Dempster Printing Building (447–449 Minna Street) as uninhabitable due to water intrusion and significant mold impact. Therefore, renovation of the Dempster Printing Building could cause mold to be released into the environment, resulting in potential health risks to construction workers.

Mitigation Measure M-HZ-1: Evaluation of Subsurface Conditions. Evaluation of Mold in Dempster Printing Building.

The Commission finds that, for the reasons set forth in the Initial Study included in the FEIR, implementing Mitigation Measure M-HZ-1 would reduce this impact to a less-than-significant level.

IV. SIGNIFICANT IMPACTS THAT CANNOT BE AVOIDED OR MITIGATED TO A LESS-THAN-SIGNIFICANT LEVEL

Based on substantial evidence in the whole record of these proceedings, the Planning Commission finds that, where feasible, changes or alterations have been required, or incorporated into, the Project to reduce the significant environmental impacts as identified in the Final EIR. The Commission finds that the mitigation measures in the Final EIR and described below are appropriate, and that changes have been required in, or incorporated into, the Project, pursuant to Public Resources Code Section 21002 and CEQA Guidelines Section 15091, that may lessen, but do not avoid (i.e., reduce to less-than-significant levels), the potentially significant environmental effects associated with implementation of the Project that are described below. Although all of the mitigation measures set forth in the MMRP, attached as Exhibit 1, are hereby adopted, for some of the impacts listed below, despite the implementation of feasible mitigation measures, the effects remain significant and unavoidable.

The Commission further finds based on the analysis contained within the Final EIR, other considerations in the record, and the significance criteria identified in the Final EIR, that feasible mitigation measures are not available to reduce the some of the significant Project impacts to less-than-significant levels, and thus those impacts remain significant and unavoidable. The Commission also finds that, although mitigation measures are identified in the Final EIR that would reduce some significant impacts, certain measures, as

described in this Section IV below, are uncertain or infeasible for reasons set forth below, and therefore those impacts remain significant and unavoidable or potentially significant and unavoidable.

Thus, the following significant impacts on the environment, as reflected in the Final EIR, are unavoidable. But, as more fully explained in Section VIII, below, under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, the Planning Commission finds that these impacts are acceptable for the legal, environmental, economic, social, technological and other benefits of the Project. This finding is supported by substantial evidence in the record of this proceeding.

Transportation and Circulation

Impact TR-1: The Project would result in a significant impact at four study intersections that would operate at LOS E or LOS F (including contributing considerably to existing LOS E or LOS F conditions at one intersection) under Existing plus Project conditions.

In general, the addition of Project vehicle trips during the weekday PM peak hour would result in increases in the average delay per vehicle at the study intersections. At the study intersections of Fourth/Howard, Sixth/Folsom and Sixth/Brannan Streets, the worsening of intersection LOS conditions from LOS D to LOS E or LOS F, and from LOS E to LOS F would be considered a significant impact at these intersections.

Of the eight intersections currently operating at LOS E or LOS F under Existing conditions and that would continue to operate at the same LOS under Existing plus Project conditions, the Project's contributions to the poorly operating critical movements (i.e., the critical movements operating at LOS E or LOS F) would be more than 5 percent at the intersection of Sixth/Bryant Streets, and therefore the contribution of the Project to the overall intersection LOS F conditions at this intersection would be considered considerable, and the Project's impact at this intersection would be considered a significant impact.

Each of the four intersections where the Project would result in significant impacts (i.e., at the intersections of Fourth/Howard, Sixth/Folsom, Sixth/Brannan, and Sixth/Bryant Streets) were reviewed to determine if mitigation measures could reduce the impact to less-than-significant levels or lessen the severity of the Project's contribution to significant impacts. Overall, no feasible mitigation measures were found to mitigate significant impacts for the affected intersections. Generally, additional travel lane capacity would be needed on one or more approaches to the intersection in order to mitigate the LOS E or LOS F intersection operating conditions. The provision of additional travel lane capacity would typically require narrowing of the sidewalks to substandard widths and/or removal of bicycle lanes. These actions would be inconsistent with the transit, bicycle, and pedestrian environment encouraged by the City's Transit First Policy because they would remove space dedicated to pedestrians and bicyclists. Additional

improvements, such as changes to the signal timing cycle length and/or green time allocations would not reduce significant impacts to less-than-significant levels. Thus, the identified significant impacts at the intersections of Fourth/Howard, Sixth/Folsom, Sixth/Brannan, and Sixth/Bryant Streets under Existing plus Project conditions would remain significant and unavoidable.

Impact TR-10: Construction of the Project would result in disruption of nearby streets, transit service, and pedestrian and bicycle circulation.

Concurrent construction of multiple buildings at the Project site over the eight-year buildout period would likely overlap with the construction activity of other projects in the area. The construction activities associated with overlapping projects, and particularly the construction of the Central Subway Moscone Station, would affect access, traffic operations and pedestrian movements. It is anticipated that the construction manager for each project would be required to work with the various departments of the City to develop a detailed and coordinated plan that would address construction vehicle routing, traffic control and pedestrian movement adjacent to the construction area for the duration of the overlap in construction activity. Therefore, given the concurrent construction of multiple buildings on the Project site, expected intensity, and the prolonged construction period, and likely impacts to traffic, transit, and pedestrian and bicycle circulation, construction of the proposed Project would result in significant construction-related transportation impacts.

Mitigation Measure M-TR-10: Construction Measures: Carpool and Transit Access for Construction Workers, Construction Truck Traffic Management, and Project Construction Updates for Adjacent Businesses and Residents

Implementation of Mitigation Measure M-TR-10 would minimize the Project's construction-related transportation impacts, and would not result in any secondary transportation-related impacts. However, construction activities would likely result in disruption to traffic, transit, pedestrians and bicyclists for a prolonged period, and, despite implementation of M-TR-10, the Project's construction-related impact would not be reduced to a less-than-significant level. No other feasible mitigation measures that would reduce this impact to a less-than-significant level have been identified. Therefore, this impact would remain significant and unavoidable.

Impact C-TR-1: The Project, combined with past, present, and reasonable foreseeable future projects, would result in a considerable contribution to significant cumulative traffic impacts at six study intersections that would operate at LOS E or LOS F under 2040 Cumulative conditions.

Under 2040 Cumulative conditions for the weekday PM peak hour, 17 of the 21 study intersections are projected to operate at LOS E or LOS F conditions. The four study intersections of Fifth/Mission, Fifth/Minna, Sixth/Mission, and Sixth/Minna Streets are projected to operate at LOS D or better under 2040

Cumulative conditions. The Project would contribute considerably to significant cumulative traffic impacts at six study intersections (Fourth/Howard, Fourth/Folsom, Fifth/Howard, Sixth/Folsom, Sixth/Bryant and Sixth/Brannan), and therefore, would also result in a considerable contribution to significant cumulative impacts at these intersections.

Each of the six study intersections where the Project would contribute considerably to the significant cumulative impacts was reviewed to determine if mitigation measures could reduce the impact to less-than-significant levels or lessen the severity of the Project's considerable contribution to significant cumulative impacts. No feasible mitigation measures were found to mitigate significant cumulative impacts for the affected intersections. The cumulative traffic impacts would generally be due not just to the Project, but also to increases in traffic in the region caused by long-term anticipated growth and reduction in travel lane capacity proposed by the Central SoMa Plan. Generally, additional travel lane capacity would be needed on one or more approaches to the intersection in order to mitigate LOS E or LOS F intersection operating conditions. The provision of additional travel lane capacity would typically require the narrowing of sidewalks, removal of bicycle lanes, and/or the conversion of existing transit-only lanes to mixed-flow lanes. These actions would be inconsistent with the transit, bicycle, and pedestrian environment encouraged by the City's Transit First Policy because they would remove space dedicated to pedestrians, bicycles, and/or transit and increase the distances required for pedestrians to cross streets. Additional improvements, such as changes to the signal timing cycle length and/or green time allocations, may improve conditions slightly but generally would not reduce significant cumulative impacts to less-than-significant levels. No other feasible mitigation measures that would reduce this impact to a less-than-significant level have been identified. Thus, the Project's identified considerable contribution to significant cumulative traffic impacts at the six study intersections would remain, and the 2040 Cumulative traffic impacts at these intersections would remain significant and unavoidable.

For the above reasons, the Project, in combination with past, present and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative traffic impacts at the six study intersections of Fourth/Howard, Fourth/Folsom, Fifth/Howard, Sixth/Folsom, Sixth/Bryant and Sixth/Brannan, and the significant cumulative impacts would be significant and unavoidable.

Impact C-TR-9: Construction of the Project, combined with past, present, and reasonable foreseeable future projects, would result in disruption of nearby streets, transit service, and pedestrian and bicycle circulation.

Localized cumulative construction-related transportation impacts could occur as a result of cumulative projects that generate increased traffic at the same time and on the same roads as the Project. The construction manager for each project would work with the various departments of the City to develop a detailed and coordinated plan that would address construction vehicle routing, traffic control, and pedestrian movement adjacent to the construction area for the duration of any overlap in construction

activity. *Mitigation Measure M-TR-10* would minimize, but not eliminate, the Project's significant impacts related to conflicts between construction activities and pedestrians, transit, and autos, and would include measures such as construction coordination, construction truck traffic management, project construction updates for adjacent businesses and residents, and carpool and transit access for construction workers.

No other feasible mitigation measures that would reduce this impact to a less-than-significant level have been identified. In addition, given the number of projects proposed in the vicinity and the uncertainty concerning construction schedules, cumulative construction activities could potentially result in disruptions to traffic, transit, pedestrians, and/or bicycles that could be significant, and despite the best efforts of the project sponsor and project construction contractor(s), it is possible that simultaneous construction of the Project and other nearby projects could result in substantial disruption to traffic and transit operations, as well as pedestrian and bicycle circulation. Therefore, for the above reasons, the Project, in combination with past, present and reasonably foreseeable development in San Francisco, would result in significant and unavoidable cumulative construction-related transportation impacts.

V. EVALUATION OF PROJECT ALTERNATIVES

This Section describes the reasons for approving the Project and the reasons for rejecting the alternatives as infeasible. CEQA requires that an EIR evaluate a reasonable range of alternatives to the proposed project or the project location that substantially reduce or avoid significant impacts of the proposed project. CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide the decision maker with a basis of comparison to the proposed Project in terms of their significant impacts and their ability to meet project objectives. This comparative analysis is used to consider reasonable, potentially feasible options for minimizing environmental consequences of the proposed Project.

A. Preservation Alternative (Now Proposed, with Modifications, as the Project)

The Project as described in Section I above is referred to the "Revised Project" and described and analyzed in Section II of the RTC document. During the period between publication of the Draft EIR and the RTC document, the Project was revised in a manner that is substantially similar to the Preservation Alternative identified and analyzed in the Draft EIR, with the exception that the total square footage would be reduced and the mix of uses would be slightly different. Among other changes, the revised Project, as described and analyzed in Section II of the RTC document, would preserve the Camelline Building, a historical resource that had previously been proposed to be demolished.

The total size of the buildings under the revised Project would be less than either the Office or Residential Schemes analyzed in the Draft EIR, although the proposed mix of residential and office uses would be more similar to the Office Scheme. Overall, the revised Project would represent an approximately six percent decrease in overall square footage compared to the Office Scheme and a five percent decrease

compared to the Residential Scheme analyzed in the Draft EIR. The Project, as described and analyzed as the "Revised Project" in the RTC document, would result in development of approximately 7,700 gsf more total building area than the Preservation Alternative because it would include slightly more space for office uses and slightly more overall residential space, although the Project's total unit count would be less than assumed for the Preservation Alternative (690 units, as compared to 750 under the Preservation Alternative), due to the inclusion of slightly larger residential units.

Because the Preservation Alternative would retain the Camelline Building, it would avoid the project-level historic resource impacts that would result from the Office and Residential Schemes analyzed in the Draft EIR. Under the Preservation Alternative, the project site would also be developed with a mix of office, retail, residential, cultural, educational, and open space uses in general accordance with the height and bulk controls that are proposed as part of the Project's SUD. After implementation of the Preservation Alternative, there would be a total of 1,714,400 gsf of building space on the site, including 812,700 gsf of office uses, 81,900 gsf of active ground floor uses, and 819,800 gsf of residential uses (750 dwelling units). The specific elements of the alternative are described below.

Buildings. The Preservation Alternative would result in the retention of three historic buildings on the site: the Chronicle, Dempster Printing, and Camelline Buildings. In addition, a portion of the existing Examiner Building and a portion of the connector between the Examiner Building and the Chronicle Building would be retained. This alternative would entail the demolition of the four other existing buildings on the site, and the construction of three new buildings. After implementation of the alternative there would be a total of six buildings on the site that range in height from 50 to 470 feet. No new building connectors would be developed. Building massing would be concentrated around the southern portion of the site, and Buildings H-1 and N-1 would extend to heights of 420 feet and 470 feet, respectively. The buildings would be designed in accordance with an SUD and detailed design guidelines and standards in an accompanying D4D document that would resemble those proposed as part of the Project.

Open Space. The Preservation Alternative would include a total of 40,400 square feet of open space, which would be provided on-site. Approximately 36,600 square feet of open space would be provided for the residential uses (including private residential balconies) and 12,550 square feet of open space would be provided for a mixture of residential and commercial uses. Shared open space would include a 14,000-square-foot open space west of the Camelline Building across Mary Street, a 19,300-square-foot deck on the rooftop of the Chronicle Building, and a 3,600-square-foot open space adjacent on the west side of Building M-2. In addition, approximately 3,500 square feet of residential balcony space would be provided. All ground-level open spaces and the Chronicle Building rooftop deck would be accessible to the public; other open spaces would be private.

Parking and Circulation. The existing system of public streets within and in the immediate vicinity of the site would generally remain unchanged, although driveways would be developed to provide access to parking areas. However, like the Project, the segment of Mary Street between Mission and Minna Streets would be converted to a pedestrian-only alley that would be closed to vehicle traffic. The alternative would contain 554 motor vehicle parking spaces (not including car share spaces), all of which would be provided in sub-grade parking structures. In addition, the alternative would include 485 Class 1 and 64 Class 2 bicycle parking spaces, respectively.

Residents and Employees. The Preservation Alternative would contain approximately 1,710 residents and 4,260 employees.

Approvals/Entitlements. Similar to the Project, the Preservation Alternative would require changes to existing development controls for the site (including increases in permitted height and bulk) through General Plan, Planning Code, and Zoning Map amendments, including an SUD and conditional use permits, together with detailed design standards and guidelines for project development established through a D4D document.

The environmental effects of the Preservation Alternative would be substantially similar to those identified for the Project, as described in Sections II through IV above. Similar to the Project, the Preservation Alternative would reduce certain impacts of the Office Scheme and Residential Scheme analyzed in the Draft EIR, and would eliminate the significant and unavoidable air quality impacts and cultural resources impacts related to the demolition of the Camelline Building that would occur under the Office and Residential Schemes.

The Draft EIR identified the Preservation Alternative as the environmentally superior alternative because it would retain the Camelline Building. This would avoid direct historic resources impacts from demolition of the structure which would result from the Office or Residential Schemes analyzed in the Draft EIR; such an impact would be significant and irreversible. In addition, as a result of the slightly lower trip generation and reduced residential uses of the Preservation Alternative, as compared to the Office and Residential Schemes analyzed in the Draft EIR, it would not result in the significant and unavoidable air quality impacts identified for the Office and Residential Schemes, as it would not generate reactive organic gasses, a regional pollutant, at levels in excess of established thresholds.

As explained above, the Project now proposed is substantially similar to the Preservation Alternative, eliminates the significant cultural resources and air quality impacts of, and reduces certain other impacts of, the Office and Residential Schemes analyzed in the Draft EIR in the same manner as the Preservation Alternative. Therefore, the Project is substantially similar to the environmentally superior alternative (i.e., the Preservation Alternative), with minor modifications.

B. Alternatives Considered, Rejected and Reasons for Rejection

The Planning Commission rejects the Alternatives set forth in the Final EIR and listed below based upon substantial evidence in the record, including evidence of economic, legal, social, technological, and other considerations described in this Section, in addition to those described in Section VI below, which are hereby incorporated by reference, that make these alternatives infeasible. In making these determinations, the Commission is aware that CEQA defines “feasibility” to mean “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.” (CEQA Guidelines § 15364.) Under CEQA case law, the concept of “feasibility” encompasses (i) the question of whether a particular alternative promotes the underlying goals and objectives of a project; and (ii) the question of whether an alternative is “desirable” from a policy standpoint to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.

1. No Project Alternative

Under the No Project Alternative, the Project site would generally remain in its existing condition and would not be redeveloped with a mix of office, retail, residential, cultural, educational, and open space uses. This alternative would reduce or avoid impacts associated with building demolition, construction activities, and effects associated with the operation of more intense uses on the site. All structures on the site would be retained, including the four buildings that would be demolished, and the two-story above-ground connector that would be partially demolished, as part of the Project. Under this alternative, the site would continue to contain eight buildings ranging from 15 to 65 feet in height that comprise a total of approximately 317,700 gsf of office and light industrial building space. In addition, the site would continue to include approximately 256 parking spaces (including 36 parking spaces located outside the Project site that are accessory to the Chronicle Building) in surface parking lots. The existing circulation system of the site and its immediate surroundings would also remain under the No Project Alternative, with Natoma and Minna Streets providing eastbound and westbound access through the site, respectively, and Mary Street providing northbound access. No segments of roadways within the site would be converted to pedestrian-only alleys. Furthermore, no additional open space would be developed within the Project site.

The existing development controls on the Project site would continue to govern site development and would not be changed by General Plan, Planning Code, and Zoning Map amendments. The site would remain under existing density and height and bulk standards defined for the C-3-S and Residential Services (RSD) districts, and the 160-F/90-X, 160-F, 40-X/85-B height and bulk districts, and no new development would occur.

The No Project Alternative would reduce the impacts of the Project because no new development would occur. The significant and unavoidable transportation and circulation impacts of the Project would not occur. However, changes to the circulation system within the site that would occur as part of the Project and could result in beneficial impacts to the pedestrian environment, such as the conversion of Mary Street between Mission and Minna Streets to a pedestrian-only alley, would also not occur under the No Project Alternative.

The No Project Alternative is hereby rejected as infeasible because, although it would eliminate the significant and unavoidable transportation and circulation impacts of the Project, it would fail to meet most of the basic objectives of the project. Because the physical environment of the project site would be unchanged, the No Project Alternative would not achieve all but one of the project sponsor's objectives for the Project (the alternative would achieve the objective of retaining the Chronicle Building and Dempster Printing Building). In particular, objectives regarding the development of a dense, mixed-use project in proximity to transit, high-quality housing, substantial new-on site open space, and the creation of a new ground plane on the site would not be achieved. Some of the existing site tenants, including those engaged in technology, arts, and educational endeavors, may continue to occupy the site, but the intensity of such uses on the site would not increase under the No Project Alternative.

For these reasons, it is hereby found that the No Project Alternative is rejected because it would not meet the basic objectives of the Project and, therefore, is not a feasible alternative.

2. Code Compliant Alternative

Under the Code Compliant Alternative the site would be developed with a mix of office, residential, retail, cultural, educational, and open space uses in accordance with the existing development controls on the Project site. These development controls are the existing density and height and bulk standards defined for the C-3-S and RSD districts, and the 90-X, 160-F, and 40-X/85-B height and bulk districts. After implementation of the alternative, there would be a total of 634,600 gsf of building space on the site, including 341,600 gsf of office uses, 78,500 gsf of other active ground floor uses (i.e., retail, cultural, and educational uses), 142,000 gsf of residential uses (188 dwelling units), and 72,500 gsf of educational uses. The specific elements of the alternative are described below:

Buildings. The Code Compliant Alternative would result in the retention of two buildings (the Chronicle Building and the Dempster Printing Building), the demolition of six existing buildings (plus a two-story above-ground connector between 901 Mission and 110 Fifth Streets), and the construction of four new buildings on the site. After implementation of the alternative there would be a total of six buildings on the site that range in height from 40 to 114 feet. Buildings constructed under this alternative would be less dense than those constructed as part of the Project. The tallest building, N-1, would be 114 feet in height and would consist of eight stories, the top three of which would be set back in the center of the building.

The buildings would be designed in accordance with applicable City design requirements, including those in the Planning Code.

Open Space. The alternative would contain a total of 14,100 square feet of open space, including 8,200 square feet of open space for the residential uses (including private residential balconies) and 5,900 square feet of space for the commercial uses. Shared open space would include a 5,900-square-foot open space located to the west of Building N-1, a 3,600-square-foot open space located to the west of Building M-2, and a 2,010-square-foot deck located on the roof of Building N-2. The remaining open space would be provided in the form of private residential balconies. All ground-level open spaces would be accessible to the public; other open spaces would be private.

Parking and Circulation. The existing system of public streets within the site and its immediate surroundings would remain unchanged under the Code Compliant Alternative, with Natoma and Minna Streets providing eastbound and westbound access through the site, respectively, and Mary Street providing northbound access. Driveways would be developed to provide access to parking areas. No roadways within the Project site would be converted to pedestrian-only alleys. The alternative would contain 170 motor vehicle parking spaces (not including car share spaces) in a surface "Community Commercial Lot" and sub-grade parking structures, not including spaces in the surface lot that could serve off-site uses in the vicinity of the lot. In addition, the alternative would include Class 1 and Class 2 bicycle parking spaces in accordance with Planning Code Section 155.2.

Residents and Employees. The Code Compliant Alternative would contain approximately 432 residents and 2,346 employees.

Approvals/Entitlements. No General Plan, Planning Code, or Zoning Map amendments would be required to implement the Code Compliant Alternative because the alternative would comply with existing development controls for the site. However, an exception to Planning Code Section 134 would be required related to the provision of rear yards, and a variance to Planning Code Section 140 would be required related to exposure of residential units to open space.

The Code Compliant Alternative would reduce the Project's less-than-significant wind and shadow impacts. Similar to the Project, the Code Compliant Alternative would result in significant and unavoidable impacts at the study intersections of Fourth/Howard, Sixth/Folsom, and Sixth/Brannan, although these impacts would be less than under the Project. However, the Code Compliant Alternative would reduce the Project's significant and unavoidable traffic impact at the intersection of Sixth/Bryant Streets to a less-than-significant level. The Code Compliant Alternative would result in significant and unavoidable cumulative impacts at three study intersections (Fourth/Howard, Sixth/Folsom, and Sixth/Brannan), compared to six study intersections (Fourth/Howard, Fourth/Folsom, Fifth/Howard, Sixth/Folsom, Sixth/Bryant and Sixth/Brannan) under the Project. Under the Code Compliant Alternative,

with mitigation, the significant and unavoidable construction-related and cumulative construction-related transportation impacts would be reduced to a less-than-significant level. Unlike the Project, but similar to the Office and Residential Schemes that were analyzed in the Draft EIR, the Code Compliant Alternative would result in a significant and unavoidable impact to cultural resources due to the demolition of the Camelline Building, which is a historic resource.

The Code Compliant Alternative is rejected as infeasible because, although it would eliminate significant and unavoidable impacts identified for the Project, it would result in the additional new significant and unavoidable cultural resources impact described above, and because it would not meet several of the project objectives. The Code Compliant Alternative would allow for redevelopment of the site with a mix of land uses, and would therefore meet some of the overarching objectives for the Project regarding the development of a mixed-use, transit-oriented, job-and project development, albeit with land uses not contemplated as part of the Project due to the continued split zoning (i.e., RSD and C-3-5) of the Project site under the alternative. Because the intensity and variation of proposed uses would be less than that of the Project, there would be less variation in terms of building height and mass, less opportunity to develop buildings in a manner that reflects the Project site's location at the intersection of the Downtown core and SoMa, and limited opportunity to develop buildings that meet market demand by including larger floor plates. Several objectives relating to creating residential/employment density, including meeting job creation goals, creating a mix of residential unit types, contributing to 24-hour activity, and facilitating vibrant ground plane activity, would also not be achieved to the extent as under the Project.

For these reasons, it is hereby found that the Code Compliant Alternative is rejected because, although it would eliminate significant and unavoidable impacts identified for the Project, it would result in one additional new significant and unavoidable cultural resources impact, and because it would not meet several of the project objectives to the extent as under the Project. It is, therefore, not a feasible alternative.

3. Unified Zoning Alternative

Under the Unified Zoning Alternative, the portion of the Project site zoned RSD (i.e., the H-1 parcel located at the northwest quadrant of Fifth and Howard Streets) would be rezoned to C-3-S, such that the zoning on the Project site would be unified, and the site would be developed with a mix of office, residential, retail, cultural, educational, and open space uses. This alternative would result in fewer changes to the overall Project program than would occur under the Code Compliant Alternative. After implementation of the Unified Zoning Alternative, there would be a total of 1,023,000 gsf of building space on the site, including 709,900 gsf of office uses, 86,200 gsf of active ground floor uses, and 226,900 gsf of residential uses (275 dwelling units). The specific elements of the alternative are described below.

Buildings. Similar to the Code Compliant Alternative, the Unified Zoning Alternative would result in the retention of the Chronicle and Dempster Printing Buildings, the demolition of six existing buildings (plus

a two-story above-ground connector between 901 Mission and 110 Fifth Streets), and the construction of four new buildings on the site. After implementation of the alternative there would be a total of six buildings on the site that would range in height from 50 to 160 feet. Building mass under this alternative would be intermediate between that of the Code Compliant Alternative and the Project. Buildings N-1 and H-1 would be the tallest buildings on the site and would consist of 11 stories, with the top six stories stepped back from the podium. The buildings would be designed in accordance with applicable City design requirements, including those in the Planning Code.

Open Space. The alternative would contain a total of 27,500 square feet of open space, all of which would be provided on-site, including 11,900 square feet of open space for the residential uses (including private residential balconies) and 15,600 square feet of open space for the commercial uses. Shared open space would include a 10,080-square-foot open space located west of Building N-1, a 5,490-square-foot open space located west of Building H-1, a 3,600-square-foot open space located to the west of Building M-2, and a 3,040-square-foot deck located on the roof of Building N-2. The remaining open space would be provided in the form of private residential balconies. All ground-level open spaces would be accessible to the public; other open spaces would be private.

Parking and Circulation. Similar to the Code Compliant Alternative, the existing system of public streets within and in the immediate vicinity of the site would remain unchanged under the Unified Zoning Alternative. Driveways would similarly be developed to provide access to parking areas. No roadways within the Project site would be converted to pedestrian-only alleys. The alternative would contain 228 motor vehicle parking spaces (not including car share spaces), all of which would be provided in sub-grade parking structures. In addition, the alternative would include Class 1 and Class 2 bicycle parking spaces in accordance with Planning Code Section 155.2.

Residents and Employees. The Unified Zoning Alternative would contain approximately 633 residents and 3,791 employees.

Approvals/Entitlements. The Unified Zoning Alternative would require a Zoning Map amendment under which the H-1 parcel would be rezoned from RSD to C-3-S. A General Plan Amendment would also be required to incorporate the H-1 parcel into the Downtown Plan. However, no other General Plan or Planning Code amendments would be required. Exceptions to the following sections of the Planning Code would be required: Section 134 (rear yards); Section 140 (exposure of residential units to open space); and Section 270 (bulk limits for Buildings H-1 and N-1). The exceptions to bulk limits would be in accordance with Section 272, which allows for bulk limits to be exceeded provided "there are adequate compensating factors." The alternative also assumes that there were be a Transfer of Development Rights ("TDR") from the parcels occupied by the retained Chronicle and Dempster Printing Buildings to other parcels on the project site. The resulting increases in building mass would comply with Planning Code FAR limitations except for Buildings H-1 and N-1, as described above.

The Unified Zoning Alternative would reduce the Project's less-than-significant wind and shadow impacts. Similar to the Project, the Unified Zoning Alternative would result in significant and unavoidable impacts at the study intersections of Fourth/Howard, Sixth/Folsom, and Sixth/Brannan, although these impacts would be less than under the Project. However, the Unified Zoning Alternative would reduce the Project's significant and unavoidable traffic impact at the intersection of Sixth/Bryant Streets to a less-than-significant level. The Unified Zoning Alternative would reduce the Project's significant and unavoidable cumulative traffic impacts at one intersection (Sixth/Bryant) to a less-than-significant level, but would also result in an additional significant and unavoidable impact at another intersection (Fifth/Folsom) that would be less-than-significant under the Project. The Unified Zoning Alternative also would result in significant and unavoidable cumulative impacts at five additional study intersections (Fourth/Howard, Fourth/Folsom, Fifth/Howard, Sixth/Folsom, and Sixth/Brannan), that would also result in significant and unavoidable impacts under the Project, although these impacts would be less than under the Project. Therefore, as under the Project, the Unified Zoning Alternative would result in significant and unavoidable cumulative impacts at a total of six study intersections, although one of the six would be a different intersection. Under the Unified Zoning Alternative, as under the Project, significant and unavoidable construction-related and cumulative construction-related transportation impacts would remain significant and unavoidable with mitigation. Unlike the Project, but similar to the Office and Residential Schemes that were analyzed in the Draft EIR, the Unified Zoning Alternative would result in a significant and unavoidable impact to cultural resources due to the demolition of the Camelline Building, which is a historic resource.

The Unified Zoning Alternative is rejected as infeasible because, although it would eliminate significant and unavoidable impacts identified for the Project, it would result in the additional new significant and unavoidable cultural resources impact described above, and because it would not meet several of the project objectives. The Unified Zoning Alternative would meet some of the overarching project objectives regarding development of a mixed-use, transit-oriented, job creating project because it would allow for the development of new buildings containing a mix of uses on the site. However, because the intensity and variation of uses would be reduced compared to the Project (although not to the degree of the Code Compliant Alternative), there would be less variation in terms of building height and mass and less opportunity to develop buildings in a manner that reflects the Project site's location at the intersection of the Downtown core and SoMa. Several objectives relating to the creating residential/employment density, including meeting job creation goals, creating a mix of residential unit types, contributing to 24-hour activity, facilitating vibrant ground plane activity, and supporting a mix of uses and activities, would also not be achieved to the extent as under the Project.

For these reasons, it is hereby found that the Unified Zoning Alternative is rejected because, although it would eliminate significant and unavoidable impacts identified for the Project, it would result in one

additional new significant and unavoidable cultural resources impact, and because it would not meet several of the project objectives to the extent as under the Project. It is, therefore, not a feasible alternative.

C. Alternatives Considered and Rejected in the EIR

1. Off-Site Alternative

This alternative was rejected because the Project is the result of a partnership between the owner of the property and Forest City. There are few to no other sites in the Downtown area in proximity to a BART station that would be of sufficient size to develop a mixed-use project with the intensities and mix of old and new buildings that would be necessary to achieve the project objectives.

These findings in the Final EIR are hereby concurred with, and this alternative is rejected as infeasible because it would not meet the basic objectives of the Project, including objectives regarding the development of a mixed-use project containing residential, commercial, and flexible retail/office/cultural/educational space in Downtown San Francisco; development of a dense, mixed-use project in close proximity to transit; construction of high-quality housing; creation of a dense commercial center with substantial new on-site open space, helping meet the job creation goals established in the City's Economic Strategy by generating new employment opportunities in the knowledge economy and stimulating job creation across all sectors; and the creation of a new ground plane on the Project site.

2. Chronicle Tower Alternative

This alternative would involve the demolition of the southwest portion of the Chronicle Building and the construction of a 370-foot tower in its place. The facades of the building along Mission and Fifth Streets would be retained, along with a portion of the office space in the structure. As part of the alternative, the following buildings would be developed on the site:

- Building M-2: 310-foot, 25-story residential tower on a three-story podium containing office uses;
- Building N-1: 300-foot, 18-story office tower on a three-story podium containing office uses;
- Building N-2: 260-foot, 20-story residential tower on a three-story podium containing office uses;
- and
- Building H-1: 170-foot, 8-story office tower on a three-story podium containing office uses.

A central open space would be developed near the center of the site, south of the Chronicle Building and west of Building N-1. This alternative was rejected for two key reasons: 1) the alternative would result in significant adverse effects to the Chronicle Building, which is considered a historic resource pursuant to CEQA; and 2) the 310-foot Building M-2 could adversely affect views from Powell Street, which is an important view corridor in the City.

These findings in the Final EIR are hereby concurred with, and this alternative is rejected as infeasible because it would result in significant and unavoidable cultural resource impact to the Chronicle Building and adverse effects on the view along Powell that would not occur under the Project, and because it would not meet one of the basic objectives of the Project to retain the Chronicle Building as a cultural marker on the site.

3. Building M-2 High-Rise Alternative

Similar to the Chronicle Tower Alternative, the Building M-2 High-Rise Alternative would also involve the demolition of the southwest portion of the Chronicle Building. An L-shaped connector approximately the same height as the Chronicle Building, extending from the Chronicle Building and continuing between Buildings N-1 and M-2 would be developed. The facades of the Chronicle Building along Mission and Fifth Streets would be retained, as well as some of the existing office space in the building. As part of the alternative, the following buildings would be developed on the site:

- Building M-2: 420-foot building containing residential uses;
- Building N-1: 360-foot building containing residential and office uses;
- Building N-2: 70-foot building containing office uses; and
- Building H-1: 220-foot building containing office uses.

Open space would be developed near the center of the site, south of the Chronicle Building and west of Building N-1. Similar to the Chronicle Tower Alternative, this alternative was rejected because it would result in significant adverse effects to the historic integrity of the Chronicle Building and could adversely affect views along Powell Street.

These findings in the Final EIR are hereby concurred with, and this alternative is rejected as infeasible because it would result in significant and unavoidable cultural resource impact to the Chronicle Building and adverse effects on the view along Powell that would not occur under the Project, and because it would not meet one of the basic objectives of the Project to retain the Chronicle Building as a cultural marker on the site to the same extent as the Project, which would not involve the demolition of the southwest portion of the Chronicle Building.

4. Initial Study Alternative

An application was filed for the originally proposed project on February 2, 2012. The originally proposed project described in the application would have resulted in the retention and renovation of the Chronicle Building and rehabilitation of the Dempster Printing Building, the demolition of six existing buildings (including the Camelline Building) and the construction of five new buildings on the site. Buildings would have ranged up to 400 feet in height and contained approximately 1,850,100 gsf of new and

existing active ground floor uses (arts/cultural/educational), office, and residential uses. An Initial Study and Notice of Preparation were published for the project in January 2013.

Preliminary analysis indicated the Project site and vicinity are prone to strong winds (primarily due to the preponderance of lower-scale buildings to the north and west of the site) and that the originally proposed project as described in the Initial Study would likely generate hazardous wind conditions. Between March 2013 and July 2013, the project was revised (as part of an iterative process involving real-time wind tunnel analysis) to reduce potential wind exceedances. Approximately 20 discrete design alternatives were modeled to arrive at a design that would not result in hazardous wind conditions. Due to the resulting hazardous wind conditions, the originally proposed project analyzed in the Initial Study was ultimately rejected.

These findings in the Final EIR are hereby concurred with, and this alternative is rejected as infeasible because it would result in significant and unavoidable wind impacts related to hazardous wind conditions and demolition of the Camelline Building, a historical resource, that would not occur under the project.

5. Taller Buildings M-2 and N-2 Alternative

The Taller Buildings M-2 and N-2 Alternative would be similar to the Office Scheme analyzed in the Draft EIR in terms of the configuration of buildings and land uses on the Project site, but Buildings M-2 and N-2 would each be two stories taller than under the Office Scheme. Other changes from the Office Scheme would include: the provision of rounded corners on Buildings N-1, N-2, and H-1; the location of Building H-1's taller tower along Fifth Street instead of Mary Street; and the slight shortening of Building N-1. This alternative was rejected because it would generate hazardous wind conditions and would adversely affect the view along Powell Street.

These findings in the Final EIR are hereby concurred with, and this alternative is rejected as infeasible because it would result in significant and unavoidable wind impacts related to hazardous wind conditions, a significant and unavoidable cultural resources impact due to the demolition of the Camelline Building, a historical resource, and adverse effects on the view along Powell that would not occur under the project.

VI. STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to Public Resources Section 21081 and CEQA Guidelines Section 15093, is the Commission hereby finds, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs the significant and unavoidable impacts and is an overriding

consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, this determination is that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the Final EIR and the preceding findings, which are incorporated by reference into this Section, and in the documents found in the administrative record, as described in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, is the Commission specifically finds that there are significant benefits of the Project in spite of the unavoidable significant impacts. The Commission further finds that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or substantially lessened where feasible. Any remaining significant effects on the environment found to be unavoidable are found to be acceptable due to the following specific overriding economic, technical, legal, social and other considerations:

- Consistent with the vision, objectives and goals of the Downtown Area Plan, the Project would involve the development of a mixed use development containing residential, commercial, and flexible retail/office/cultural/educational space in Downtown San Francisco.
- The Project would leverage the project site's central location and proximity to major regional and local public transit by building a dense mixed-use project that allows people to work and live close to transit.
- The Project would develop buildings in a manner that reflects the project site's location at the intersection of the Downtown core and SoMa through urban design features such as incorporating heights and massing at varying scales; orienting tall buildings toward the Downtown core; maintaining a strong streetwall along exterior streets; and utilizing mid-rise buildings to provide appropriate transitions to larger buildings.
- The Project would create a dense commercial center that includes floorplates large enough to provide the flexible and horizontally connected workplaces through a continuum of floorplate sizes for a range of users; substantial new on-site open space; and sufficient density to support and activate the new ground floor uses and open space in the Project.
- The Project would help meet the job-creation goals established in the City's Economic Strategy by generating new employment opportunities in the knowledge economy and stimulating job creation across all sectors.
- The Project would construct high-quality housing with sufficient density to contribute to 24-hour activity on the project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents and assist the City in meeting its affordable housing needs.

- The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that can accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between and cross-activation of interior and exterior spaces.
- The Project would establish a pedestrian-oriented development governed by a Design for Development that establishes a comprehensive, detailed and site-specific set of standards and guidelines for well-designed streets, alleys, and public spaces.
- The Project would retain the Camelline Building (430 Natoma Street) and retain and rehabilitate and/or renovate the Chronicle Building (901-933 Mission Street) and the Dempster Printing Building (447-449 Minna Street), all of which are historical resources, as cultural markers on the site.
- The Project would promote sustainability at the site, building, and user level by incorporating Leadership in Energy and Environmental Design ("LEED") or equivalent sustainability strategies.
- Under the terms of the Development Agreement, the project sponsor would provide a host of additional assurances and benefits that would accrue to the public and the City, including, but not limited to, contributions to assist the City and surrounding community in meeting affordable housing, work-force development, youth development, transit, pedestrian safety, and public art goals.
- The Project will be constructed at no cost to the City, and will provide substantial direct and indirect economic benefits to the City.

EXHIBIT 1: Mitigation Monitoring and Reporting Program¹

Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure CP-2a Prior to demolition and construction, a historic preservation architect and a structural engineer shall undertake an existing condition study of the following nine buildings:</p> <ul style="list-style-type: none"> • 936 Mission Street • 951-957 Mission Street • 194-198 Fifth Street; • 430 Natoma Street; • 901-933 Mission Street; • 447-449 Minna Street; • 88 Fifth Street; • 66 Mint Street; and, • 959-965 Mission Street; <p>The existing condition studies will establish the baseline condition of each building prior to demolition and construction, including the location and extent of any visible cracks or spalls. For each resource, the documentation shall include written descriptions and photographs, and shall include those physical characteristics of the resource that convey its historic significance and that justify its classification as a historical resource.</p>	<p>Project sponsor's historic preservation architect and structural engineer to submit documentation to the Planning Department Preservation Technical Specialist for review and approval.</p>	<p>Prior to demolition and construction on each new Building site and ongoing during project construction.</p>	<p>Prior to construction of each new Building² the sponsor's qualified consultant shall: prepare existing conditions studies of any listed building within 150 feet of any portion of the building site(s) in accordance with M-CP-2a; monitor those historical resources during demolition and construction; respond to inquiries related to the vibration effects of said historical structures during construction; and submit monitoring reports as required at the completion of Building construction in order to complete the actions set forth in and to comply with M-CP-2a.</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete on a per Building basis at the time when construction of such Building(s) is completed.</p>

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¹ Any capitalized term used in this Exhibit that is not defined herein shall have the meaning given to such term in this Agreement. "Building" refers to the individual structures analyzed in the FEIR, as more specifically described in Exhibit B to the Development Agreement and shall not encompass open space and streetscape improvements associated with a Building unless specified herein as to the Mitigation Action

² New buildings are Buildings H-1, N-1 and M-2 as described in Exhibit B -- Project Description to the Development Agreement by and between the City and County of San Francisco and 5M Project, LLC.

Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure CP-2b Prior to construction, a qualified geologist or other professional with expertise in ground vibration and its effect on existing structures shall determine what the maximum permissible ground-borne vibration levels would be (as measured in PPV) to protect historical resources based on the FTA's <i>Transit Noise and Vibration Assessment</i> and ensure that vibration shall not exceed these limits during project construction. If pile-driving would be used, the driving of the initial piles shall be monitored to evaluate compliance with established vibration levels, with modifications made to the method of pile driving to reduce vibrations to below established levels. A copy of the contract specifications and monitoring reports shall be provided to the Planning Department's assigned Preservation Technical Specialist.</p>	<p>Project sponsor's geologist or other qualified professional.</p>	<p>Prior to and during construction of each new Building.</p>	<p>For each new Building, equipment and construction method used in compliance with M-CP-2b shall be documented and submitted with a copy of the contract specifications in report(s) to the Planning Department.</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete on a per Building basis at the time when construction of such Building(s) is completed.</p>
<p>Mitigation Measure CP-2c Prior to demolition and construction, a registered structural engineer with experience in the rehabilitation and restoration of historic buildings shall determine whether, due to the nature of the site's soils, the proposed method of soil removal, and the existing foundations of the historic buildings, project-related excavations have the potential to cause settlement such that underpinning and/or shoring of 901-933 Mission Street, 194-198 Fifth Street, 430 Natoma Street, and/or 447 Minna Street will be required. If underpinning or shoring is determined to be necessary, appropriate designs shall be prepared and implemented. All</p>	<p>Project sponsor's qualified structural engineer and construction contractor(s)</p>	<p>Prior to the issuance of excavation and demolition permits for each new Building</p>	<p>Each new Building shall identify, prepare and implement appropriate designs to protect historic resources in compliance with M-CP-2c, and submit all documents to the appropriate permitting Department for approval.</p>	<p>Planning Department Preservation Technical Specialist; Department of Public Works; and Department of Building Inspection, as appropriate</p>	<p>Considered complete on a per Building basis at the time when construction of such Building(s) is completed.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
documents prepared in accordance with this measure will be provided to the Preservation Technical Specialist assigned to the project and reviewed and approved by the appropriate permitting Department.					
<p>Mitigation Measure CP-2d Prior to demolition and construction, a historic preservation architect shall establish a training program that emphasizes the importance of protecting historical resources for construction workers who are anticipated to work directly with potentially sensitive areas, such as workers involved in excavation or demolition. This program shall include information on recognizing historic fabric and materials, and directions on how to exercise care when working around and operating equipment near 901-933 Mission Street, 959-965 Mission Street, 194-198 Fifth Street, 430 Natoma Street, and 447-449 Minna Street, including storage of materials away from the historic buildings. The training will also include information on means to reduce vibrations from demolition and construction, and monitoring and reporting any potential problems that could affect historical resources. A provision for establishing this training program shall be incorporated into the project sponsor's contract(s) with its construction contractor(s), and the contract provisions related to this training program will be reviewed and approved by the Planning Department Preservation Technical Specialist.</p>	Project sponsor's historic preservation architect and construction contractor(s)	Prior to demolition or construction for each Building.	Prepare construction worker training program with protocols related to protecting historical resources during excavation and/or grading for Building and/or construction of required open space areas and/or streetscape improvements; submit proposed training program to Planning Department for review and approval.	Planning Department Preservation Technical Specialist	Considered complete as to each Building after training program is implemented as to such Building.

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure CP-3 Any future modification of the exterior of the Camelline Building (430 Natoma Street) shall be subject to the following: prior to issuance of site or construction permits related directly to the Camelline Building, proposed plans for the modification of the exterior of the Camelline Building shall be submitted to the Planning Department Preservation Technical Specialist for review and approval. Any work that affects the character-defining features of the exterior of the Camelline Building shall be conducted in accordance with the <i>Secretary of the Interior's Standards for Rehabilitation</i> and undertaken with the assistance of a historic preservation architect meeting the <i>Secretary of the Interior's Professional Qualifications Standards</i>. The historic preservation architect shall evaluate any such proposed exterior modification to assess the treatment of the building's character-defining features and for conformance with the <i>Secretary of the Interior's Standards for Rehabilitation</i>. The historic preservation architect shall regularly evaluate any such ongoing renovation to ensure it continues to satisfy the Standards and will submit status reports to the Planning Department Preservation Technical Specialist according to a schedule agreed upon prior to the commencement of the work.</p>	<p>Building owner's qualified historic preservation architect and contractor(s)</p>	<p>Prior to issuance of site/building permits associated with the applicable portions of the Camelline Building as referenced in M-CP-3.</p>	<p>Building owner shall prepare and submit building plans for the exterior of the Camelline Building in compliance with M-CP-3, and provide the Planning Department with regular evaluation reports regarding the status of the renovation.</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete upon completion of construction activities for the Camelline Building.</p>
<p>Mitigation Measure CP-4a Prior to issuance of site or construction permits related directly to the Chronicle Building, proposed plans for the rehabilitation of the</p>	<p>Project sponsor's qualified historic preservation architect and</p>	<p>Prior to issuance of site/building permits</p>	<p>Either Building M-1 or Building N-1, whichever proceeds first and includes construction of the Chronicle</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete upon completion of construction</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Chronicle Building shall be submitted to the Planning Department Preservation Technical Specialist for review and approval. Any work that affects the character-defining features of the exterior of the Chronicle Building shall be conducted in accordance with the Secretary of the Interior's <i>Standards for Rehabilitation</i> and undertaken with the assistance of a historic preservation architect meeting the Secretary of the Interior's <i>Professional Qualifications Standards</i>. The historic preservation architect will evaluate the proposed project to assess the treatment of the building's character-defining features and for conformance with the Secretary of the Interior's <i>Standards for Rehabilitation</i>. The historic preservation architect shall regularly evaluate the ongoing renovation to ensure it continues to satisfy the Standards and will submit status reports to the Planning Department Preservation Technical Specialist according to a schedule agreed upon prior to commencement of the work.</p>	<p>construction contractor(s)</p>	<p>associated with the applicable portions of the Chronicle Building work as referenced in CP-4a .</p>	<p>Rooftop improvements in compliance with M-CP-4a, shall submit the referenced building plans and provide the Planning Department with regular evaluation reports regarding the status of the renovation.</p> <p>Prepare/submit building plans for exterior of Chronicle Building (in addition to rooftop open space) as part of Building M-1 review to comply with M-CP-4a; provide Planning Department regular evaluation reports regarding renovation status.</p>		<p>activities for the Chronicle Building.</p>
<p>Mitigation Measure CP-4b The greenhouses and kiosk rooftop additions to the Chronicle Building would be setback so as to be minimally visible from the street and would not obscure, remove, or damage any character-defining features of the Chronicle Building. A Planning Department Preservation Technical Specialist shall conduct a design review of the rooftop additions to ensure that these are in conformance with the Secretary of the Interior's <i>Standards for Rehabilitation</i>.</p>	<p>Project sponsor's architect</p>	<p>Prior to approval of final design plan for the Chronicle Building</p>	<p>Building M-1 or Building N-1, whichever proceeds first and includes construction of the Chronicle Rooftop improvements, shall design the greenhouses and kiosk rooftop additions to be minimally visible from Mission and Fifth Streets consistent with Mitigation M-CP-4b and to Planning Dept. satisfaction.</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete upon completion of construction activities for the Chronicle Building.</p>

Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure CP-5 Prior to issuance of site or construction permits related directly to the Dempster Printing Building (447-449 Minna Street), proposed plans for the rehabilitation of the Dempster Printing Building shall be submitted to the Planning Department Preservation Technical Specialist for review and approval pursuant to the requirements of Article 11. Any alteration of the 447-449 Minna Street exterior shall be conducted in accordance with the Secretary of the Interior's <i>Standards for Rehabilitation</i> and undertaken with the assistance of a historic preservation architect meeting the Secretary of the Interior's <i>Professional Qualifications Standards</i>. The historic preservation architect shall regularly evaluate the ongoing renovation to ensure it continues to satisfy the Standards. The historic preservation architect shall submit status reports to a Planning Department Preservation Technical Specialist according to a schedule agreed upon prior to commencement of the work.</p>	<p>Project sponsor's qualified historic preservation architect and construction contractor(s)</p>	<p>Prior to issuance of site/building permits related to the Dempster Printing Building</p>	<p>Prepare and submit building plans for the rehabilitation of the Dempster Printing Building in compliance with M-CP-5. Provide the Planning Department with regular evaluation reports regarding the status of the renovation.</p>	<p>Planning Department Preservation Technical Specialist</p>	<p>Considered complete upon completion of construction activities for the Dempster Printing Building.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure CP-6 The project applicant shall retain the services of an archaeological consultant for the project from the pool of qualified archaeological consultants maintained by the San Francisco Planning Department. The archaeological consultant shall prepare plans, reports, and implement excavation programs, as described below. The archaeological consultant's work shall be conducted in accordance with this measure at the direction of the San Francisco Planning Department. All plans and reports prepared by the archaeological consultant, as specified below, shall be submitted to the San Francisco Planning Department for review and comment and shall be considered draft reports subject to revision until final approval. The archaeological consultant shall undertake the following tasks:</p> <p><u>Testing, Evaluation, and Data Recovery</u> The archaeological consultant shall prepare an Archaeological Testing Plan (ATP) that describes where and how portions of the project site will be examined before construction to identify archaeological remains, if any. The purpose of the ATP is to propose a research context and methods to identify and evaluate whether archaeological deposits that underlie the project site constitute archaeological resources or historical resources under CEQA.</p>	<p>Project sponsor's qualified archaeological consultant and construction contractor(s)</p>	<p>Prior to the issuance of excavation and demolition permits for each new Building, and ongoing during each new Building's construction activities.</p> <p>Ongoing during construction activities, as required.</p>	<p>Each new Building shall prepare an ATP, and oversee the implementation of excavation programs for each respective building site (including excavation and/or grading work necessary for development of open space areas and/or streetscape improvements required to be constructed with the building) in compliance with M-CP-7, and submit all plans and reports prepared for compliance with this measure to the Planning Department for approval.</p> <p>If required by the San Francisco Planning Department, archeological monitoring during demolition and/or construction activities in areas defined as moderately or highly sensitive.</p>	<p>Project sponsor's qualified archaeological consultant and construction contractor(s) to submit final ATP to ERO. ERO to approve.</p> <p>Project sponsor's qualified archaeological consultant and construction contractor(s) in consultation with ERO.</p>	<p>Considered complete on a per Building basis after buildings' excavation and earth-moving activities are completed.</p> <p>Considered complete on a per Building basis after buildings' excavation and earth-moving activities are completed.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><u>Archaeological Monitoring</u> Depending upon results of the identification and evaluation of archaeological deposits conducted pursuant to the ATP, the San Francisco Planning Department may require archaeological monitoring during construction in specific areas defined as moderately or highly sensitive for archaeological resources. Archaeological monitors shall be empowered to stop construction activity at the location of a potential find to evaluate the discovery and make recommendations in consultation with the San Francisco Planning Department, as appropriate.</p> <p>The ATP may adapt portions of the ARDTP prepared for the project, as needed, including research design, field methods, and laboratory methods. The ATP shall be implemented after approval by the San Francisco Planning Department. Following ATP implementation, the archaeological consultant shall prepare an Archaeological Testing/Evaluation Report for submittal to the San Francisco Planning Department for review that presents findings from the testing program implemented as part of the ATP. The Archaeological Testing/Evaluation Report will present a systematic evaluation of any archaeological deposits identified in the project site and their eligibility for listing in the California Register of Historical Resources.</p>			<p>If the San Francisco Planning Department determines that, based on the results presented in the Archaeological Testing/Evaluation Report, a significant archaeological resource or historical resource is present and that the resource could be adversely affected by the project, an Archaeological Data Recovery Program shall be implemented, with results presented in a report of findings for review and approval by the San Francisco Planning Department. The final Archaeological Data Recovery Program shall be submitted to the Northwest Information Center at Sonoma State University, Rohnert Park, Ca.</p>		
<p>Mitigation Measure CP-8 The project applicant shall retain the services of a qualified paleontological consultant to design and</p>	<p>Project sponsor's qualified paleontological</p>	<p>Prior to the issuance of excavation and</p>	<p>Each new Building shall design and implement a PRMMP for construction on</p>	<p>Project sponsor's qualified archaeological</p>	<p>Considered complete on a per Building basis</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>implement a Paleontological Resources Monitoring and Mitigation Program (PRMMP). The PRMMP shall include a description of when and where construction monitoring will be required; emergency discovery procedures; sampling and data recovery procedures; procedure for the preparation, identification, analysis, and curation of fossil specimens and data recovered; pre-construction coordination procedures; and procedures for reporting the results of the monitoring program. The PRMMP shall be consistent with the Society for Vertebrate Paleontology Standard Guidelines for the mitigation of construction-related adverse impacts to paleontological resources and the requirements of the designated repository for any fossils collected.</p>	<p>consultant and construction contractor</p>	<p>demolition permits for each new Building and ongoing during demolition and construction activities, as required by the PRMMP.</p>	<p>its respective Building site in compliance with M-CP-8, and to the extent called for therein, monitor such construction, and submit all prepared plans and monitoring reports to the Planning Department for approval.</p>	<p>consultant and construction contractor(s) to submit final ATP to ERO. ERO to approve.</p>	<p>after buildings' excavation and earth-moving activities are completed.</p>
<p>Mitigation Measure CP-9 The treatment of human remains and of associated or unassociated funerary objects discovered during any soil disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Public Resources Code Section 5097.98). The archeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with</p>	<p>Project sponsor's qualified archaeological consultant and construction contractor</p>	<p>Throughout the demolition and excavation period for each new Building (including associated open space and streetscape improvements)</p>	<p>Each new Building shall develop an agreement for the treatment of human remains and/or associated or unassociated funerary objects within its Building site (including excavation and/or grading work necessary for development of open space areas and/or streetscape improvements required to be constructed with the building), in conformance with M-CP-9.</p>	<p>Planning Department</p>	<p>Considered complete as to each new Building after excavation activities are completed for such new Building.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines Section 15064.5(d)). The agreement shall take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.</p>					
<p>Mitigation Measure TR-7 The project sponsor shall financially compensate the SFMTA for the cost of service to design and implement the following:</p> <ul style="list-style-type: none"> • Extending the east sidewalk on Fifth Street between Minna and Mission Streets to 15 feet. • Restriping and widening the east crosswalk at the intersection of Fifth/Mission Streets to 25 feet. • Upgrading traffic and pedestrian signals at the intersection of Fifth/Mission Streets. • Restriping Minna Street travel lanes between Fifth Street and the garage entrances to provide additional vehicle queuing on Minna Street. • New and more visible "MINNA STREET GARAGE ENTRANCE" and "GARAGE FULL" signage at the Fifth and Mission Garage. 	<p>Project sponsor and SFMTA</p>	<p>Prior to issuance of occupancy permit for first new Building</p>	<p>The first new Building to commence construction shall provide funds in an amount to be reasonably specified by DPW, in accordance with Exhibit G, Transportation Program, to the Development Agreement, to be used for the improvements identified in M-TR-7</p>	<p>Department of Public Works and SFMTA</p>	<p>Project sponsor's obligations deemed completed after payment of funds associated with the first occupancy permit. Considered complete as to the DPW/SFMTA obligations once construction of listed improvements are complete.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure TR-10 <u>Construction Measures Construction Coordination</u> – To reduce potential conflicts between construction activities and pedestrians, bicyclists, transit and vehicles at the project site, the contractor shall prepare a Construction Management Plan for the project construction period.</p> <p>The project sponsor/construction contractor(s) shall also meet with DPW, SFMTA, the Fire Department, Muni Operations and other City agencies to coordinate feasible measures to reduce traffic congestion, including temporary transit stop relocations (not anticipated, but if determined necessary) and other measures to reduce potential traffic, bicycle, and transit disruption and pedestrian circulation effects during construction of the proposed project. This review shall consider other ongoing construction in the project area, such as construction of the nearby Central Subway Moscone Station. As part of this effort, alternate construction staging locations shall be identified and assessed.</p> <p><u>Carpool and Transit Access for Construction Workers</u> – To minimize parking demand and vehicle trips associated with construction workers, the construction contractor shall include methods to encourage carpooling and transit access to the project site by construction workers in the Construction Management Plan.</p>	<p>Project sponsor and construction contractor(s)</p>	<p>Prior to issuance of site/building permits for each new Building and ongoing during construction activities</p>	<p>Each Building, new or existing to be renovated, shall prepare and implement a Construction Management Plan for its construction as outlined in M-TR-10 to the satisfaction of Department of Public Works, SFMTA, the Fire Department, Muni Operations and other City agencies, as applicable and to coordinate its Plan, as necessary, with concurrent construction. Project Construction updates shall be given to businesses and residents adjacent to and within 150 feet of the Project site.</p>	<p>SFMTA and Department of Public Works</p>	<p>Considered complete as to each new Building after construction activities are completed as to such Building.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p><u>Construction Truck Traffic Management</u> – To minimize construction traffic impacts on Mission, Fifth, and Howard Streets, and on pedestrian, transit, bicycle and traffic operations, the construction contractor shall be required to retain traffic control officers during peak construction periods.</p> <p><u>Project Construction Updates for Adjacent Businesses and Residents</u> – To minimize construction impacts on access to nearby institutions and businesses, the project sponsor shall provide nearby residences and adjacent businesses with regularly-updated information regarding project construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, parking lane and sidewalk closures. A regular email notice shall be distributed by project sponsor that would provide current construction information of interest to neighbors, as well as contact information for specific construction inquiries or concerns.</p>					
<p>Mitigation Measure NO-1 To ensure that project noise from construction is minimized to the maximum extent feasible, the project sponsor shall prepare and implement a noise reduction program prepared by a qualified acoustical consultant to reduce construction noise impacts to the maximum extent feasible, subject to review and approval by the Planning Department and Department of Building Inspection prior to the issuance of project-specific permits.</p>	<p>Project sponsor's qualified acoustical consultant and construction contractor(s)</p>	<p>Prior to the issuance of demolition and excavation permits for each Building (including associated open space and streetscape improvements)</p>	<p>The sponsor or its contractors shall prepare and implement a noise reduction program for construction (including for excavation and/or grading work necessary for development of open space areas and/or streetscape improvements required to be constructed with the building) that meets the criteria of M-</p>	<p>Planning Department and Department of Building Inspection</p>	<p>Considered complete as to each Building after construction activities are completed as to such Building.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>The noise reduction program shall include the following measures:</p> <ul style="list-style-type: none"> To reduce impacts associated with pile driving, a set of site specific noise attenuation measures shall be implemented under the supervision of a qualified acoustical consultant during the project construction period. These attenuation measures shall include as many of the following control strategies, and any other effective strategies, as feasible: The project sponsor shall require the construction contractor to erect temporary plywood noise barriers along the boundaries of the project site to shield potential sensitive receptors and reduce noise levels; Contractors shall implement "quiet" pile-driving technology (such as predrilling of piles, sonic pile drivers, and the use of more than one pile driver to shorten the total pile driving duration), where feasible, in consideration of technical and structural requirements and conditions; The project sponsor shall require that the construction contractor limit pile driving activity to result in the least disturbance to neighboring uses, where possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, exhaust mufflers on the compressed air exhaust apparatuses shall be used, along with external noise jackets 		<p>and ongoing during demolition and construction activities.</p>	<p>NO-1, and submit the noise reduction program plans to the Planning Department and Department of Building Inspection for approval.</p>		

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>on the tools, which could reduce noise levels by as much as 10 dBA.</p> <ul style="list-style-type: none"> The project sponsor shall include noise control requirements in specifications provided to construction contractors. Such requirements could include, but not be limited to, performing all work in a manner that minimizes noise to the extent feasible; use of equipment with effective mufflers; undertaking the most noisy activities during times of least disturbance to surrounding residents and occupants, as feasible; and selecting haul routes that avoid residential buildings inasmuch as such routes are otherwise feasible. <p>Prior to the issuance of the building permit, along with the submission of construction documents, the project sponsor shall submit to the Planning Department and Department of Building Inspection a list of measures to respond to and track complaints pertaining to construction noise. These measures shall include:</p> <p>a procedure and phone numbers for notifying the Department of Building Inspection, the Department of Public Health, and the Police Department of complaints (during regular construction hours and off-hours); 2) a sign posted on-site describing noise complaint procedures and a complaint hotline number that shall be answered at all times during construction; 3) designation of an on-site construction complaint and enforcement manager for the project; and 4) notification of neighboring residents and nonresi-</p>					

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
dential building managers within 300 feet of the project construction area at least 30 days in advance of extreme noise generating activities (defined as activities generating noise levels of 90 dBA or greater) about the estimated duration of the activity and associated control measures that will be implemented to reduce noise levels.					
<p>Mitigation Measure NO-3 The project sponsor shall incorporate standard industrial noise control measures for stationary equipment. Such measures may include enclosing equipment in sound-attenuating structures, using buildings to shield these noise sources from sensitive receptors, or mounting equipment on resilient pads to reduce both groundborne and airborne vibration noises. The project sponsor shall ensure that operational noise from stationary sources would not exceed the thresholds set forth in the Noise Ordinance for fixed source noise. The project sponsor shall use standard design features/approaches, including installation of relatively quiet models of mechanical equipment, installation of exhaust silencers, orientation or shielding to protect sensitive uses, and installation within enclosures when necessary to reduce stationary, or fixed source, noise levels to below the established threshold when measured at the property line of the nearest affected sensitive receptor.</p>	Project sponsor and its contractor(s)	Prior to the issuance of occupancy permit for each Building with a new stationary source(s).	Each Building with a new stationary source shall implement noise control measures for stationary sources as described in M-NO-3 in order to meet the thresholds for operational noise set forth in the City's Noise Ordinance.	Department of Building Inspection	Considered complete as to each Building with a new stationary source upon installation of appropriate noise control measures.
<p>Mitigation Measure NO-4 All residential units shall be designed to meet the interior noise standard of 45 dBA L_{dn} so that</p>	Project sponsor's architect and qualified acoustical	Prior to the issuance of site/building	Buildings M-2 and N-1 shall design all residential units in compliance with the interior	Department of Building Inspection	Considered complete as to each of M-2 and

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
windows and doors can remain closed, and an alternate form of ventilation shall be provided, such as mechanical ventilation or air conditioning. Once design plans have been finalized, the project sponsor shall prepare a detailed final acoustical analysis report with building design noise reduction requirements identified that would provide an interior noise level of 45 dBA. This report shall be submitted to the Department of Building Inspection (DBI) prior to issuance of a building permit.	consultant	permit for each new residential Building (M-2, N-1).	noise standard of 45 dBA L _{dn} and submit a final acoustical analysis to the Department of Building Inspection.		N-1 upon receipt of final acoustical analysis report for each such Building.
<p>Mitigation Measure AQ-3a <i>Construction Emissions Minimization.</i> To reduce the health risk associated with construction of the Project, prior to and during construction, the project sponsor shall implement the following multi-part construction emissions minimization measure:</p> <p>A. <i>Construction Emissions Minimization Plan.</i> Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements:</p> <p>1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:</p>	Project sponsor and construction contractor	Prior to and during construction of each Building (including associated open space and streetscape improvements) and ongoing during demolition and construction activities	Each Building (including excavation and/or grading work necessary for development of open space areas and/or streetscape improvements required to be constructed with the building) shall implement the emissions reduction measures per M-AQ-3 as appropriate, including the development of an emissions reduction plan, and quarterly reports detailing construction equipment use by construction phase, and estimates of fuel use to the satisfaction of the Environmental Review Officer.	Planning Department and Department of Building Inspection	Considered complete as to each Building after construction activities are completed and submittal of the final plan summarizing previously completed construction activities as to such Building.

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>a) Where access to alternative sources of power are reasonably available, portable diesel engines shall be prohibited;</p> <p>b) All off-road equipment shall have:</p> <ul style="list-style-type: none"> i. Engines that meet or exceed either U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 2 off-road emission standards, and ii. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDECS). <p>c) Exceptions:</p> <ul style="list-style-type: none"> i. Exceptions to A(1)(a) may be granted if the project sponsor has submitted information providing evidence to the satisfaction of the Environmental Review Officer (ERO) that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation. ii. Exceptions to A(1)(b)(ii) may be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with ARB Level 3 VDECS is: (1) technically not feasible, (2) would not produce desired emissions reductions due to expected 					

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>operating modes, (3) installing the control device would create a safety hazard or impaired visibility for the operator, or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that the requirements of this exception provision apply. In addition, if seeking an exception, the project sponsor shall be required to demonstrate to the ERO's satisfaction that the resulting construction emissions would not exceed thresholds of significance identified within the EIR for exposing sensitive receptors to substantial pollutant concentrations.</p> <p>1. The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than two minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the two minute idling limit.</p> <p>2. The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.</p>					

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>3. The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, descriptions and information may include, but is not limited to: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.</p> <p>4. The Plan shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of the Plan to members of the public as requested.</p> <p><i>B. Reporting.</i> Quarterly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual</p>					

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>amount of alternative fuel used. Within six months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p><i>C. Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p>					
<p>Mitigation Measure AQ-3b Diesel Backup Generator and Fire Pump Specifications. To reduce the health risk associated with operation of the Project, the project sponsor shall implement the following measure:</p> <p>A. All new diesel backup generators and fire pumps shall have:</p> <ol style="list-style-type: none"> 1. Engines that meet or exceed California Air Resources Board (ARB) Tier 2 off-road emission standards, and 2. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDES). <p>B. All new diesel backup generators and fire pumps shall have an annual maintenance</p>	Project sponsor and construction contractor	Submit generator authorization from Bay Area Air Quality Management District for review by Environmental Review Officer prior to the issuance of occupancy permit for each Building with diesel	Each Building with new diesel backup generators shall Implement M-AQ-3b and maintain all diesel generators and fire pumps in compliance with this measure in perpetuity. Equipment specifications for all new permits shall be submitted to Planning Department for approval and records of the testing schedule shall be maintained for the life of each piece of equipment.	Planning Department and Department of Building Inspection	As to engine and filter specifications, considered complete as to each Building with new diesel backup generators when specifications are submitted and approved. Operating and record-keeping obligations are ongoing as

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>testing limit of 20 hours, if feasible, and up to a maximum of 30 hours per engine.</p> <p>C. For each new diesel backup generator or fire pump permit submitted for the project, including any associated generator pads, engine and filter specifications shall be submitted to the San Francisco Planning Department for review and approval prior to issuance of a permit for the generator or fire pump from the San Francisco Department of Building Inspection. Once operational, all diesel backup generators and VDECS shall be maintained in good working order in perpetuity and any future replacement of the diesel backup generators, fire pumps, and Level 3 VDECS filters shall be required to be consistent with these emissions specifications. The operator of the facility shall maintain records of the testing schedule for each diesel backup generator and fire pump for the life of that diesel backup generator and fire pump and provide this information for review to the Planning Department within three months of inquiries for such information.</p>		generator(s)			specified in M-AQ-3b.
<p>Mitigation Measure AQ-4 <i>Enhanced Ventilation Measures.</i> To reduce the health risk associated with toxic air contaminants from roadways and stationary sources, the project sponsor shall implement the following:</p> <ul style="list-style-type: none"> • Air Filtration and Ventilation Requirement for Sensitive Land Uses. Prior to receipt of any certificate of occupancy, the project sponsor shall submit an enhanced 	Project sponsor's licensed mechanical engineer	Prior to issuance of occupancy permit for each new residential Building (M-2 and N-1)	The M-2 and N-1 Buildings shall prepare, submit for approval and implement an enhanced ventilation plan prepared by a licensed mechanical engineer in compliance with the criteria set forth in M-AQ-4, and prepare a maintenance plan	Department of Building Inspection	As to the ventilation and maintenance plans, compliance with the preparation requirement shall be deemed complete as to

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>ventilation plan for the proposed building(s). The enhanced ventilation plan shall be prepared and signed by, or under the supervision of, a licensed mechanical engineer or other individual authorized by the California Business and Professions Code Sections 6700-6799 and shall show that the building ventilation system will be capable of achieving protection from particulate matter (PM_{2.5}) equivalent to that associated with a Minimum Efficiency Reporting Value (MERV) 13 filtration, as defined by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) standard 52.2. The enhanced ventilation plan shall explain in detail how the project will meet the MERV-13 performance standard identified in this measure.</p> <ul style="list-style-type: none"> • Maintenance Plan. Prior to receipt of any certificate of occupancy, the project sponsor shall present a plan that ensures ongoing maintenance for the ventilation and filtration systems. • Disclosure to Buyers and Renters. The project sponsor shall also ensure the disclosure to buyers (and renters) that the building is located in an area within existing sources of air pollution and as such, the building includes an air filtration and ventilation system designed to remove 80 percent of outdoor particulate matter and shall inform occupants of the proper use of the installed filtration system. 			<p>for the ventilation and filtration systems, and inform buyers of the proper use of such installed filtration system.</p>		<p>each of M-2 and N-1 upon sign-off by DBI that the requirement has been met. Compliance with the maintenance and disclosure requirements are ongoing pursuant to M-AQ-4.</p>

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Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure HZ-1 The following actions shall be implemented by the project sponsor:</p> <p><i>Evaluation of Subsurface Conditions.</i> The project sponsor shall initiate compliance with, and ensure that the project fully complies with, Article 22A of the San Francisco Health Code. Per Article 22A, a site history report shall be prepared, and if appropriate, a soil investigation, soil analysis report, site mitigation plan, and certification report shall also be prepared. If the presence of hazardous materials is indicated, a site health and safety plan shall also be required. The soil analysis report shall be submitted to DPH.</p> <p>If required on the basis of the soil analysis report, a site mitigation plan shall be prepared to: 1) assess potential environmental and health and safety risks; 2) recommend cleanup levels and mitigation measures, if any are necessary, that would be protective of workers and visitors to the property; 3) recommend measures to mitigate the risks identified; 4) identify appropriate waste disposal and handling requirements; and 5) present criteria for on-site reuse of soil. The recommended measures shall be completed during construction. Upon completion, a certification report shall be prepared and submitted to DPH documenting that all mitigation measures recommended in the site mitigation report have been completed and that completion of the mitigation measures has been verified through follow-up soil sampling and analysis, if</p>	<p>Project sponsor and construction contractor(s)</p>	<p>Prior to the issuance of excavation and demolition permits for each Building and ongoing during demolition and construction activities</p>	<p>Each new Building (including excavation and/or grading work necessary for development of open space areas and/or streetscape improvements required to be constructed with the building) shall comply with Article 22A of the SF Health Code and prepare all necessary reports and documentation for submittal to the Department of Public Health. Implement all cleanup, mitigation, and safety measures as recommended.</p> <p>The Dempster Printing Building shall retain a Certified Building Inspector to perform a mold evaluation of the building and provide written certification of mitigation by a Certified Industrial Hygienist to the Department of Public Health upon completion.</p>	<p>Department of Public Health and Planning Department</p>	<p>As to each new Building, (1) the subsurface obligations shall be deemed complete upon approval of the referenced reports and completion of excavation activities; (2) as to the Dempster Building, the mold evaluation obligation shall be deemed complete upon sign-off by DPH on the certification.</p>

Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>required. The evaluation shall also be submitted to the Planning Department to become part of the case file.</p> <p><i>Evaluation of Mold in Dempster Printing Building.</i> Prior to renovation of the Dempster Printing Building, the project sponsor shall ensure that the building is evaluated by a Certified Building Inspector, and if the inspector determines mitigation is required, it shall be implemented by a Certified Building Inspector with confirmation that the mitigation is complete (and no mold hazards exist) by a Certified Industrial Hygienist.</p>					



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other – Development Agreement

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Resolution No. 19460 General Plan Findings Planning Code Section 101.1 Findings HEARING DATE: SEPTEMBER 17, 2015

Date: September 3, 2015
Case No.: 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
Project Address: 925 Mission Street and various parcels (aka "5M")
Project Site Zoning: C-3-S (Downtown Support) District, RSD
 40-X/85-B; 90-X and 160-F Height and Bulk Districts
 SOMA Youth and Family Special Use District
Block/Lots: Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100 of Assessor's Block 3725
Project Sponsor: Audrey Tendell
 5M Project, LLC
 875 Howard Street, Suite 330
 San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
Kevin.Guy@sfgov.org

ADOPTING FINDINGS OF CONSISTENCY WITH THE SAN FRANCISCO GENERAL PLAN AND PLANNING CODE SECTION 101.1 FOR THE 5M PROJECT AND VARIOUS ACTIONS AND APPROVALS ASSOCIATED THEREWITH (LOTS 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, AND 097-100, ASSESSOR'S BLOCK 3725)

PREAMBLE

1. WHEREAS, On August 19, 2014, May 15, 2015, and August 7, 2015, 5M Project, LLC ("Project Sponsor") filed entitlement applications with the San Francisco Planning Department for the development of a mixed-use commercial, residential and retail/educational/cultural development

project known as the 5M Project (“Project”), including amendments to the General Plan, Planning Code and Zoning Maps.

2. **WHEREAS**, The Project is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100.
3. **WHEREAS**, The site is located at the nexus of the Downtown, SOMA, and Mid-Market areas, with a context characterized by intense urban development and a diverse mix of uses. The Westfield San Francisco Centre is located at the southeast corner of Market and Fifth Streets, which defines the entry into the major retail shopping district around Union Square. The Fifth and Mission Parking Garage and the University of the Pacific School of Dentistry are located immediately to the east across Fifth Street, with the Metreon shopping center, Yerba Buena Gardens, and Moscone Center situated further to the east. The 340-foot Intercontinental Hotel is immediately to the east of the site, while the Pickwick Hotel and the Hotel Zetta are located along the 5th Street corridor. The Old Mint is situated immediately to the north of the site across Mission Street. Existing buildings to the west and the south of the site tend to be lower in scale, and contain a wide variety of uses, including residential hotels, older and newly-constructed residential buildings, offices, retail establishments, and automotive repair. The transit spine of Market Street is situated one block to the north, while the alignment of the future Central Subway is located one block to the east along Fourth Street.
4. **WHEREAS**, The Planning Department began conversations with the Project Sponsor in 2008 identifying the subject property as an opportunity site that should both reference the lower-scaled environment to the west by emphasizing the existing historic buildings on the site and adding much needed open space to this part of SOMA, with the potential for density and a mix of uses that relate to the high-rise environment to the east. The proposed Project pre-dates the Central SOMA Plan, but supports many of the goals of the Plan, such as supporting transit oriented growth, providing extensive open space, and shaping the area's urban form with recognition of both the City and neighborhood context.
5. **WHEREAS**, The Project proposes to demolish surface parking lots and several existing buildings (926 Howard Street, 912 Howard Street, 409-411 Natoma Street, and 190 Fifth Street), retain the Dempster, Camelline, Chronicle, and Examiner (portion) buildings, and construct three new towers on the Project site, with occupied building heights ranging from approximately 200 feet to 450 feet. The Project includes approximately 821,300 square feet of residential uses (approximately 690 units), 807,600 square feet of office uses (including active office uses at or below the ground floor), and 68,700 square feet of other active ground floor uses (a mix of retail establishments, recreational and arts facilities, restaurants, workshops, and educational uses).

6. **WHEREAS**, The Project would also include vehicular parking, bicycle parking, and loading facilities, an extensive program of private- and publicly-accessible open space, and streetscape and public-realm improvements. The northerly portion of Mary Street between Minna and Mission Streets would be converted into a pedestrian alley lined with active uses and enhanced with seating, landscaping, an pedestrian-scaled lighting. Public open space will be provided at the center of the 5M Project, providing active and passive space incorporating artwork, landscape treatments, and furnishings. Another significant open space would be situated on the rooftop of the Chronicle building, including a deck, lawn space, seating, and opportunities for urban agriculture and outdoor gardens.
7. **WHEREAS**, On November 20, 2014, the Planning Commission held an informational hearing regarding the Project, which included a broad overview of the design and regulatory approach being proposed for the site. On July 23, 2015, the Planning Commission held a second informational hearing for the Project, which focused on the Design for Development document proposed as part of the overall project entitlements. On August 6, 2015, the Planning Commission held a third informational hearing for the Project, focusing on public benefits, wind and shadow effect, circulation design and transportation, and street improvements. On September 3, 2015, the Planning Commission held a final informational hearing on the Project, focusing on various issues raised at the third informational hearing.
8. **WHEREAS**, In order for the Project to proceed and be developed with the proposed mix of uses and development controls, various General Plan amendments, height reclassifications and amendments to the Planning Code and Zoning Maps, together with additional entitlements and approvals, are required.
9. **WHEREAS**, On July 9, 2015, Mayor Lee introduced draft Ordinances with respect to the Project 1) approving a Development Agreement for the Project, and 2) amending the Planning Code to add Section 249.74 to create the Fifth and Mission Special Use District, and amending Sectional Maps ZN01, SU01, and HT01 of the Zoning Map to reflect the Fifth and Mission Special Use District and height reclassifications associated therewith.
10. **WHEREAS**, On August 6, 2015, the Planning Commission held a duly noticed public hearing to consider initiation of General Plan Amendments associated with the Project, and adopted Resolution No. 19429 initiating such General Plan Amendments.
11. **WHEREAS**, On October 15, 2014, the Department published a draft Environmental Impact Report (EIR) for public review. The draft EIR public comment period was originally proposed to end on December 1, 2014, and was subsequently extended by the Environmental Review Officer to January 7, 2015. On November 20, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On August 13, 2015, the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project. The draft EIR and the Comments and Responses document constitute the Final EIR. On September 17, 2015, the Commission reviewed and considered the Final EIR at a duly noticed public hearing and found that the

contents of said report and the procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission found the Final EIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the draft EIR, and approved the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2011.0409ENV, at 1650 Mission Street, Fourth Floor, San Francisco, California

12. **WHEREAS**, On September 17, 2015, at a duly noticed public hearing at a regularly scheduled meeting, by Motion No. 19459, the Commission adopted findings, including a statement of overriding considerations and a Mitigation Monitoring and Reporting Program pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with the actions contemplated herein, the Commission has reviewed the FEIR for the Project and adopts and incorporates by reference as though fully set forth herein the findings, including a statement of overriding considerations, pursuant to CEQA, adopted by the Commission by Motion No. 19459.
13. **WHEREAS**, Also on September 17, 2015 at a duly noticed public hearing at a regularly scheduled meeting, by Resolution No. 19463, the Commission adopted a Resolution recommending that the Board of Supervisors approve various General Plan amendments required for the Project, and adopted findings in connection therewith.
14. **WHEREAS**, The proposed Ordinance prepared in order to create the Fifth and Mission Special Use District and amend Sectional Maps ZN01, SU01, and HT01 of the Zoning Map to reflect the Fifth and Mission Special Use District and height reclassifications associated therewith is attached to Planning Commission Motion No. 19464 and is incorporated herein by reference.
15. **WHEREAS**, The Commission has had available to it for its review and consideration studies, case reports, letters, plans, and other materials pertaining to the Project contained in the Department's case files, and has reviewed and heard testimony and received materials from interested parties during the public hearings on the Project.

MOVED, that the Planning Commission has reviewed and considered the Project and approval actions associated therewith, and the record associated therewith, including the comments and submissions made to this Planning Commission, and based thereon, hereby adopts the General Plan and Planning Code Section 101.1 Consistency Findings set forth herein.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **General Plan Compliance.** The Project and approvals associated therewith, and the individual building components and improvements associated therewith, all as more particularly described in Exhibit B to the Development Agreement on file with the Planning Department in Case No. 2011.0409DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described in this Planning Commission Resolution No. 19460.

A. HOUSING ELEMENT

OBJECTIVE 1: IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1: Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

POLICY 1.8: Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

POLICY 1.10: Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a mixed-use development comprising a total of approximately 690 residential units with a range of unit types, including studios and one- and two-bedroom units. As detailed in the Development Agreement, the Project exceeds the inclusionary affordable housing requirements of the Planning Code, through a partnership between the developer and the City to reach a 33% affordable level, including through contributions to housing from the commercial buildings.

The location of the Project site in close proximity to major regional and local public transit, together with the Project's proposed pedestrian and bicycle circulation improvements, as described in more detail below, would enable households within the Project to easily rely on public transportation, walking and bicycling for the majority of daily trips. The mixed-use nature of the Project and the proximity of the commercial buildings to transit further supports these policies.

OBJECTIVE 11: SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.7: Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The Project, as described in the Development Agreement, includes a program of substantial community benefits designed to support and respect the character of the surrounding neighborhoods. In addition, the Project would preserve three historic resources, the Chronicle Building at 901-933 Mission Street, the Camelline Building at 430 Natoma Street, and the Dempster Printing Building at 447-449 Minna Street, and would not demolish any historic resources.

Any work that affects the character-defining features of the exterior of the Chronicle will be conducted according to Secretary of the Interior Standards. The Dempster Printing Building will be rehabilitated according to Secretary of the Interior Standards, anchoring the low-rise texture of the area and supporting the pedestrian-focused alleyways that will intersect around the core public spaces at Mary Court. Any future proposal to modify the exterior of the Camelline Building in a manner that affects character-defining features similarly will be required to comply with Secretary of the Interior Standards.

The Project design would respect the character of older development in the vicinity through D4D standards and guidelines for overall building massing and design strategies to achieve a relationship to the historic context.

OBJECTIVE 12: BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1: Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2: Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The Project site is located at a transit hub, in close proximity to major regional and local public transit. The Project includes incentives for the use of transit, walking and bicycling through its Transportation Demand Management ("TDM") program. In addition, the Project's streetscape design would enhance vehicular, bicycle and pedestrian access and connectivity through the site. The Project site can be accessed directly by several major local and regional public transportation providers. Therefore, new residential and commercial buildings constructed as part of the Project would rely on transit use and environmentally sustainable patterns of movement.

The Project would include approximately 59,500 gross square feet of open space and landscaped areas, as further detailed in the D4D. The Project would include two major open space areas: the Chronicle Rooftop, and Mary Court, plus pedestrian improvements along the northern portion of Mary Street between Mission and Minna Streets and the southern portion of Mary Street between Natoma and Howard Streets, and would exceed the Planning Code requirements for open space.

The D4D includes a 5M Sustainability Code Baseline Sustainability Standards Matrix that details applicable State and local code requirements applicable to the Project, and requires the Project to fulfill the minimum requirements in this Matrix related to energy, water, waste, transportation, materials, air quality, wildlife, and site. The D4D further provides that all new large commercial buildings and major renovations within the Project site shall achieve a minimum certification of LEED Gold and all new high-rise residential buildings shall achieve a minimum certification of LEED Silver. D4D also

includes a Sustainability Guidelines Matrix, and encourages the Project to incorporate goals and implement strategies listed therein where possible.

The Project includes substantial contributions related to quality of life elements such as open space, affordable housing, transportation improvements, childcare, schools, arts and cultural facilities and activities, workforce development, youth development, and historic preservation.

B. COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1: MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

POLICY 1.1: Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The Project is intended to provide a distinct mixed-use development with office, retail, residential, cultural, educational, and open space uses and providing space for uses such as co-working, media, arts, and small-scale urban manufacturing. The Project would leverage the Project site's central location and close proximity to major regional and local public transit by building a dense mixed-use development that allows people to work and live close to transit. The Project's buildings would be developed in a manner that reflects the Project's location at the intersection of the Downtown core and South of Market Area through urban design features such as incorporating heights and massing at varying scales, orienting tall buildings toward the Downtown core, maintaining a strong streetwall along exterior streets, and utilizing mid-rise buildings to provide appropriate transitions to larger buildings. The Project would create a dense commercial center and a continuum of floorplate sizes for a range of users, substantial new on-site open space, and sufficient density to support and activate the new active ground floor uses and open space in the Project.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project would also construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents. The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that could accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between, and cross-activation of, interior and exterior spaces.

As described in the Housing Element findings above, the Project would retain the Chronicle, Camelline, and Dempster Printing Buildings as cultural markers on the site. The Project would also promote sustainability at the site, building, and user level by incorporating LEED or equivalent sustainability strategies, as described in the above findings regarding Housing Element Objective 12. As described in the Development Agreement, the Project provides a substantial program of community benefits.

OBJECTIVE 2: MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1: Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

See discussion in Commerce and Industry Element Objective 1 and Policy 1.1, which explain the Project's contribution to the City's overall economic vitality.

OBJECTIVE 3: PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.2: Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project will provide expanded employment opportunities for City residents at all employment levels, both during and after construction. The Development Agreement, as part of the extensive community benefit programs, includes focused workforce first source hiring – both construction and end-user – as well as a local business enterprise component.

C. TRANSPORTATION ELEMENT

OBJECTIVE 2: USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

POLICY 2.1: Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

POLICY 2.5: Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Project is located within an existing high-density urban context, and within the core of existing and future local, regional, and statewide transportation services. The Project includes a detailed TDM program, including various performance measures, physical improvements and monitoring and enforcement measures designed to create incentives for transit and other alternative to the single occupancy vehicle for both residential and commercial buildings. In addition, the Project's design, including its streetscape elements, is intended to promote and enhance walking and bicycling.

OBJECTIVE 23: IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1: Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2: Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested, where sidewalks are less than adequately wide to provide appropriate pedestrian amenities, or where residential densities are high.

POLICY 23.6: Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

The Project reflects these policies by improving pedestrian safety and streetscape enhancement measures as described in the D4D and reflected in the mitigation measures and Transportation Plan in the Development Agreement, including but not limited to conversion of Mary Street between Mission and Minna Streets to a pedestrian-only alley, the North Mary Pedestrian Alley, and widening of various sidewalks within and adjacent to the Project site, and the addition of new, and enhancement of existing, mid-block crossing and crosswalk areas.

D. URBAN DESIGN ELEMENT

OBJECTIVE 1: EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1: Recognize and protect major views in the city, with particular attention to those of open space and water.

As explained in the D4D, the Project uses a mix of scales and interior and exterior spaces, with this basic massing further articulated through carving and shaping the buildings to create views and variety on the skyline, as well as pedestrian-friendly, engaging spaces on the ground. The massing locates the greatest height and density along the larger streets of Fifth and Howard, stepping down toward the center of the Project site. The Project would not have any substantial adverse effect on any views from streets that transect the City and are recognized in the Urban Design Element as a critical component of the City's pattern and legibility. As explained in the D4D, the view from Powell Street south to Portrero Hill (from California Street) was an important factor in the Project's urban design. In order to provide an open view of the sky and distant hills from Powell Street, the M-2 Building has been limited to a maximum of 220 feet in height.

POLICY 1.2: Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

POLICY 1.3: Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Although building heights in the immediate vicinity of the Project site, including areas to the north, south and west of the site, generally range between 45 and 160 feet, a concentration of 300- to 500-foot-tall buildings can be found within one or two blocks to the east, including the 340-foot-tall Intercontinental Hotel at the northeast corner of Fifth and Howard Streets, immediately across from the Project site. Although the proposed buildings on the Project site would be taller than buildings surrounding the site, taller buildings and increased density would not be inherently incompatible with surrounding areas, as the Downtown is planned to contain the most intense pattern of urban development in the City. This area of San Francisco is characterized by a pattern of varied building forms and heights, ranging from early 20th Century one- to two-story buildings to taller, more modern construction, and the more intensely developed uses on the site near lower-scale buildings would not inherently conflict with adjacent land uses.

The proposed buildings have been designed, through their architectural features and articulations, along with the streetscape design tying them together, with the open spaces, and into the neighborhood, to complement each other and the surrounding buildings (including the existing Chronicle, Examiner, Camelline, and Dempster Printing Buildings), open spaces, and neighborhoods. The D4D includes architectural design guidelines for the residential towers that ensure that the design shall respond to immediately adjacent historic buildings. As a result, the Project would be integrated into the pattern of and would further activate the neighborhood, downtown, and the City as a whole. The Project, which will be a center of activity, will be architecturally compatible with the prevailing pattern of buildings in the SoMa/Yerba Buena area.

POLICY 2.4: Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5: Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

See discussion above in Housing Element Objective 11, Policy 11.7.

OBJECTIVE 3: MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

See discussion above in Objective 1, Policy 1.3.

E. RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 1: ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM.

POLICY 1.1: Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate.

POLICY 1.7: Support public art as an essential component of open space design.

The Project would include approximately 59,500 gross square feet of open space and landscaped areas, as further detailed in the D4D. Mary Court is intended to serve as an "urban room" that spills out of and into adjacent active frontages and shared streets. Mary Court will be divided by Central Mary Street into a more passive open space area (Mary Court West) and more active open space area (Mary Court East). Both are capable of hosting public events and performances, paired with circulation to support and expand the space as needed. Mary Court will provide a platform for creativity and interaction. Primarily hardscaped with flexible structures, it is intended to facilitate a range of informal and formal activities, including: play space for kids (and adults); dance performances; plays and live music; interactive art installations; art exhibitions; general seating and people watching; café and/or retail kiosks; program containers and pods; food trucks; and festivals and weekend markets.

Public usable open space within the Chronicle Rooftop will provide opportunities for informal and formal activities, passive and active, to invite people of different generations and cultures, and different pastimes into the space. The D4D provides for temporary streetscape improvements, such as parklets, along all interior streets (Minna, Natoma, and Mary), with selected locations for street trees and artwork. Other amenities to enhance the pedestrian experience may include comfortable seating, attractive plantings, public art displays, and additional bicycle parking.

POLICY 1.12: Preserve historic and culturally significant landscapes, sites, structures, buildings and objects.

See discussion in Housing Element Objective 11, Policy 11.7.

OBJECTIVE 3: IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE.

POLICY 3.1: Creatively develop existing publicly-owned right-of-ways and streets into open space.

The Project would encourage non-automobile transportation to and from open spaces, and would ensure physical accessibility to recreational facilities and open spaces to the extent feasible. The D4D provides that Natoma, Mary, and Minna Streets would provide pedestrian-focused design elements, such as parklets, to expand the experience of the sidewalks.

F. ARTS ELEMENT

POLICY VI-1.9: Create opportunities for private developers to include arts spaces in private developments city-wide.

The Development Agreement includes as Exhibit H an arts program which includes contributions to fund both on-site arts facilities and programs.

G. DOWNTOWN AREA PLAN

OBJECTIVE 2: MAINTAIN AND IMPROVE SAN FRANCISCO'S POSITION AS A PRIME LOCATION FOR FINANCIAL, ADMINISTRATIVE, CORPORATE, AND PROFESSIONAL ACTIVITY.

POLICY 2.2: Guide location of office development to maintain a compact downtown core and minimize displacement of other uses.

The Project facilitates maintenances of a compact downtown core by locating a dense, mixed-use development, including major new office space, in the downtown and adjacent to major transit resources. The project consists of redevelopment of existing commercial buildings and surface parking lots, would not displace any existing housing, and would incorporate existing tenants into new uses.

OBJECTIVE 7: EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

POLICY 7.1: Promote the inclusion of housing in downtown commercial developments.

The Project is a mixed-use development that would include a total of 690 residential units. Fees contributed by the commercial and residential components would also facilitate additional affordable housing resources in the Project vicinity, as further described in the Housing Element discussion under Objective 1.

POLICY 7.2: Facilitate conversion of underused industrial and commercial areas to residential use.

The Project involves the conversion of portions of an underused industrial and commercial site, portions of which are currently used for surface parking lots, to residential use.

OBJECTIVE 9: PROVIDE QUALITY OPEN SPACE IN SUFFICIENT QUANTITY AND VARIETY TO MEET THE NEEDS OF DOWNTOWN WORKERS, RESIDENTS, AND VISITORS.

POLICY 9.1: Require usable indoor and outdoor open space, accessible to the public, as part of new downtown development.

POLICY 9.2: Provide different kinds of open space downtown.

POLICY 9.5: Improve the usefulness of publicly owned rights-of-way as open space.

See discussion under Recreation and Open Space Element Objective 1, Policies 1.1 and 1.7.

OBJECTIVE 10: ASSURE THAT OPEN SPACES ARE ACCESSIBLE AND USABLE.

POLICY 10.1: Develop an open space system that gives every person living and working downtown access to a sizable sunlit open space within convenient walking distance.

POLICY 10.2: Encourage the creation of new open spaces that become a part of an interconnected pedestrian network.

See Discussion under Recreation and Open Space Element Objective 1, Policies 1.1 and 1.7.

OBJECTIVE 12: CONSERVE RESOURCES THAT PROVIDE CONTINUITY WITH SAN FRANCISCO'S PAST.

POLICY 12.1: Preserve notable landmarks and areas of historic, architectural, or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 12.2: Use care in remodeling significant older buildings to enhance rather than weaken their original character.

POLICY 12.3: Design new buildings to respect the character of older development nearby.

See discussion under Housing Element, Objective 11, Policy 11.7.

OBJECTIVE 13: CREATE AN URBAN FORM FOR DOWNTOWN THAT ENHANCES SAN FRANCISCO'S STATURE AS ONE OF THE WORLD'S MOST VISUALLY ATTRACTIVE CITIES.

POLICY 13.1: Relate the height of buildings to important attributes of the city pattern and to the height and character of existing and proposed development.

See discussion under Urban Design Element, Objective 1, Policies 1.1-1.3

OBJECTIVE 15: CREATE A BUILDING FORM THAT IS VISUALLY INTERESTING AND HARMONIZES WITH SURROUNDING BUILDINGS.

See discussion under Urban Design Element, Objective 1, Policies 1.1-1.3.

H. GENERAL PLAN MAPS.

Several maps and exhibits in the General Plan would need to be amended in association with the 5M project. A portion of the project site (bounded by Howard, Natoma, and Mary Streets) at the southeast corner of the property is located outside of the Downtown Plan, within the South of Market Area Plan. These amendments will adjust these boundaries to incorporate the project site within the Downtown

Plan. The amendment will also correct an error in the Eastern Neighborhoods Area Plan maps, which erroneously depict these parcels as being located within the Eastern Neighborhoods boundary even though the parcels were not included in the implementing ordinances. In addition, the amendments will indicate the rezoned heights proposed for the property, and will refer to the SUD associated with the project for guidance on specific controls for height, bulk, and tower separation. It should be noted that the parcel located at the northwest corner of Howard and Fifth Streets (194-198 Fifth Street, Lot 7 in Assessor's Block 3725), containing a five-story building with residential uses and "The Chieftain" bar at the ground floor, is not a part of the 5M Project site and would not be affected by these amendments. The specific exhibits to be amended are as follows:

- Downtown Plan Map 1 ("Downtown Land Use and Density Plan"): Amend boundaries of the Downtown Plan to incorporate the southeast portion of the project site, identify the land use designation as C-3-S, and add notes to refer to the Fifth and Mission Special Use District.
- Downtown Plan Map 5 ("Proposed Height and Bulk Districts"): Reclassify height and bulk limits within the project site to conform to heights proposed by associated zoning changes.
- Downtown Plan Figure 2 ("Bulk Limits"): Add reference to and SUD.
- Downtown Plan Figure 3 ("Bulk Control Upper Tower Volume Reduction"): Add reference to SUD.
- Downtown Plan Figure 4 ("Separation Between Towers"): Add reference to SUD.
- Urban Design Element Map 4 ("Urban Design Guidelines for Height of Buildings"): Add reference to SUD.
- Urban Design Element Map 5 ("Urban Design Guidelines for Bulk of Buildings"): Add reference to SUD.
- South of Market Area Plan Map 2 ("Generalized Land Use Plan"): Amend boundaries of South of Market Area Plan to remove southeast portion of the project site.
- South of Market Area Plan Map 3 ("Density Plan"): Amend boundaries of South of Market Area Plan to remove southeast portion of the project site.
- South of Market Area Plan Map 5 ("Height Plan"): Amend boundaries of South of Market Area Plan to remove southeast portion of the project site.
- South of Market Area Plan Map 7 ("Open Space and Pedestrian Network Map"): Amend boundaries of South of Market Area Plan to remove southeast portion of the project site.

As amended, the Project would be consistent with the General Plan Maps.

3. **General Plan/Section 101.1 Consistency Determination.** The Project and approvals associated therewith, and the individual building components and improvements associated therewith, all as more particularly described in Exhibit B to the Development Agreement on file with the Planning Department in Case No. 2011.0409DVA, are each on balance, consistent with the priority policies of Planning Code Section 101.1(b) as follows:

1. That existing neighbor-serving retail uses will be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced;

No neighborhood-serving retail uses are present on the Project site. Once constructed, the Project will contain major new retail space that will provide opportunities for employment and ownership of retail businesses in the community. These retail spaces will serve building residents and tenants and the

local community. In addition, building tenants will patronize existing retail uses in the community, enhancing the local retail economy. The Development Agreement includes commitments related to local hiring for commercial uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

No existing housing will be removed for the construction of the Project, which will provide up to 690 new residential units. Furthermore, the Project is designed to be consistent with the varied land uses in the surrounding neighborhood, which reflect the intersection of Downtown and South of Market (SoMa) neighborhoods. Uses in the area include high-rise hotel, major retail, convention center, midrise office and residential development within one block of the building site. Additional major planned and approved projects in the immediate vicinity include two hotels, mixed-use residential and commercial uses. Mid- and high-rise office and residential uses are also approved and proposed within the surrounding neighborhoods, including the Transit Center District Plan area, Mid-Market, and forthcoming Central SoMa Plan area.

The Project design is consistent with this context, both the density and height of Downtown and the diverse architectural character of SoMa. New office and residential towers in the Project reflect the density and height of Downtown. Concentrating these new buildings at the exterior edge of the Project site, along major roadways, enables the creation of new open space in the interior of the Project site. The retained and renovated or rehabilitated buildings within the Project site and active ground floor uses within the Project's new buildings would interact with the Project's new open spaces to reflect the finer-grain character of SoMa.

Lastly, the pedestrian streetscape and open space improvements proposed by the Project would function as a connection between the surrounding neighborhoods, and contribute to greater activity levels within the Project area itself. This would provide a desirable, pedestrian-friendly experience that would interact with ground floor retail space in the Project, and serve the existing neighborhood.

Thus, the Project would preserve and contribute to housing within the surrounding neighborhood and would otherwise preserve and be consistent with the neighborhood context.

3. That the City's supply of affordable housing be preserved and enhanced;

The construction of the Project will not remove any residential uses. The Project will enhance the City's supply of affordable housing through its affordable housing commitments in the Development agreement, which include a City/developer partnership to provide 33% affordable housing at or below 50% of Area Median Income.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

The Project would not impede transit service or overburden streets and neighborhood parking. A primary goal of the Project is to locate development in a manner that minimizes additional single-vehicle commuter traffic. The Project includes new residential uses together with existing and new

commercial uses to promote commuting from within the site. The Development Agreement includes a Transportation Sustainability Fee, transit improvements, and a robust Transportation Demand Management program.

The Project is also well served by public transit. It is located on Mission Street and one block from Market Street, both major transit corridors, as well as one block from the Powell Street BART/MUNI Station, a major transit hub. It is also one block from the alignment of the forthcoming Central Subway, providing a direct link to the CalTrain terminus at Fourth and Townsend Streets. The Golden Gate Bridge, Highway, and Transportation District provides regional transit services between San Francisco and Marin and Sonoma Counties with stops on Folsom and Harrison Streets. The A/C Transit District provides regional transit services between San Francisco and Alameda and Contra Costa Counties, with stops on Market Street. SamTrans, the San Mateo County Transit District provides regional services between San Francisco and San Mateo Counties with stops on Mission Street.

Lastly, the Project contains new space for vehicle parking within the N-1, M-2 and H-1 Buildings to serve new parking demand. Together with available capacity in the adjacent Fifth and Mission Parking Garage, this will ensure that sufficient parking capacity is available so that the Project would not overburden neighborhood parking, while still implementing a rigorous TDM Plan to be consistent with the City's "transit first" policy for promoting transit over personal vehicle trips.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project would not result in displacement of industrial or service uses. The Project is located on an underutilized site consisting of low-rise commercial buildings and surface parking lots, and will provide space to meet demand for various sizes of office space within the Downtown and SoMa areas.

The Project will provide future opportunities for service-sector employment within the retail and other active ground floor uses located within the Project.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The Project will comply with all current structural and seismic requirements under the San Francisco Building Code.

7. That landmarks and historic buildings be preserved;

The Project would preserve three historic resources, the Chronicle Building at 901-933 Mission Street, the Camelline Building at 430 Natoma Street, and the Dempster Printing Building at 447-449 Minna Street. and would not demolish any historic resources.

Any work that affects the character-defining features of the exterior of the Chronicle will be conducted according to Secretary of the Interior standards. The Dempster Printing Building will be rehabilitated according to Secretary of the Interior standards, anchoring the low-rise texture of the area and supporting the pedestrian-focused alleyways that will intersect around the core public spaces at Mary Court. Any future proposal to modify the exterior of the Camelline Building in a manner that affects character-defining features similarly will be required to comply with Secretary of the Interior Standards.

The Project design would respect the character of older development in the vicinity through D4D standards and guidelines for overall building massing and design strategies to achieve a relationship to the historic context.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

A technical analysis, prepared by Environmental Vision, was submitted to the Planning Department on analyzing the potential shadow impacts of the 5M Project to properties under the jurisdiction of the Recreation and Park Department. The analysis concluded that the 5M Project would cast approximately 6,583 annual square-foot-hours of new shadow on Boeddeker Park, equal to approximately 0.00418% of the theoretically available annual sunlight ("TAAS") on Boeddeker Park. On an annual basis, the Theoretically Available Annual Sunlight ("TAAS") on the Park (with no adjacent structures present) is approximately 157,345,444 square-foot-hours of sunlight. Existing structures currently shade Boeddeker Park 41.59% of the year.

The increase in shadow is very small, and is concentrated in the passive recreation area and walkways near the northern gate along Ellis Street. The largest portion of the Park, which fronts on Eddy and Jones Streets and contains a playground, multi-purpose court, numerous tables and chairs, and expanses of grassy lawns would not be impacted by shadows from the 5M Project. The new shadows would be cast in the early morning hours, when usage of the park is generally low or prohibited. New shadows would occur during relatively limited spans of the year (from mid-October through late-November, and again from mid-January through late-February). When they occur, the shadows would be fleeting and of relatively short duration, ranging from 5 to 25 minutes, with an average duration of approximately 12 minutes.

In addition, the Project provides two major new privately owned, publicly accessible open spaces, a large privately owned residential open space and two smaller residential open spaces that together would provide up to 59,500 square feet of new open space through the Chronical rooftop and Mary Court.

Resolution No. 19460
September 17, 2015

CASE NO. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
5M Project – General Plan Consistency Findings

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Planning Department, and other interested parties, the oral testimony presented to the Planning Commission at the public hearing, and all other written materials submitted by all parties, the Planning Commission hereby ADOPTS this Resolution of findings of Consistency with the General Plan and the Priority Policies of Planning Code Section 101.1

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on Thursday, September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Richards

NAYS: Moore, Wu

ABSENT: None

ADOPTED: September 17, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other – Per Development Agreement

1650 Mission St.
Suite #800
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Resolution No. 19466 Development Agreement

HEARING DATE: SEPTEMBER 17, 2015

Date: September 3, 2015
Case No.: 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
Project Address: 925 Mission Street and various parcels (aka "5M")
Project-Site Zoning: C-3-S (Downtown Support) District, RSD
 40-X/85-B; 90-X and 160-F Height and Bulk Districts
 SOMA Youth and Family Special Use District
Block/Lots: Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100 of Assessor's Block 3725
Project Sponsor: Audrey Tendell
 5M Project, LLC
 875 Howard Street, Suite 330
 San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
Kevin.Guy@sfgov.org

RESOLUTION OF THE PLANNING COMMISSION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE THE DEVELOPMENT AGREEMENT ALONG WITH MODIFICATIONS BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND 5M PROJECT, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 925 MISSION STREET AND VARIOUS LOTS WEST OF FIFTH STREET BETWEEN MISSION AND HOWARD STREETS (LOTS 005, 006, 008, 009, 012, 042-047, 076, 077, 089-91, 093, 094 AND 097-100, OF ASSESSOR'S BLOCK 3725), ALTOGETHER CONSISTING OF APPROXIMATELY FOUR ACRES, ADOPTING ENVIRONMENTAL FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDINGS OF CONSISTENCY WITH THE CITY'S GENERAL PLAN AND WITH THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1(b).

RECITALS

1. WHEREAS, California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.

2. **WHEREAS**, Chapter 56 of the San Francisco Administrative Code (“Chapter 56”) sets forth the procedure by which any request for a Development Agreement will be processed and approved in the City and County of San Francisco (“City”).
3. **WHEREAS**, On August 19, 2014, May 15, 2015, and August 7, 2015, 5M Project, LLC (“Project Sponsor”) filed entitlement applications with the San Francisco Planning Department for the development of a mixed-use commercial, residential and retail/educational/cultural development project known as the 5M Project (“Project”), including amendments to the General Plan, Planning Code and Zoning Maps. On August 19, 2015, the Project Sponsor filed an application for a Development Agreement under Chapter 56.
4. **WHEREAS**, The Project is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100.
5. **WHEREAS**, The site is located at the nexus of the Downtown, SOMA, and Mid-Market areas, with a context characterized by intense urban development and a diverse mix of uses. The Westfield San Francisco Centre is located at the southeast corner of Market and Fifth Streets, which defines the entry into the major retail shopping district around Union Square. The Fifth and Mission Parking Garage and the University of the Pacific School of Dentistry are located immediately to the east across Fifth Street, with the Metreon shopping center, Yerba Buena Gardens, and Moscone Center situated further to the east. The 340-foot Intercontinental Hotel is immediately to the east of the site, while the Pickwick Hotel and the Hotel Zetta are located along the 5th Street corridor. The Old Mint is situated immediately to the north of the site across Mission Street. Existing buildings to the west and the south of the site tend to be lower in scale, and contain a wide variety of uses, including residential hotels, older and newly-constructed residential buildings, offices, retail establishments, and automotive repair. The transit spine of Market Street is situated one block to the north, while the alignment of the future Central Subway is located one bloc to the east along Fourth Street.
6. **WHEREAS**, The Planning Department began conversations with the Project Sponsor in 2008 identifying the subject property as an opportunity site that should both reference the lower-scaled environment to the west by emphasizing the existing historic buildings on the site and adding much needed open space to this part of SOMA, with the potential for density and a mix of uses that relate to the high-rise environment to the east. The proposed Project pre-dates the Central SOMA Plan, but supports many of the goals of the Plan, such as supporting transit oriented growth, providing extensive open space, and shaping the area's urban form with recognition of both the City and neighborhood context.

7. **WHEREAS**, The Project proposes to demolish surface parking lots and several existing buildings (926 Howard Street, 912 Howard Street, 409-411 Natoma Street and 190 Fifth Street), retain the Dempster, Camelline, Chronicle, and Examiner (portion) buildings, and construct three new towers on the site, with occupied building heights ranging from approximately 200 feet to 450 feet. The Project includes approximately 821,300 square feet of residential uses (approximately 690 units), 807,600 square feet of office uses (including active office uses at or below the ground floor), and 68,700 square feet of other active ground floor uses (a mix of retail establishments, recreational and arts facilities, restaurants, workshops, and educational uses).
8. **WHEREAS**, The Project would also include vehicular parking, bicycle parking, and loading facilities, an extensive program of private- and publicly-accessible open space, and streetscape and public-realm improvements. The northerly portion of Mary Street between Minna and Mission Streets would be converted into a pedestrian alley lined with active uses and enhanced with seating, landscaping, an pedestrian-scaled lighting. Public open space will be provided at the center of the 5M Project, providing active and passive space incorporating artwork, landscape treatments, and furnishings. Another significant open space would be situated on the rooftop of the Chronicle building, including a deck, lawn space, seating, and opportunities for urban agriculture and outdoor gardens.
9. **WHEREAS**, On November 20, 2014, the Planning Commission held an informational hearing regarding the Project, which included a broad overview of the design and regulatory approach being proposed for the site. On July 23, 2015, the Planning Commission held a second informational hearing for the Project, which focused on the Design for Development document proposed as part of the overall project entitlements. On August 6, 2015, the Planning Commission held a third informational hearing for the Project, focusing on public benefits, wind and shadow effect, circulation design and transportation, and street improvements, and on September 3, 2015, the Planning Commission held a fourth informational hearing for the Project.
10. **WHEREAS**, The City Office of Economic and Workforce Development, in consultation with the Planning Department, negotiated a proposed development agreement for the site, as copy of which is on file with the Planning Commission Secretary (the "Development Agreement").
11. **WHEREAS**, On July 21, 2015, Mayor Lee introduced draft Ordinances with respect to the Project, including an Ordinance approving a Development Agreement.
12. **WHEREAS**, On August 6, 2015, the Planning Commission held a duly noticed public hearing to consider initiation of General Plan Amendments associated with the Project, and adopted Resolution No. 19429 initiating such General Plan Amendments.
13. **WHEREAS**, On October 15, 2014, the Department published a draft Environmental Impact Report (draft EIR) for public review. The draft EIR public comment period was originally proposed to end on December 1, 2014, and was subsequently extended by the Environmental Review Officer to January 7, 2015. On November 20, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On August 13,

2015, the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project. The draft EIR and the Comments and Responses document constitute the Final EIR. On September 17, 2015, the Commission reviewed and considered the Final EIR at a duly noticed public hearing and found that the contents of said report and the procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission found the Final EIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the draft EIR, and approved the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2011.0409ENV, at 1650 Mission Street, Fourth Floor, San Francisco, California.

14. WHEREAS, On September 17, by Motion No. 19459, the Commission adopted findings, including a statement of overriding considerations and a mitigation monitoring and reporting program pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with the actions contemplated herein, the Commission has reviewed the Final EIR for the Project and adopts and incorporates by reference as though fully set forth herein the findings, including a statement of overriding considerations, pursuant to CEQA, adopted by the Commission by Motion No. 19459.
15. WHEREAS, The Project would on balance affirmatively promote, be consistent with, and would not adversely affect the General Plan, as proposed to be amended, for the reasons set forth in Motion No.19460, Case No. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD, which are incorporated herein as though fully set forth.
16. WHEREAS, The Project complies with the eight priority policies of Planning Code Section 101.1, for the reasons set forth set forth in Motion No.19460, Case No. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD, which are incorporated herein as though fully set forth.
17. WHEREAS, Also on September 17, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting and took various actions with respect to the Project, including, without limitation, recommendation to the Board of Supervisors regarding approval of General Plan, Zoning Map and Planning Code amendments necessary for the Project, and adopted findings in connection therewith.
18. WHEREAS, The Commission finds that the Project provides substantial public benefits including but not limited to the following:
 - The Project would provide a distinct mixed-use development with office, retail, residential, cultural, educational, and open space uses focused on providing a shared district for uses such as co-working, media, arts, and small-scale urban manufacturing.

- Consistent with the vision, objectives and goals of the Downtown Area Plan, the Project would involve the development of a mixed use development containing residential, commercial, and flexible retail/office/cultural/educational space.
- The Project would leverage the Project site's central location and close proximity to major regional and local public transit by building a dense mixed-use project that allows people to work and live close to transit.
- The Project would develop buildings in a manner that reflects the project site's location at the intersection of the Downtown core and SoMa through urban design features such as incorporating heights and massing at varying scales; orienting tall buildings toward the Downtown core; maintaining a strong streetwall along exterior streets; and utilizing mid-rise buildings and open space to provide appropriate transitions to larger buildings.
- The Project would create a dense commercial center that includes continuum range of floorplate sizes for a variety of users; substantial new on-site open space; and sufficient density to support and activate the new ground floor uses and open space in the Project.
- The Project would help meet the job-creation goals established in the City's Economic Strategy by generating new employment opportunities across all sectors.
- The Project would construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents and assist the City in meeting its affordable housing needs.
- The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that can accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between and cross-activation of interior and exterior spaces.
- The Project would establish a pedestrian-oriented development governed by a Design for Development that establishes a comprehensive, detailed and site-specific set of standards and guidelines for well-designed streets, alleys, and public spaces.
- The Project would retain the Camelline Building (430 Natoma Street) and retain and rehabilitate and/or renovate the Chronicle Building (901-933 Mission Street), Dempster Printing Building (447-449 Minna Street), all of which are historical resources, as cultural makers on the site.
- The Project would promote sustainability at the site, building, and user level by incorporating Leadership in Energy and Environmental Design ("LEED") or equivalent sustainability strategies.
- The Project will be constructed at no cost to the City, and will provide substantial direct and indirect economic benefits to the City.

19. **WHEREAS**, The Project is anticipated to generate an annual average of approximately 1,200 construction jobs and, upon completion, approximately 3,150 net new permanent jobs and an approximately \$12,100,000 annual increase in general fund revenues to the City. In addition to the significant housing, jobs, urban revitalization, and economic benefits to the City from the Project, development of the Project under the Development Agreement will provide additional benefits to the public that could not be obtained through application of existing City ordinances, regulations, and policies. Such public additional public benefits to the City from the Project include: the creation of affordable housing units anticipated to equal to thirty three percent (33%) of the total market rate housing units for the Project; development and maintenance of community and open space improvements; payment of citywide transit impact development fees for transportation improvements; payment of transportation sustainability fee; retention of the Chronicle, Camelline and Dempster building, donation of Dempster building and use of the art fee for the Dempster building rehabilitation and for arts and cultural programming; workforce development program; youth development program; funds for Old Mint rehabilitation; and contribution to stabilize community arts and cultural organizations, all as further described in the Development Agreement.
20. **WHEREAS**, The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project.
21. **WHEREAS**, The Development Agreement for the Project reflects the unique character and potential of the site – under a single ownership, at the intersection of several neighborhoods and close to high-quality transit, and further allows the City to secure appropriate and extraordinary public benefits associated with the development of the Project, and tied to the development of each building, and timed to emphasize the completion of the affordable housing program as early as possible. The affordable housing program represents a partnership between the Developer and the City in reaching a 33% affordable level, by making use of the Jobs-Housing Linkage Fee generated by the Project's office space.
22. **WHEREAS**, The Director accepted the Development Agreement application for filing published notice in an official newspaper, and made the application publicly available under the Administrative Code Section 56.4(c), and the Planning Department file on this matter was available for public review as required by Administrative Code Section 56.10(b), and continues to be available for review at the Planning Department at 1650 Mission Street, 4th floor, San Francisco.
23. **WHEREAS**, The Director has scheduled and the Commission has held a public hearing on September 17, 2015, as required by the Administrative Code. The Planning Department gave such notice as required by Planning Code and gave advance notice to local public agencies as required by the Administrative Code.
24. **WHEREAS**, The Commission has had available to it for its review and consideration studies, case reports, letters, plans, and other materials pertaining to the Project contained in the Department's case files, and has reviewed and heard testimony and received materials from interested parties during the public hearings on the Project.

NOW, THEREFORE BE IT RESOLVED THAT, the Planning Commission recommends the Board of Supervisors approve the proposed Development Agreement Ordinance and Development Agreement in substantially the form attached hereto as Exhibit A, along with the modifications identified in this Resolution Number 19466; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Development Agreement be modified to require payment of \$300,000 to the City in order to fund staff time, consultant work, and other necessary studies and/or measures in furtherance of adopting a Filipino Cultural Heritage District in the vicinity of the 5M Project; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Planning Department conduct and submit to the Planning Commission a periodic analysis of displacement within a ¼ mile radius of the 5M SUD. The analysis should be prepared and submitted to the Planning Commission five times: as soon as feasible upon issuance of the first building permit for new construction on the site, as soon as feasible upon issuance of the Certificate of Final Completion and Occupancy for that building, and subsequently at one, two and five years following the issuance of that Certificate of Final Completion and Occupancy. This analysis is to be prepared using the City's various digital resources and should be similar to maps submitted to the Commission by Planning Department Staff during the Commission's consideration of the project, and should include the numbers and locations of dwelling units that are protected by various types of displacement stabilization measures; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Board of Supervisors establish a stabilization fund to prevent and address any residential and/or commercial displacement; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Board of Supervisors increase funding for "small site" acquisition; and be it

FURTHER RESOLVED, that the Planning Commission urges the Project Sponsor to continue to recognize the need for, and consider the establishment of, a child care facility within the Project site; and be it

FURTHER RESOLVED, that the Commission agrees that if the Board of Supervisors proposes any amendment to the Development Agreement that benefits the City and does not alter the City's General Plan, the Planning Code, or the applicable zoning maps affecting the Project Site, then such amendments shall not be deemed a "material modification" to the Development Agreement under Administrative Code Section 56.14, and any such amendment to the Development Agreement may be approved by the Board of Supervisors without referring the proposed amendment back to the Commission; and be it

FURTHER RESOLVED, that upon the approval of the Board of Supervisors, the Commission authorizes the Planning Director to enter into the Development Agreement and, working with other City staff, to take all actions to implement and enforce the Development Agreement in accordance with its terms.

Resolution No. 19466
September 17, 2015

2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
5M Project – Development Agreement

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission at its regular meeting on September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Richards

NOES: Moore, Wu

ABSENT: None

ADOPTED: September 17, 2015

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND 5M PROJECT, LLC

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DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND 5M, LLC

THIS DEVELOPMENT AGREEMENT dated for reference purposes only as of this ____ day of _____, 2015, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "**City**"), acting by and through its Planning Department, and 5M Project, LLC, a Delaware limited liability company ("**Developer**"), pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the Administrative Code. The City and Developer are also sometimes referred to individually as a "**Party**" and together as the "**Parties**". Capitalized terms not defined when introduced shall have the meanings given in Article 1.

RECITALS

This Agreement is made with reference to the following facts:

A. Developer owns and operates the nearly 4-acre area generally between Mission, Fifth and Howard Streets composed of 8 building and 7 surface parking lots on 22 parcels, containing approximately 317,700 gross square feet of existing office and commercial uses and 219 parking spaces, including the historic Dempster Printing Building, Camelline Building and San Francisco Chronicle Building, all located on the real property more particularly described on Exhibit A (the "**Project Site**").

B. The Developer proposes a mixed use development that recognizes the transit-rich location for housing and employment on the Project Site, including office, residential, retail, cultural, educational, open space, parking and related uses. Specifically, the Project includes up

to 807,600, gross square feet of office uses (including ground floor uses), up to 821,300 gross square feet of residential uses (including both rental and ownership units), approximately 68,700 gross square feet of other active ground floor uses, and collectively up to 1,697,600 gross square feet of new construction and renovated existing building space, approximately ~~331463~~ associated parking spaces in three subterranean levels, approximately 429 Class 1 bicycle parking spaces, approximately 66 Class 2 bicycle parking spaces, and approximately 59,500 square feet of public and private open space, all as more particularly described on Exhibit B (the "**Project**").

C. The Project is anticipated to generate an annual average of approximately 1,200 construction jobs during construction and, upon completion, approximately 3,150 net new permanent jobs, and an approximately \$12,100,000 annual increase in general fund revenues to the City.

D. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864 *et seq.* (the "**Development Agreement Statute**"), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property. Pursuant to Government Code Section 65865, the City adopted Chapter 56 of the Administrative Code ("**Chapter 56**") establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute. The Parties are entering into this Agreement in accordance with the Development Agreement Statute and Chapter 56.

E. In addition to the significant housing, jobs, urban revitalization, and economic benefits to the City from the Project, the City has determined that as a result of the development

of the Project in accordance with this Agreement additional clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies. Major additional public benefits to the City from the Project include an increase in affordable housing that exceeds that otherwise required and is anticipated to equal ~~forty~~thirty-three percent (40~~33~~%) of the total market-rate housing for the Project; a robust workforce commitment, community benefits fees, and the rehabilitation of the Chronicle and Dempster Printing Buildings; and the retention of the Camelline Building; each as further described in this Agreement.

F. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in a way as to fully comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*; "CEQA"), the CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*); "CEQA Guidelines"), the Development Agreement Statute, Chapter 56, the Planning Code, the Enacting Ordinance and all other applicable Laws in effect as of the Effective Date. This Agreement does not limit the City's obligation to comply with applicable environmental Laws, including CEQA, before taking any discretionary action regarding the Project, or the Developer's obligation to comply with all applicable Laws in connection with the development of the Project.

G. The Final Environmental Impact Report ("FEIR") prepared for the Project and certified by the Planning Commission on September 17_____, 2015, together with the CEQA findings (the "CEQA Findings") and the Mitigation Measures adopted concurrently therewith and set forth in the MMRP, comply with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The FEIR thoroughly analyzes the Project and Project alternatives, and the Mitigation Measures were designed to mitigate significant impacts to the

extent they are susceptible to feasible mitigation. On _____, 2015, the Board of Supervisors, in Motion No. _____, affirmed the decisions of the Planning Commission to certify the FEIR and rejected the appeal of the FEIR certification. The information in the FEIR and the CEQA Findings were considered by the City in connection with approval of this Agreement.

H. On September 17_____, 2015, the Planning Commission held a public hearing on this Agreement and the Project, duly noticed and conducted under the Development Agreement Statute and Chapter 56. Following the public hearing, the Planning Commission adopted the CEQA findings and determined among other things that the FEIR thoroughly analyzes the Project, and the Mitigation Measures are designed to mitigate significant impacts to the extent they are susceptible to a feasible mitigation, and further determined that the Project and this Agreement will, as a whole, and taken in their entirety, continue to be consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended, and the Planning Principles set forth in Section 101.1 of the Planning Code (together the "**General Plan Consistency Findings**"). The information in the FEIR and the CEQA Findings has been considered by the City in connection with this Agreement.

I. On _____, 2015 the Board of Supervisors, having received the Planning Commission's recommendations, held a public hearing on this Agreement pursuant to the Development Agreement Statute and Chapter 56. Following the public hearing, the Board made the CEQA Findings required by CEQA, approved this Agreement, incorporating by reference the General Plan Consistency Findings [and adopted Resolution Nos. _____].

J. On _____, 2015, the Board adopted Ordinance Nos. _____, amending the Planning Code, Zoning Map, and General Plan, and adopted Ordinance No. _____, approving this Agreement (File No. _____) and authorizing the Planning

Director to execute this Agreement on behalf of the City (the "Enacting Ordinance"). The Enacting Ordinance took effect on _____, 2015.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

In addition to the definitions set forth in the above preamble paragraph, Recitals and elsewhere in this Agreement, the following definitions shall apply to this Agreement:

1.1 "**5M Community Benefit Fee**" means an amount equal to eight dollars thirty-five cents (\$8.35) per square foot of new gross floor area as defined in Planning Code Section 102 of commercial or residential uses (exclusive of Existing Uses) as same is set forth in the applicable Approval.

1.2 "**5M SUD**" means Planning Code Section 249.74___ as adopted by the Board in Ordinance No. ___.

1.3 "**Administrative Code**" means the San Francisco Administrative Code.

1.4 "**Affiliate**" or "**Affiliates**" means an entity or person that directly or indirectly controls, is controlled by or is under common control with, a Party (or a managing partner or managing member of a Party, as the case may be). For purposes of the foregoing, "**control**" means the ownership of more than fifty percent (50%) of the equity interest in such entity, the right to dictate major decisions of the entity, or the right to appoint fifty percent (50%) or more of the managers or directors of such entity.

1.5 "**Agreement**" means this Development Agreement, the Exhibits which have been expressly incorporated herein and any amendments thereto.

1.6 "**Applicable Laws**" has the meaning set forth in Section 5.2 (where not capitalized, "applicable Law" has its plain meaning and refers to Laws as otherwise defined herein).

1.7 "**Approvals**" means the City approvals, entitlements, and permits listed on Exhibit I.

1.8 "**Assignment and Assumption Agreement**" has the meaning set forth in Section 12.2.

1.9 "**Backup Payment**" has the meaning set forth in the Housing Program.

1.10 "**BMR units**" has the meaning set forth in the Housing Program.

1.11 "**Board of Supervisors**" or "**Board**" means the Board of Supervisors of the City and County of San Francisco.

1.12 "**Building**" or "**Buildings**" means each of the existing, modified and new buildings on the Project Site, as described in the Project Description attached as Exhibit B.

1.13 "**CEQA**" has the meaning set forth in Recital F.

1.14 "**CEQA Findings**" has the meaning set forth in Recital G.

1.15 "**CEQA Guidelines**" has the meaning set forth in Recital F.

1.16 "**Chapter 56**" has the meaning set forth in Recital D.

1.17 "**City**" means the City as defined in the opening paragraph of this Agreement. Unless the context or text specifically provides otherwise, references to the City means the City acting by and through the Planning Director or, as necessary, the Planning Commission or the Board of Supervisors.

1.18 "**City Agency**" or "**City Agencies**" means the City departments, agencies, boards, commissions, and bureaus that execute or consent to this Agreement, or are controlled by

persons or commissions that have executed or consented to this Agreement, that have subdivision or other permit, entitlement or approval authority or jurisdiction over development of the Project, or any improvement located on or off the Project Site, including, without limitation, the City Administrator, Planning Department, Mayor's Office of Housing and Community Development ("MOHCD"), Office of Economic and Workforce Development ("OEWD"), SFMTA, DPW, DBI, together with any successor City agency, department, board, or commission. Nothing in this Agreement shall affect the exclusive jurisdiction under the City's Charter of a City department that has not approved or consented to this Agreement in connection with the issuance of a Subsequent Approval.

1.19 "City Attorney's Office" means the Office of the City Attorney of the City and County of San Francisco.

1.20 "City Costs" means the actual and reasonable costs incurred by a City Agency in preparing, adopting or amending this Agreement, in performing its obligations or defending its actions under this Agreement or otherwise contemplated by this Agreement, as determined on a time and materials basis, including reasonable attorneys' fees and costs but excluding work, hearings, costs or other activities contemplated or covered by Processing Fees; provided, however, City Costs shall not include any costs incurred by a City Agency in connection with a City Default or which are payable by the City under Section 9.6 when Developer is the prevailing party.

1.21 "City Parties" has the meaning set forth in Section 4.7.

1.22 "City-Wide" means all real property within the territorial limits of the City and County of San Francisco, not including any property owned or controlled by the United States or by the State of California and therefore not subject to City regulation.

1.23 "**Commence Construction**" means groundbreaking in connection with the commencement of physical construction of the applicable Building foundation, but specifically excluding the demolition or partial demolition of existing structures.

1.24 "**Community Benefits**" has the meaning set forth in Section 4.1.

1.25 "**Costa-Hawkins Act**" has the meaning set forth in Section 5.11.

1.26 "**Default**" has the meaning set forth in Section 9.3.

1.27 "**Dempster Building**" has the meaning set forth in Exhibit B.

1.28 "**Dempster MOU**" has the meaning set forth in Section 3.2.2.

1.29 "**Design for Development**" means that certain 5M Design for Development adopted by the City Planning Commission by Resolution No. ____ on _____, 2015 as same may be amended from time to time.

1.30 "**Developer**" has the meaning set forth in the opening paragraph of this Agreement, and shall also include any and all successor Transferees of all or any part of the Project Site during the Term.

1.31 "**Development Agreement Statute**" has the meaning set forth in Recital D, as in effect as of the Effective Date.

1.32 "**DPW**" means the San Francisco Department of Public Works.

1.33 "**Effective Date**" has the meaning set forth in Section 2.1.

1.34 "**Enacting Ordinance**" has the meaning set forth in Recital J.

1.35 "**Excusable Delay**" has the meaning set forth in Section 11.5.2.

1.36 "**Existing Standards**" has the meaning set forth in Section 5.2.

1.37 "**Existing Uses**," means all existing lawful uses of the existing Buildings and improvements (and including, without limitation, pre-existing, non-conforming uses under

the Planning Code) on the Project Site as of the Effective Date, as the same may be modified by the Approvals and any Subsequent Approvals.

1.38 "**Federal or State Law Exception**" has the meaning set forth in Section 5.6.

1.39 "**FEIR**" has the meaning set forth in Recital G.

1.40 "**Finally Granted**" means (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any of the Approvals, this Agreement or the FEIR shall have expired and no such appeal shall have been filed, or if such an administrative or judicial appeal is filed, the Approvals, this Agreement or the FEIR, as applicable, shall have been upheld by a final decision in each such appeal without adverse effect on the applicable Approval, this Agreement or the FEIR and the entry of a final judgment, order or ruling upholding the applicable Approval, this Agreement or the FEIR and (ii) if a referendum petition relating to this Agreement is timely and duly circulated and filed, certified as valid and the City holds an election, the date the election results on the ballot measure are certified by the Board of Supervisors in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

1.41 "**Future Changes to Existing Standards**" has the meaning set forth in Section 5.3.

1.42 "**General Plan Consistency Findings**" has the meaning set forth in Recital H.

1.43 "**Housing Program**" means the Affordable Housing Program attached hereto as Exhibit E.

1.44 **"Impact Fees and Exactions"** means any fees, contributions, special taxes, exactions, impositions and dedications charged by the City in connection with the development of Projects, including but not limited to transportation and transit fees, child care requirements or in-lieu fees, housing (including affordable housing) requirements or fees, dedication or reservation requirements, and obligations for on-or off-site improvements. Impact Fees and Exactions shall not include the Mitigation Measures, Processing Fees, taxes or special assessments or school district fees, SFPUC Capacity Charges and any fees, taxes, assessments impositions imposed by Non-City Agencies, all of which shall be due and payable by Developer as and when due in accordance with applicable Laws.

1.45 **"Law(s)"** means the Constitution and laws of the United States, the Constitution and laws of the State of California, the laws of the City and County of San Francisco, and any codes, statutes, rules, regulations, or executive mandates thereunder, and any State or Federal court decision (including any order, injunction or writ) thereunder. The term **"Laws"** shall refer to any or all Laws as the context may require.

1.46 **"Litigation Extension"** has the meaning set forth in Section 11.5.1.

1.47 **"Losses"** has the meaning set forth in Section 4.7.

1.48 **"Material Change"** means any modification that would materially alter the rights, benefits or obligations of the City or Developer under this Agreement that is not consistent with the 5M SUD or the Design for Development or that (i) extends the Term, (ii) changes the permitted uses of the Project Site, (iii) decreases the Community Benefits, (iv) increases the maximum height, density, bulk or size of the Project, (vii) changes parking ratios, or (viii) reduces or changes the Impact Fees and Exactions.

1.49 "**Mitigation Measures**" means the mitigation measures (as defined by CEQA) applicable to the Project as set forth in the MMRP or that are necessary to mitigate adverse environmental impacts identified through the CEQA process as part of a Subsequent Approval.

1.50 "**MMRP**" means that certain mitigation monitoring and reporting program attached hereto as Exhibit J.

1.51 "**Mortgage**" means a mortgage, deed of trust or other lien on all or part of the Project Site to secure an obligation made by the applicable property owner.

1.52 "**Mortgagee**" means a person or entity that obtains title to all or part of the Project Site as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action.

1.53 "**Municipal Code**" means the San Francisco Municipal Code.

1.54 Intentionally left blank.

1.55 "**Non-City Agency**" has the meaning set forth in Section 7.3.

1.56 "**Non-City Approval**" has the meaning set forth in Section 7.3.

1.57 "**OEWD**" means the San Francisco Office of Economic and Workforce Development.

1.58 "**Official Records**" means the official real estate records of the City and County of San Francisco, as maintained by the City's Assessor-Recorder's Office.

1.59 "**Party**" and "**Parties**" has the meaning set forth in the opening paragraph of this Agreement.

1.60 "**Planning Code**" means the San Francisco Planning Code.

1.61 "**Planning Commission**" means the Planning Commission of the City and County of San Francisco.

1.62 "**Planning Department**" means the Planning Department of the City and County of San Francisco.

1.63 "**Planning Director**" means the Director of Planning of the City and County of San Francisco.

1.64 "**Processing Fees**" means the standard fee imposed by the City upon the submission of an application for a permit or approval, which is not an Impact Fee or Exaction, in accordance with the City practice on a City-Wide basis.

1.65 "**Project**" means the mixed use development project as described in Recital B and Exhibit B and the Approvals, together with Developer's rights and obligations under this Agreement.

1.66 "**Project Site**" has the meaning set forth in Recital A, and as more particularly described in Exhibit A.

1.67 "**Public Health and Safety Exception**" has the meaning set forth in Section 5.6.

~~1.68 "**Scheduling Plan**" means the illustrative schedule attached hereto as Exhibit C.~~

~~1.69~~ 1.68 Intentionally left blank.

~~1.70~~ 1.69 "**SFMTA**" means the San Francisco Municipal Transportation Agency.

~~1.71~~ 1.70 "**SFPUC**" means the San Francisco Public Utilities Commission.

1.721.71 "SFPUC Capacity Charges" means all water and sewer capacity and connection fees and charges payable to the SFPUC, as and when due in accordance with the applicable City requirements.

1.731.72 "Subdivision Code" means the San Francisco Subdivision Code.

1.741.73 "Subdivision Map Act" means the California Subdivision Map Act, California Government Code § 66410 *et seq.*

1.751.74 "Subsequent Approval" means any other land use approvals, entitlements, or permits from the City other than the Approvals, that are consistent with the Approvals and that are necessary or advisable for the implementation of the Project, including without limitation, demolition permits, grading permits, site permits, Building permits, lot line adjustments, sewer and water connection permits, major and minor encroachment permits, street and sidewalk modifications, street improvement permits, permits to alter, certificates of occupancy, transit stop relocation permits, subdivision maps, improvement plans, lot mergers, lot line adjustments, and re-subdivisions. A Subsequent Approval shall also include any amendment to the foregoing land use approvals, entitlements, or permits, or any amendment to the Approvals that are sought by Developer and approved by the City in accordance with the standards set forth in this Agreement.

1.761.75 "Term" has the meaning set forth in Section 2.2.

1.771.76 "Third-Party Challenge" has the meaning set forth in Section 7.4.

1.781.77 "Transfer Agreement" means that certain Agreement for Transfer of Real Estate attached as Schedule 2 of Exhibit E for the transfer of certain property outside the Project Site from Developer to the City to be used by the City for the development of affordable

housing or to fund the development of affordable housing, as may be determined by City, as further described in the Housing Program.

~~1.79~~1.78 **"Transfer," "Transferee" and "Transferred Property"** have the meanings set forth in Sections 12.1, and in all events excludes (1) a transfer of membership interests in Developer or any Transferee, (2) grants of easement or of occupancy rights for existing or completed Buildings or other improvements (including, without limitation, space leases in Buildings), (3) the placement of a Mortgage on the Project Site, and (4) a transfer of the Dempster Building and a transfer under the Transfer Agreement in accordance with this Agreement.

~~1.80~~1.79 **"Transportation Program"** means the transportation program set forth in Exhibit G.

~~1.81~~1.80 **"Vacation Ordinance"** has the meaning set forth in Exhibit I.

~~1.82~~1.81 **"Vested Elements"** has the meaning set forth in Section 5.1.

~~1.83~~1.82 **"Workforce Agreement"** means the Workforce Agreement attached hereto as Exhibit F.

2. EFFECTIVE DATE; TERM

2.1 Effective Date. This Agreement shall take effect upon the later of (i) the full execution and delivery of this Agreement by the Parties and (ii) the date the Enacting Ordinance is effective and operative ("**Effective Date**").

2.2 Term. The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for fifteen (15) years thereafter unless extended or earlier terminated as provided herein ("**Term**"); provided, however, (i) the Term shall be extended for each day of a Litigation Extension, and (ii) Developer shall have the right to

terminate this Agreement with respect to a parcel upon completion of the Building within that parcel, and the Community Benefit Programs and other improvements tied to that Building, as set forth in Section 7.1. The term of any conditional use permit, any tentative Subdivision Map and any subsequent subdivision map shall be for the longer of (i) the Term (as it relates to the applicable parcel) or (ii) the term otherwise allowed under the Subdivision Map Act.

3. GENERAL RIGHTS AND OBLIGATIONS

3.1 Development of the Project. Developer shall have the vested right to develop the Project in accordance with and subject to the provisions of this Agreement and the City shall consider and process all Subsequent Approvals for development of the Project in accordance with and subject to the provisions of this Agreement. The Parties acknowledge that Developer has obtained all Approvals from the City required to commence construction of the Project, other than any required Subsequent Approvals and that Developer may proceed in accordance with this Agreement with the construction and, upon completion, use and occupancy of the Project as a matter of right, subject to the attainment of any required Subsequent Approvals and any Non-City Approvals.

3.2 Transfer of Properties. In connection with the Project, Developer will:

3.2.1 transfer certain real property located off of the Project Site to the City in accordance with the Transfer Agreement (or alternatively pay to the City the Backup Payment); and

3.2.2 transfer certain real property, referred to as the Dempster Building located on the Project Site at 447 Minna Street, to the Community Arts and Stabilization Trust ("CAST") or to another nonprofit organization (or to the City), as set forth in Section 7.8 and Exhibit H, to be used for arts, and other cultural and community purposes when and as described

in the Memorandum of Understanding (the "**Dempster MOU**") entered into by Developer and CAST, dated July 5, 2015. The Dempster MOU shall not be materially amended with respect to the rights, obligations and conditions to the transfer or use of the Dempster Building, as described in Section 7.8 below, without the prior review and written approval of City, acting by and through its Director of Planning, which approval shall not be unreasonably withheld or delayed.

4. PUBLIC BENEFITS; DEVELOPER OBLIGATIONS AND CONDITIONS TO DEVELOPER'S PERFORMANCE

4.1 Community Benefits Exceed Those Required by Existing Ordinances and Regulations. The Parties acknowledge and agree that the development of the Project in accordance with this Agreement provides a number of public benefits to the City beyond those achievable through existing Laws, including, but not limited to, those set forth in this Article 4 (the "**Community Benefits**"). The City acknowledges and agrees that a number of the Community Benefits would not be otherwise achievable without the express agreement of Developer under this Agreement. Developer acknowledges and agrees that, as a result of the benefits to Developer under this Agreement, Developer has received good and valuable consideration for its provision of the Community Benefits, and that the City would not be willing to enter into this Agreement without the Community Benefits. Payment or delivery of each of the Community Benefits is tied to a specific Building as described in the Community Benefits Schedule attached as Exhibit D or as described elsewhere in this Agreement. Upon Developer's Commencement of Construction, the Community Benefits obligations tied to that Building shall survive the expiration or termination of this Agreement to the date of completion of the

applicable Community Benefit. Time is of the essence with respect to the completion of the Community Benefits.

4.1.1 Community Benefits. Developer shall provide the following Community Benefits (collectively, the “Community Benefit Programs”):

(a) the 5M Community Benefit Fee;

(b) the Housing Program benefits as further described in Exhibit E;

(c) the Workforce Agreement benefits including the Workforce Jobs Readiness Training as further described in Exhibit F;

(d) the Transportation Program benefits as further described in Exhibit G;

(e) the transfer of the Dempster Building to CAST, as described in Section 3.2.2 and in Section 7.8;

(f) the Arts Program benefits as described in Section 5.4.2.1 and Exhibit H;

(g) the Youth Development Program benefits, as described in Exhibit C; and

(h) a One Million Dollar (\$1,000,000) contribution to the City’s Real Property Director for capital improvements to and associated technical studies for the San Francisco Old Mint building at the time and as provided in Exhibit D; and

(i) a Three Hundred Thousand Dollar (\$300,000) contribution to the Planning Department to fund staff time, consultant work and other studies or measures in

furtherance of adopting a Filipino Cultural Heritage District in the vicinity of the Project at the time and as provided in Exhibit D.

Form

Developer shall pay the 5M Community Benefits Fee or complete each of the Community Benefits on or before the dates provided in this Agreement (including the Community Benefits Schedule attached hereto as Exhibit D) and the Approvals. Any payments or property received by the City as part of the Community Benefits shall be used by the City as described in this Agreement. Upon Developer's request, the City shall provide to Developer evidence of the use of the funds by the City consistent with the requirements of this Agreement.

4.2 Conditions to Performance of Community Benefits. Developer's obligation to perform Community Benefits is expressly conditioned upon each and all of the following conditions precedent:

- (a) All Approvals shall have been Finally Granted;
- (b) The City and any applicable Non-City Agency shall have performed or granted any and all of their respective actions, approvals or authorizations and/or issued such permits or licenses required in order to permit Developer to Commence Construction of the Building or Project component to which Community Benefit applies, and same shall have been Finally Granted except to the extent that such actions, approvals or authorizations, or permits or licenses have not been performed or granted due to the failure of Developer to timely initiate and then diligently and in good faith pursue such actions, approvals, authorizations or issuances; and
- (c) Developer shall have obtained all Subsequent Approvals necessary to Commence Construction of the applicable Building to which the Community Benefit or Project component applies, and same shall have been Finally Granted, except to the

extent that such Subsequent Approvals have not been obtained or Finally Granted due to the failure of Developer to timely initiate and then diligently and in good faith pursue such Subsequent Approvals.

Whenever this Agreement requires completion of a Community Benefit at or before completion of a Building, the City may, except as set forth in Section 7.8, withhold a certificate of occupancy for that Building until the required Community Benefit is completed.

4.3 No Additional CEQA Review Required; Reliance on FEIR for Future

Discretionary Approvals. The Parties acknowledge that the FEIR prepared for the Project complies with CEQA. The Parties further acknowledge that (a) the FEIR contains a thorough analysis of the Project and possible alternatives, (b) the Mitigation Measures have been adopted to eliminate or reduce to an acceptable level certain adverse environmental impacts of the Project, and (c) the Board of Supervisors adopted CEQA Findings, including a statement of overriding considerations in connection with the Approvals, pursuant to CEQA Guidelines Section 15093, for those significant impacts that could not be mitigated to a less than significant level. For these reasons, (i) the City does not intend to conduct any further environmental review or mitigation under CEQA for any aspect of the Project vested under this Agreement, and (ii) the City shall rely on the FEIR, to the greatest extent possible in accordance with applicable Laws, in all future discretionary actions related to the Project; provided, however, that nothing shall prevent or limit the discretion of the City to conduct additional environmental review in connection with any Subsequent Approvals to the extent that such additional environmental review is required by applicable Laws, including CEQA.

4.3.1 Compliance with CEQA Mitigation Measures. Developer shall comply with all Mitigation Measures imposed as applicable to each Project component, except

for any Mitigation Measures that are expressly identified as the responsibility of a different party or entity. Without limiting the foregoing, Developer shall be responsible for the completion of all Mitigation Measures identified as the responsibility of the "owner" or the "project sponsor". The Parties expressly acknowledge that the FEIR and the associated MMRP are intended to be used in connection with each of the Approvals and any Subsequent Approvals to the extent appropriate and permitted under applicable Law. Nothing in this Agreement shall limit the ability of the City to impose conditions on any new, discretionary permit resulting from Material Changes as such conditions are determined by the City to be necessary to mitigate adverse environmental impacts identified through the CEQA process and associated with the Material Changes or otherwise to address significant environmental impacts as defined by CEQA created by an approval or permit; provided, however, any such conditions must be in accordance with applicable Law.

4.4 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate against any employee, City employee working with Developer's contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

4.5 City Cost Recovery

4.5.1 Developer shall timely pay to the City all Impact Fees and Exactions applicable to the Project or the Project Site as set forth in Section 5.4 of this Agreement.

4.5.2 Developer shall timely pay to the City all Processing Fees applicable to the processing or review of applications for the Approvals and Subsequent Approvals as set forth in Section 5.4 of this Agreement.

4.5.3 Developer shall pay to the City all City Costs incurred in connection with the drafting and negotiation of this Agreement, defending the Approvals and Subsequent Approvals as set forth in Section 7.4, and in processing and issuing any Subsequent Approvals or administering this Agreement (except for the costs that are covered by Processing Fees), within sixty (60) days following receipt of a written invoice complying with Section 4.5.4 from the City.

4.5.4 OEWD shall provide Developer on a quarterly basis (or such alternative period as agreed to by the Parties) a reasonably detailed statement showing costs incurred by OEWD, the City Agencies and the City Attorney's Office, including the hourly rates for each City staff member at that time, the total number of hours spent by each City staff member during the invoice period, any additional costs incurred by the City Agencies and a brief non-confidential description of the work completed (provided, for the City Attorney's Office, the billing statement will be reviewed and approved by OEWD but the cover invoice forwarded to Developer will not include a description of the work). OEWD will use reasonable efforts to provide an accounting of time and costs from the City Attorney's Office and each City Agency in each invoice; provided, however, if OEWD is unable to provide an accounting from one or more

of such parties OEWD may send an invoice to Developer that does not include the charges of such party or parties without losing any right to include such charges in a future or supplemental invoice. Developer's obligation to pay the City Costs shall survive the termination of this Agreement. Developer shall have no obligation to reimburse the City for any City Cost that is not invoiced to Developer within eighteen (18) months from the date the City Cost was incurred. The City will maintain records, in reasonable detail, with respect to any City Costs and upon written request of Developer, and to the extent not confidential, shall make such records available for inspection by Developer.

4.5.5 If Developer in good faith disputes any portion of an invoice, then within sixty (60) days following receipt of the invoice Developer shall provide notice of the amount disputed and the reason for the dispute, and the Parties shall use good faith efforts to reconcile the dispute as soon as practicable. Developer shall have no right to withhold the disputed amount. If any dispute is not resolved within ninety (90) days following Developer's notice to the City of the dispute, Developer may pursue all remedies at law or in equity to recover the disputed amount.

4.6 Prevailing Wages. Developer agrees that all persons performing labor in the construction of public improvements as defined in the Administrative Code, or otherwise as required by California law, on the Project Site shall be paid not less than the highest prevailing rate of wages for the labor so performed as provided under Section 6.22(E) of the Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California, and Developer shall include this requirement in any contract entered into by Developer for the

construction of any such public improvements. Upon request, Developer and its contractors will provide to City any workforce payroll records as needed to confirm compliance with this section.

4.7 Indemnification of City. Developer shall indemnify, reimburse, and hold harmless the City and its officers, agents and employees (the "**City Parties**") from and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims ("**Losses**") arising or resulting directly or indirectly from (i) any third party claim arising from a default by Developer under this Agreement, (ii) Developer's failure to comply with any Approval, Subsequent Approval or Non-City Approval, (iii) the failure of any improvements constructed pursuant to the Approvals or Subsequent Approvals to comply with any Federal or State Laws, the Existing Standards or any permitted Future Changes to Existing Standards, (iv) any accident, bodily injury, death, personal injury or loss of or damage to property occurring on a Project Site (or off-site, with regard to the Public Improvements) in connection with the construction by Developer or its agents or contractors of any improvements pursuant to the Approvals, Subsequent Approvals or this Agreement, (v) a Third-Party Challenge instituted against the City or any of the City Parties, (vi) any dispute between Developer, its contractors or subcontractors relating to the construction of any part of the Project, and (vii) any dispute between Developer and any Transferee or any subsequent owner of any of the Project Site relating to any assignment of this Agreement or the obligations that run with the land, or any dispute between Developer and any Transferee or other person relating to which party is responsible for performing certain obligations under this Agreement, each regardless of the negligence of and regardless of whether liability without fault is imposed or sought to be imposed on the City or any of the City Parties, except to the extent that such indemnity is void or otherwise unenforceable under applicable Law, and except to the extent such Loss is the result of

the negligence or willful misconduct of the City Parties. The foregoing indemnity shall include, without limitation, reasonable attorneys' fees and costs and the City's reasonable cost of investigating any claims against the City or the City Parties. All indemnifications set forth in this Agreement shall survive the expiration or termination of this Agreement, to the extent such indemnification obligation arose from an event occurring before the expiration or termination of this Agreement. To the extent the indemnifications relate to Developer's obligations that survive the expiration or termination of this Agreement, the indemnifications shall survive for the term of the applicable obligation plus four years.

5. VESTING AND CITY OBLIGATIONS

5.1 Vested Rights. By the Approvals the City has made a policy decision that the Project, as described in and as may be modified in accordance with the Approvals, is in the best interests of the City and promotes the public health, safety and welfare. Developer shall have the vested right to develop the Project as set forth in this Agreement, including without limitation with the following vested elements: the locations and numbers of Buildings proposed, the land uses, height and bulk limits, including the maximum density, intensity and gross square footages, the permitted uses, the provisions for open space vehicular access and parking, (collectively, the "**Vested Elements**"; provided the Existing Uses on the Project Site shall also be included as Vested Elements). The Vested Elements are subject to and shall be governed by Applicable Laws. The expiration of any Building permit or Approval shall not limit the Vested Elements, and Developer shall have the right to seek and obtain subsequent Building permits or approvals, including Subsequent Approvals at any time during the Term, any of which shall be governed by Applicable Laws. Each Subsequent Approval, once granted, shall be deemed an Approval for purposes of this Section 5.1.

5.2 Existing Standards. The City shall process, consider, and review all Subsequent Approvals in accordance with (i) the Approvals, (ii) the San Francisco General Plan, the Municipal Code (including the Subdivision Code) and all other applicable City policies, rules and regulations as each of the foregoing is in effect on the Effective Date ("**Existing Standards**"), as the same may be amended or updated in accordance with permitted Future Changes to Existing Standards as set forth in Section 5.3, and (iii) this Agreement (collectively, "**Applicable Laws**").

5.3 Future Changes to Existing Standards. All future changes to Existing Standards and any other Laws, plans or policies adopted by the City or adopted by voter initiative after the Effective Date ("**Future Changes to Existing Standards**") shall apply to the Project and the Project Site except to the extent they conflict with this Agreement or the terms and conditions of the Approvals. In the event of such a conflict, the terms of this Agreement and the Approvals shall prevail, subject to the terms of Section 5.6.

5.3.1 Future Changes to Existing Standards shall be deemed to conflict with this Agreement and the Approvals if they:

(a) limit or reduce the density or intensity of the Project, or any part thereof, or otherwise require any reduction in the square footage or number of proposed Buildings or change the location of proposed Buildings or change or reduce other improvements from that permitted under this Agreement for the Project, the Existing Standards, or the Approvals;

(b) limit or reduce the height or bulk of the Project, or any part thereof, or otherwise require any reduction in the height or bulk of individual proposed Buildings

or other improvements that are part of the Project from that permitted under this Agreement, the Existing Standards, or the Approvals;

(c) limit, reduce or change the location of vehicular access or parking from that permitted under this Agreement, the Existing Standards, or the Approvals;

(d) limit any land uses for the Project from that permitted under this Agreement, the Existing Standards, the Approvals or the Existing Uses;

(e) change or limit the Approvals or Existing Uses;

(f) materially limit or control the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of the Project in any manner, including the demolition of existing Buildings at the Project Site;

(g) require the issuance of permits or approvals by the City other than those required under the Existing Standards, except as otherwise provided in Section 5.4.2;

(h) limit or control the availability of public utilities, services or facilities or any privileges or rights to public utilities, services, or facilities for the Project as contemplated by the Approvals;

(i) materially and adversely limit the processing or procuring of applications and approvals of Subsequent Approvals that are consistent with Approvals; or,

(j) impose or increase any Impact Fees and Exactions, as they apply to the Project, except as permitted under Section 5.4.2 of this Agreement.

5.3.2 Developer may elect to have a Future Change to Existing Standards that conflicts with this Agreement and the Approvals applied to the Project or the Project Site by giving the City notice of its election to have a Future Change to Existing

Standards applied, in which case such Future Change to Existing Standards shall be deemed to be an Existing Standard; provided, however, if the application of such Future Change to Existing Standards would be a Material Change to the City's obligations hereunder, the application of such Future Change to Existing Standards shall require the concurrence of any affected City Agencies. Nothing in this Agreement shall preclude the City from applying Future Changes to Existing Standards to the Project Site for any development not within the definition of the "Project" under this Agreement. In addition, nothing in this Agreement shall preclude Developer from pursuing any challenge to the application of any Future Changes to Existing Standards to all or part of the Project Site.

5.3.3 The Parties acknowledge that, for certain parts of the Project, Developer must submit a variety of applications for Subsequent Approvals before Commencement of Construction. Developer shall be responsible for obtaining all Subsequent Approvals before the start of any construction to the extent required under Applicable Law. Notwithstanding anything in this Agreement to the contrary, when considering any such application for a Subsequent Approval, the City shall apply the applicable provisions, requirements, rules, or regulations that are contained in the California Building Standards Code, as amended by the City, including requirements of the San Francisco Building Code, Public Works Code (which includes the Stormwater Management Ordinance), Subdivision Code, Mechanical Code, Electrical Code, Plumbing Code, Fire Code or other uniform construction codes applicable on a City-Wide basis.

5.3.4 Developer shall have the right, from time to time and at any time, to file subdivision map applications (including phased final map applications and development-specific condominium map or plan applications) with respect to some or all of the Project Site, to

subdivide, reconfigure or merge the parcels comprising the Project Site as may be necessary or desirable in order to develop a particular part of the Project as shown generally in Exhibit B. The specific boundaries of parcels shall be set by Developer and approved by the City during the subdivision process. Nothing in this Agreement shall authorize Developer to subdivide or use any of the Project Site for purposes of sale, lease or financing in any manner that conflicts with the Subdivision Map Act or with the Subdivision Code. Nothing in this Agreement shall prevent the City from enacting or adopting changes in the methods and procedures for processing subdivision and parcel maps so long as such changes do not conflict with the provisions of this Agreement or with the Approvals.

5.4 Fees and Exactions.

5.4.1 Generally. The Project shall only be subject to the Processing Fees and Impact Fees and Exactions as set forth in this Section 5.4, and the City shall not impose any new Processing Fees or Impact Fees and Exactions on the development of the Project or impose new conditions or requirements for the right to develop the Project (including required contributions of land, public amenities or services) except as set forth in this Agreement. The Parties acknowledge that the provisions contained in this Section 5.4 are intended to implement the intent of the Parties that Developer have the right to develop the Project pursuant to specified and known criteria and rules, and that the City receive the benefits which will be conferred as a result of such development without abridging the right of the City to act in accordance with its powers, duties and obligations, except as specifically provided in this Agreement.

5.4.2 Impact Fees and Exactions. During the first ten (10) years of the Term, as extended by the Litigation Extension (if any), no Impact Fees and Exactions shall apply to the Project or components thereof except for (i) the SFPUC Capacity Charges in effect at the

time of assessment and (ii) those in effect as of the Effective Date. Starting on the tenth (10th) anniversary of the Effective Date, as extended by the Litigation Extension (if any), all Impact Fees and Exactions in effect at the time of assessment shall apply to any development on the Project Site under this Agreement. For the purposes of this Section 5.4.2, any sums payable as part of the Community Benefits Fee shall not be considered Impact Fees and Exactions.

5.4.2.1 Art Fee. Notwithstanding the provisions of Planning Code Section 429.3, sixty percent (60%) of the Public Art Fee contributions from the Project Site will be used for the payment of capital costs, including, without limitation, the costs of interior or exterior design, engineering, and construction, relating to the redevelopment of the Dempster Building, and forty percent (40%) of the Public Art Fee contributions will be used for public art and cultural programming purposes in the publicly accessible open space within the Project Site, as further provided in Exhibit H, the Arts Program.

5.4.3 Processing Fees. Except as provided in Section 5.4.4, for three (3) years following the Effective Date, as extended by the number of days in any extension of the Term under Section 11.5.1, Processing Fees for the Project shall be limited to the Processing Fees in effect, on a City-Wide basis, as of the Effective Date (provided that to the extent Processing Fees are based on time and materials costs, such fees may be calculated based on the schedule for time and materials costs in effect on the date the work is performed by the City). Thereafter, Processing Fees for the Project shall be limited to the Processing Fees in effect, on a City-Wide basis, at the time that Developer applies for the Subsequent Approval for which such Processing Fee is payable in connection with the applicable portion of the Project.

5.4.4 Recognition of Project Review Process/No Conditional Use Fee. In recognition of the extensive Design for Development and 5M SUD process, notwithstanding

any other provision of Applicable Law, no Processing Fee has been charged under Planning Code Section 352 in connection with the conditional use portions of the Approvals nor shall a Processing Fee be charged or be due for any Conditional Use application filed in connection with any Subsequent Approval, modification of any Approval, or any implementation action in connection with the Project under Section 249.74(e) of the 5M SUD.

5.4.5 Office Allocation. Notwithstanding the provisions of Planning Code Section 321(d)(2), within the Project Site the Developer shall have the greater of the period provided by Applicable Laws or three (3) years from the date on which a Project authorization for an office development is granted to obtain a site permit for an office development Project, as may be extended by a Litigation Extension (if any), but otherwise subject to the provisions of Planning Code Section 321(d)(2).

5.5 Limitation on City's Future Discretion. In accordance with Section 4.3, the City in granting the Approvals and, as applicable, vesting the Project through this Agreement is limiting its future discretion with respect to the Project and Subsequent Approvals to the extent that they are consistent with the Approvals and this Agreement. For elements included in a request for a Subsequent Approval that have not been reviewed or considered by the applicable City Agency previously (including but not limited to additional details or plans for a proposed building), the City Agency shall exercise its discretion consistent with the provisions of the 5M SUD and the other Approvals and otherwise in accordance with customary practice. In no event shall a City Agency deny issuance of a Subsequent Approval based upon items that are consistent with the Approvals and this Agreement. Consequently, the City shall not use its discretionary authority to change the policy decisions reflected by the Approvals and this Agreement or otherwise to prevent or to delay development of the Project as contemplated in the

Approvals and this Agreement. Nothing in the foregoing shall impact or limit the City's discretion with respect to: (i) proposed Subsequent Approvals that seek a Material Change to the Approvals, or (ii) Board of Supervisor approvals of subdivision maps, as required by Law, not contemplated by the Approvals.

5.6 Changes in Federal or State Laws.

5.6.1 City's Exceptions. Notwithstanding any provision in this Agreement to the contrary, each City Agency having jurisdiction over the Project shall exercise its discretion under this Agreement in a manner that is consistent with the public health and safety and shall at all times retain its respective authority to take any action that is necessary to protect the physical health and safety of the public (the "**Public Health and Safety Exception**") or reasonably calculated and narrowly drawn to comply with applicable changes in Federal or State Law affecting the physical environment (the "**Federal or State Law Exception**"), including the authority to condition or deny a Subsequent Approval or to adopt a new Law applicable to the Project so long as such condition or denial or new regulation (i) is limited solely to addressing a specific and identifiable issue in each case required to protect the physical health and safety of the public or (ii) is required to comply with a Federal or State Law and in each case not for independent discretionary policy reasons that are inconsistent with the Approvals or this Agreement and (iii) is applicable on a City-Wide basis to the same or similarly situated uses and applied in an equitable and non-discriminatory manner. Developer retains the right to dispute any City reliance on the Public Health and Safety Exception or the Federal or State Law Exception.

5.6.2 Changes in Federal or State Laws. If Federal or State Laws issued, enacted, promulgated, adopted, passed, approved, made, implemented, amended, or interpreted

after the Effective Date have gone into effect and (i) preclude or prevent compliance with one or more provisions of the Approvals or this Agreement, or (ii) materially and adversely affect Developer's or the City's rights, benefits or obligations, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal or State Law. In such event, this Agreement shall be modified only to the extent necessary or required to comply with such Law, subject to the provisions of Section 5.6.4, as applicable.

5.6.3 Changes to Development Agreement Statute. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute. No amendment of or addition to the Development Agreement Statute which would affect the interpretation or enforceability of this Agreement or increase the obligations or diminish the development rights of Developer hereunder, or increase the obligations or diminish the benefits to the City hereunder shall be applicable to this Agreement unless such amendment or addition is specifically required by Law or is mandated by a court of competent jurisdiction. If such amendment or change is permissive rather than mandatory, this Agreement shall not be affected.

5.6.4 Termination of Agreement. If any of the modifications, amendments or additions described in Section 5.3.3 or this Section 5.6 or any changes in Federal or State Laws described above would materially and adversely affect the construction, development, use, operation or occupancy of the Project as currently contemplated by the Approvals, or any material portion thereof, such that the Project becomes economically infeasible (a "**Law Adverse to Developer**"), then Developer shall notify the City and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. If any of the modifications, amendments or additions described in Sections 5.6.2 or 5.6.3 or any changes in Federal or State Laws described thereunder would

materially and adversely affect or limit the Community Benefits (a “**Law Adverse to the City**”), then the City shall notify Developer and propose amendments or solutions that would maintain the benefit of the bargain (that is this Agreement) for both Parties. Upon receipt of a notice under this Section 5.6.4, the Parties agree to meet and confer in good faith for a period of not less than ninety (90) days in an attempt to resolve the issue. If the Parties cannot resolve the issue in ninety (90) days or such longer period as may be agreed to by the Parties, then the Parties shall mutually select a mediator at JAMS in San Francisco for nonbinding mediation for a period of not less than thirty (30) days. If the Parties remain unable to resolve the issue following such mediation, then (i) Developer shall have the right to terminate this Agreement following a Law Adverse to Developer upon not less than thirty (30) days prior notice to the City, and (ii) the City shall have the right to terminate this Agreement following a Law Adverse to the City upon not less than thirty (30) days prior notice to Developer; provided, notwithstanding any such termination, Developer shall be required to complete the Community Benefits for development commenced in connection with a particular new Building as set forth in Section 4.1.

5.7 No Action to Impede Approvals. Except and only as required under Section 5.6, the City shall take no action under this Agreement nor impose any condition on the Project that would conflict with this Agreement or the Approvals. An action taken or condition imposed shall be deemed to be in conflict with this Agreement or the Approvals if such actions or conditions result in the occurrence of one or more of the circumstances identified in Section 5.3.1.

5.8 Criteria for Approving Subsequent Approvals. The City shall not disapprove applications for Subsequent Approval based upon any item or element that is consistent with this Agreement and the Approvals, and shall consider all such applications in

accordance with its customary practices (subject to the requirements of this Agreement). The City may subject a Subsequent Approval to any condition that is necessary to bring the Subsequent Approval into compliance with Applicable Laws. The City shall in no event be obligated to approve an application for a Subsequent Approval that would effect a Material Change. If the City denies any application for a Subsequent Approval that implements a Project as contemplated by the Approvals, the City must specify in writing the reasons for such denial and shall suggest modifications required for approval of the application. Any such specified modifications shall be consistent with Applicable Laws and City staff shall approve the application if it is subsequently resubmitted for City review and corrects or mitigates, to the City's reasonable satisfaction, the stated reasons for the earlier denial in a manner that is consistent and compliant with Applicable Laws and does not include new or additional information or materials that give the City a reason to object to the application under the standards set forth in this Agreement. The City agrees to rely on the FEIR, to the greatest extent possible, as more particularly described in Section 4.3. With respect to any Subsequent Approval, the City agrees to rely on the General Plan Consistency Findings to the greatest extent possible in accordance with applicable Laws; provided, however, that nothing shall prevent or limit the discretion of the City in connection with any Subsequent Approvals that, as a result of amendments to the Approvals, require new or revised General Plan consistency findings.

If any City Agency with jurisdiction objects to a Subsequent Approval for any Building or any Improvement set forth in Section 1 of Exhibit G (including if the Improvement is part of a larger permit application) based upon the proposed width of a sidewalk, street or alley, then within five (5) business days of the objection being raised (whether raised formally or informally), representatives from Developer, MTA, DPW, Planning, and the objecting City

Agency shall meet and confer in good faith to attempt to find a mutually satisfactory resolution to the objection that does not conflict with City policy, including the City's Better Streets Plan, its Transit First Policy, or any applicable streetscape plan, the Approvals or this Agreement. If the matter is not resolved within fourteen (14) days following the objection, then the Planning Director shall notify the Clerk of the Board of Supervisors and the members of the Board of Supervisors' Land Use and Transportation Committee. The City Agencies and Developer agree to act in good faith to resolve the matter quickly and in a manner that does not conflict with City policy, the Approvals, this Agreement or applicable law. By entering into this Agreement, the City's Board of Supervisors has reviewed and approved the sidewalk, street and alley widths, as set forth in Exhibit G and the Design for Development, as consistent with the City's central policy objective to ensure street safety for all users while maintaining adequate clearances, including for fire apparatus vehicles.

5.9 Estoppel Certificates. Developer may, at any time, and from time to time, deliver notice to the Planning Director requesting that the Planning Director certify to Developer, a potential Transferee, or a potential lender to Developer, in writing that to the best of the Planning Director's knowledge: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended or modified, and if so amended or modified, identifying the amendments or modifications and stating their date and providing a copy or referring to the recording information; (iii) Developer is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Defaults; and (iv) the findings of the City with respect to the most recent annual review performed pursuant to Section 8. The Planning Director, acting on behalf

of the City, shall execute and return such certificate within forty-five (45) days following receipt of the request.

5.10 Existing, Continuing Uses and Interim Uses. The Parties acknowledge that the Existing Uses are lawfully authorized uses and may continue as such uses may be modified by the Project, provided that any modification thereof not a component of or contemplated by the Project is subject to Planning Code Section 178 and the applicable provisions of Section 5. Developer may install interim or temporary uses on the Project Site, which uses must be consistent with those uses allowed under the Project's zoning and the 5M SUD.

5.11 Costa-Hawkins Rental Housing Act.

5.11.1 Non-Applicability of Costa-Hawkins Act. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act, California Civil Code sections 1954.50 et seq. (the “**Costa-Hawkins Act**”) provides for no limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public agency in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (section 1954.52(b)). The Parties agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the BMR Units. This Agreement falls within the express exception to the Costa-Hawkins Act, Section 1954.52(b) because this Agreement is a contract with a public entity in consideration for contributions and other forms of assistance specified in

Chapter 4.3 (commencing with Section 65919 of Division 1 of Title 7 of the California Government Code). The City and Developer would not be willing to enter into this Agreement without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section 1954.52(a) do not apply to the BMR Units as a result of the exemption set forth in California Civil Code section 1954.52(b) for the reasons set forth in this Section 5.11.

5.11.2 General Waiver. Developer, on behalf of itself and all of its successors and assigns of all or any portion of the Project Site, agrees not to challenge and expressly waives, now and forever, any and all rights to challenge the requirements of this Agreement related to the establishment of the BMR Units under the Costa-Hawkins Act (as the Costa-Hawkins Act may be amended or supplanted from time to time). If and to the extent such general covenants and waivers are not enforceable under Law, the Parties acknowledge and that they are important elements of the consideration for this Agreement and the Parties should not have the benefits of this Agreement without the burdens of this Agreement. Accordingly, if Developer challenges the application of this covenant and waiver, then such breach will be an Event of Default and City shall have the right to terminate this Agreement as to the portion of the Project under the ownership or control of Developer.

5.11.3 Inclusion in All Assignment and Assumption Agreements and Recorded Restrictions. Developer shall include the provisions of this Section 5.11 in any and all assignment and assumption agreements, and any and all recorded restrictions, for any portion of the Project Site that includes or will include BMR Units.

5.12 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment,

provided (i) the City shall not institute on its own initiative proceedings for any new or increased special tax or special assessment for a land-secured financing district (including the special taxes under the Mello-Roos Community Facilities Act of 1982 (Government Code §§ 53311 *et seq.*) but not including business improvement districts or community benefit districts formed by a vote of the affected property owners) that includes the Project Site unless the new district is City-Wide or Developer gives its prior written consent to or requests such proceedings, and (ii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted solely at all or any part of the Project Site. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Site, or any portion thereof, that is enacted in accordance with Law and applies to all similarly-situated property on a City-Wide basis.

6. NO DEVELOPMENT OBLIGATION

There is no requirement under this Agreement that Developer initiate or complete development of the Project, or any portion thereof. There is also no requirement that development be initiated or completed within any period of time or in any particular order, subject to the requirement to complete applicable Community Benefits with each portion of the Project started by Developer as set forth in Section 4.2. The development of the Project is subject to numerous factors that are not within the control of Developer or the City, such as availability of financing, interest rates, access to capital, and similar factors. Except as expressly required by this Agreement, the City acknowledges that Developer may develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled that the failure of the parties therein to

provide for the timing of development resulted in a later adopted initiative restricting the timing of development and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement, and that without such a right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, Chapter 56 and this Agreement.

7. MUTUAL OBLIGATIONS

7.1 Notice of Completion, Revocation or Termination. Upon any early revocation or termination of this Agreement (as to all or any part of the Project Site), the Parties agree to execute a written statement acknowledging such revocation or termination, signed by the appropriate agents of the City and Developer, and record such instrument in the Official Records. In addition, upon Developer's request, when one or more Buildings have been completed, and all of the Community Benefits tied to those specific Buildings have also been completed, the City and Developer shall execute and record a notice of completion in the form attached as Exhibit L for the applicable property on which the Buildings or other facilities or improvements are located.

7.2 General Cooperation Agreement to Cooperate. The Parties agree to cooperate with one another to expeditiously implement the Project in accordance with the Approvals, any Subsequent Approvals and this Agreement, and to undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of this Agreement, the Approvals and any Subsequent Approvals are implemented. Except for ordinary administrative costs of the City, nothing in this Agreement obligates the City to spend any sums

of money or incur any costs other than City Costs or costs that Developer must reimburse through the payment of permitted Processing Fees. The Parties agree that the Planning Department (or such other department to whom the obligation is delegated by the Director of the Planning Department after notice to Developer) will act as the City's lead agency to facilitate coordinated City review of applications for the Project. As such, Planning Department (or such other department) staff will: (i) work with Developer to ensure that all such applications to the City are technically sufficient and constitute complete applications and (ii) interface with City staff responsible for reviewing any application under this Agreement to facilitate an orderly, efficient approval process that avoids delay and redundancies.

7.2.1 Specific Actions by the City. The City actions and proceedings subject to this Agreement shall be through the Planning Department, as well as affected City Agencies (and when required by applicable Law, the Board of Supervisors), and shall include instituting and completing proceedings for temporary or permanent closing or occupancy, widening, modifying (including changes from vehicular to pedestrian use) or changing the grades of streets, alleys, sidewalks, and other rights-of-way, and other necessary modifications of the streets, the street layout, and other public or private rights-of-way in or near the Project Site, including streetscape improvements, encroachment permits, improvement permits, and any requirement to abandon, remove, and relocate public utilities (and, when applicable, City utilities) within the public rights-of-way as identified in the Approvals and Subsequent Approvals. Except as set forth in Section 9.4.4, City Agencies shall process with due diligence all submissions and applications by Developer on all permits, approvals, construction or occupancy permits for the Project subject to the acceptance of the same as complete.

7.3- Non-City Approvals Cooperation to Obtain Permits. The Parties acknowledge that certain portions of the Project may require the approval of Federal, State, and local governmental agencies that are independent of the City and not a Party to this Agreement ("**Non-City Agencies**"). The City will reasonably cooperate with reasonable requests by Developer in connection with Developer's efforts to obtain permits, agreements, or entitlements from Non-City Agencies as may be necessary or desirable for the development, operation and use of the Project (each, a "**Non-City Approval**"). The City's commitment to Developer under this Agreement is subject to the following conditions:

(a) Throughout the permit process for any Non-City Approval, Developer shall consult and coordinate with each affected City Agency in Developer's efforts to obtain the permits, agreements, or entitlements, and each such City Agency shall cooperate reasonably with Developer in Developer's efforts to obtain the same.

(b) Developer shall not agree to conditions or restrictions in any Non-City Approval that could create: (1) any obligations on the part of any City Agency, unless the City Agency agrees in writing, following the receipt of any necessary governmental approvals, to assume such obligations; or (2) any restrictions on City property, unless in each instance the City, including each affected City Agency, has previously approved in its sole discretion the conditions or restrictions in writing following the receipt of any necessary governmental approvals.

(c) The City shall have no duty to cooperate with public utilities and communication service providers to the extent that the cooperation efforts requested by Developer are materially in excess of the City's typical efforts in connection with other major development and construction projects in the City.

7.3.1 Costs. Developer shall bear all costs associated with applying for and obtaining any necessary Non-City Approval. Developer, at no cost to the City, shall be solely responsible for complying with any Non-City Approval and any and all conditions or restrictions imposed as part of a Non-City Approval. Developer shall pay or otherwise discharge any fines, penalties, or corrective actions imposed as a result of Developer's failure to comply with any Non-City Approval.

7.4 Cooperation in the Event of Third-Party Challenge. In the event any administrative, legal or equitable action or proceeding is instituted by any party other than the City or Developer challenging the validity or performance of any provision of this Agreement, the Project, the Approvals or Subsequent Approvals, the adoption or certification of the FEIR or other actions taken pursuant to CEQA, or other approvals under Laws relating to the Project, any action taken by the City or Developer in furtherance of this Agreement, or any combination thereof relating to the Project or any portion thereof ("**Third-Party Challenge**"), the Parties shall cooperate in defending against such challenge. The City shall promptly notify Developer of any Third-Party Challenge instituted against the City.

7.4.1 Developer shall assist and cooperate with the City at Developer's own expense in connection with any Third-Party Challenge. The City Attorney's Office may use its own legal staff or outside counsel in connection with defense of the Third-Party Challenge, at the City Attorney's sole discretion. Developer shall reimburse the City for its actual costs in defense of the action or proceeding, including but not limited to the time and expenses of the City Attorney's Office (at the non-discounted rates then charged by the City Attorney's Office) and any consultants; provided, however, Developer shall have the right to monthly invoices for all such costs.

7.4.2 To the extent that any such action or proceeding challenges or a judgment is entered limiting Developer's right to proceed with the Project or any material portion thereof under this Agreement (whether the Project commenced or not), including the City's actions taken pursuant to CEQA, Developer may elect to terminate this Agreement. Upon any such termination (or, upon the entry of a judgment terminating this Agreement, if earlier), the City and Developer shall jointly seek to have the Third-Party Challenge dismissed and Developer shall have no obligation to reimburse City defense costs that are incurred after the dismissal.

7.4.3 The filing of any Third Party Challenge shall not delay or stop the development, processing or construction of the Project or the issuance of Subsequent Approvals unless the third party obtains a court order preventing the activity.

7.5 Permits to Enter City Property. Subject to the rights of any third party, the rights of the public and the City's reasonable agreement on the scope of the proposed work and insurance and security requirements, each City Agency with jurisdiction shall grant permits to enter City-owned property on the City's standard form permit, including, without limitation, provisions regarding release, waivers and indemnification in keeping with the City's standard practices, so long as the same is consistent with Applicable Law, and otherwise on commercially reasonable terms, in order to permit Developer to enter City-owned property as necessary to construct the Project or comply with or implement the Approvals or other requirements in this Agreement.

7.6 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Approvals and any Subsequent Approvals. In their course of performance under this Agreement,

the Parties shall cooperate and shall undertake such actions as may be reasonably necessary to implement the Project as contemplated by this Agreement, including such actions as may be necessary to satisfy or effectuate any applicable conditions precedent to the performance of the Community Benefits.

Upon Developer's request, the City agrees to use reasonable good faith efforts to assist Developer in applying for and obtaining authorization to utilize for the M-2 Building and, to the extent available, for any on-site BMR units: (i) multi-family tax-exempt or taxable bond financing; (ii) housing tax credits; (iii) grants, subsidies, and residual receipt loans from public entities other than the City; and (iv) any other method of low-cost financing that may be available or become available, as contemplated in the Approvals and as set forth in this Housing Program. All costs incurred by the City in such efforts shall be City Costs.

7.7 Other Necessary Acts. Each Party shall use good faith efforts to take such further actions as may be reasonably necessary to carry out this Agreement, the Approvals and any Subsequent Approvals, in accordance with the terms of this Agreement (and subject to all applicable Laws) in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

7.8 Dempster Building. Subject to Section 4.2(a), Developer shall transfer the Dempster Building in accordance with the provisions of Section 3.2.2, provided, however, if the transfer of the Dempster Building to CAST or another nonprofit is not completed before issuance of a certificate of occupancy for Building N-1 or H-1, whichever occurs first, despite Developer's good faith efforts to do so; then, the City shall either (1) extend the period for the transfer of the Dempster Building and waive such transfer as a condition of the issuance of a certificate of occupancy for Building N-1 or H-1, as applicable, or (2) accept the transfer of the

fee interest in the Dempster Building and assume the transferor's obligations under the Dempster MOU with respect thereto and the condition shall be deemed satisfied. If CAST fails to close escrow when required under the Dempster MOU for any reason other than a Developer default, the City and Developer shall promptly and in good faith meet and confer and select a substitute nonprofit organization to receive the donation of the Dempster Building and the applicable portion of the Public Art Fee to be used for renovation or operation of the Dempster Building. If the City and Developer are not able to reach agreement on a substitute nonprofit arts organization within ninety (90) days, the City shall have the right to designate a substitute nonprofit organization or to accept the donation of the Dempster Building itself upon the same basis and conditions provided in the Dempster MOU. Upon Developer's transfer to CAST or another nonprofit as set forth in this Section 7.8, or upon the City's election not to take title to the Dempster Building (which election must occur within one hundred twenty (120) days after satisfaction of all conditions to transfer and Developer's offer of the Dempster Building to the City as set forth above), Developer and the City shall have no further obligation under this Agreement for the transfer of the Dempster Building and the provisions of Section 4.1.1(e) shall be deemed satisfied.

8. PERIODIC REVIEW OF DEVELOPER'S COMPLIANCE

8.1 Annual Review. Pursuant to Section 65865.1 of the Development Agreement Statute and Section 56.17 of the Administrative Code (as of the Effective Date), at the beginning of the second week of each January following final adoption of this Agreement and for so long as the Agreement is in effect (the "**Annual Review Date**"), the Planning Director shall commence a review to ascertain whether Developer has, in good faith, complied with the Agreement. The failure to commence such review in January shall not waive the Planning

Director's right to do so later in the calendar year; provided, however, that such review shall be deferred to the following January if not commenced on or before August 1st. The Planning Director may elect to forego an annual review if no significant construction work occurred on the Project Site during that year, or if such review is otherwise not deemed necessary.

8.2 Review Procedure. In conducting the required initial and annual reviews of Developer's compliance with this Agreement, the Planning Director shall follow the process set forth in this Section 8.2.

8.2.1 Required Information from Developer. Upon request by the Planning Director, but not more than sixty (60) nor less than forty-five (45) days before the Annual Review Date, Developer shall provide a letter to the Planning Director explaining, with appropriate backup documentation, Developer's compliance with this Agreement, including, but not limited to, compliance with the requirements regarding Community Benefits. The burden of proof, by substantial evidence, of compliance is upon Developer. The Planning Director shall post a copy of Developer's submittals on the Planning Department's website.

8.2.2 City Report. Within sixty (60) days after Developer submits such letter, the Planning Director shall review the information submitted by Developer and all other available evidence regarding Developer's compliance with this Agreement, and shall consult with applicable City Agencies as appropriate. All such available evidence including final staff reports shall, upon receipt by the City, be made available as soon as possible to Developer. The Planning Director shall notify Developer in writing whether Developer has complied with the terms of this Agreement (the "City Report"), and post the City Report on the Planning Department's website. If the Planning Director finds Developer not in compliance with this Agreement, then the City may pursue available rights and remedies in accordance with this

Agreement and Chapter 56. The City's failure to initiate or to timely complete the annual review shall not be a default and shall not be deemed to be a waiver of the right to do so at a later date. All costs incurred by the City under this Section shall be included in the City Costs.

8.2.3 Effect on Transferees. If Developer has effected a Transfer so that its interest in the Project Site has been divided between Developer and/or Transferees, then the annual review hereunder shall be conducted separately with respect to Developer and each Transferee, and if appealed, the Planning Commission and Board of Supervisors shall make its determinations and take its action separately with respect to Developer and each Transferee, as applicable, pursuant to Administrative Code Chapter 56. If the Board of Supervisors terminates, modifies or takes such other actions as may be specified in Administrative Code Chapter 56 and this Agreement in connection with a determination that Developer or a Transferee has not complied with the terms and conditions of this Agreement, such action by the Planning Director, Planning Commission, or Board of Supervisors shall be effective only as to the Party to whom the determination is made and the portions of the Project Site in which such Party has an interest.

8.2.4 Default. The rights and powers of the City under this Section 8.2 are in addition to, and shall not limit, the rights of the City to terminate or take other action under this Agreement on account of the commission by Developer of an Event of Default.

9. ENFORCEMENT OF AGREEMENT; DEFAULT; REMEDIES

9.1 Enforcement. The only Parties to this Agreement are the City and Developer (and any successors and Transferees). This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

9.2 Meet and Confer Process. Before sending a notice of default in accordance with Section 9.3, the Party which may assert that the other Party has failed to

perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement, or (ii) if a delay in sending a notice pursuant to Section 9.3 would impair, prejudice or otherwise adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request that such meeting and conference occur within three (3) business days following the request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section and may proceed in accordance with the issuance of a notice of default under Section 9.3.

9.3 Default. The following shall constitute a "Default" under this Agreement:

(i) the failure to make any payment within sixty (60) days following notice that such payment was not made when due and demand for compliance; and (ii) the failure to perform or fulfill any other material term, provision, obligation, or covenant of this Agreement and the continuation of such failure for a period of sixty (60) days following notice and demand for compliance. Notwithstanding the foregoing, if a failure can be cured but the cure cannot reasonably be completed within sixty (60) days, then it shall not be considered a Default if a cure is commenced within said 60-day period and diligently prosecuted to completion thereafter. Any notice of default given by a Party shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured (if at all). Notwithstanding any other provision in this Agreement to the contrary, if Developer conveys or transfers some but not all of the Project and there is more than one Party that assumes obligations

of "Developer" under this Agreement, there shall be no cross-default between the separate Parties that assumed Developer obligations. Accordingly, if a Transferee Defaults, it shall not be a Default by any other Transferee or Party that owns a different portion of the Project Site.

9.4 Remedies.

9.4.1 Specific Performance. Subject to, and as limited by, the provisions of Section 9.4.3, 9.4.4 and 9.4.5, in the event of a Default the remedies available to a Party shall include specific performance of this Agreement in addition to any other remedy available at law or in equity.

9.4.2 Termination. Subject to the limitation set forth in Section 9.4.4, in the event of a Default, the non-defaulting Party may elect to terminate this Agreement by sending a notice of termination to the other Party, which notice of termination shall state the Default. This Agreement will be considered terminated effective upon the date set forth in the notice of termination, which shall in no event be earlier than sixty (60) days following delivery of the notice.

9.4.3 Limited Damages. The Parties have determined that except as set forth in this Section 9.4.3, (i) monetary damages are generally inappropriate, (ii) it would be extremely difficult and impractical to fix or determine the actual damages suffered by a Party as a result of a Default hereunder, and (iii) equitable remedies and remedies at law not including damages but including specific performance and termination are particularly appropriate remedies for enforcement of this Agreement. Consequently, Developer agrees that the City shall not be liable to Developer for damages under this Agreement, and the City agrees that Developer shall not be liable to the City for damages under this Agreement, and each covenants not to sue the other for or claim any damages under this Agreement and expressly waives its right to

recover damages under this Agreement, except as follows: (1) either Party shall have the right to recover actual damages only (and not consequential, punitive or special damages, each of which is hereby expressly waived) for a Party's failure to pay sums to the other Party as and when due under this Agreement, (2) the City shall have the right to recover actual damages for Developer's failure to make any payment due under any indemnity in this Agreement, (3) for any Community Benefit for which specific performance is determined by a court of competent jurisdiction not to be an available remedy (and the attached Exhibit does not include a liquidated damages remedy), except if and to the extent directly or indirectly resulting from action or inaction by or on behalf of City or any City Agencies, the City shall have the right to monetary damages according to proof against Developer equal to the costs that would have been incurred by Developer to complete the Community Benefit, (4) either Party shall have the right to recover reasonable attorneys' fees and costs as set forth in Section 9.6, and (5) the City shall have the right to administrative penalties or liquidated damages if and only to the extent expressly stated in an Exhibit or in Applicable Laws. For purposes of the foregoing, "**actual damages**" means the actual amount of the sum due and owing under this Agreement, with interest as provided by Law, together with such judgment collection activities as may be ordered by the judgment, and no additional sums.

9.4.4 City Processing/Certificates of Occupancy. The City shall not be required to process any requests for approval or take other actions under this Agreement during any period in which payments from Developer are past due. The City shall have the right to withhold a final certificate of occupancy for a Building until all of the Community Benefits tied to that Building have been completed. Subject to the conditions as to offsite obligations in Exhibit G, for a Building to be deemed completed Developer shall have completed all of the

streetscape and open space improvements described in Exhibit B for that Building; provided, if the City issues a final certificate of occupancy before such items are completed, then Developer shall promptly complete such items following issuance.

9.5 Time Limits; Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any condition or failure of performance, including a Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. No express written waiver shall affect any other condition, action or inaction, or cover any other period of time, other than any condition, action or inaction and/or period of time specified in such express waiver. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent condition, action or inaction, and the performance of the same or any other term or provision contained in this Agreement. Nothing in this Agreement shall limit or waive any other right or remedy available to a Party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

9.6 Attorneys' Fees. Should legal action be brought by either Party against the other for a Default under this Agreement or to enforce any provision herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys' fees and costs. For purposes of this Agreement, "**reasonable attorneys' fees and costs**" means the reasonable fees and expenses of counsel to the Party, which may include printing, duplicating and other expenses, air

freight charges, hiring of experts and consultants, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "**reasonable attorneys' fees and costs**" shall also include, without limitation, all such reasonable fees and expenses incurred with respect to appeals, mediation, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. For the purposes of this Agreement, the reasonable fees of attorneys of City Attorney's Office shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the Law for which the City Attorney's Office's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

10. FINANCING; RIGHTS OF MORTGAGEES.

10.1 Owner's Right to Mortgage. Nothing in this Agreement limits the right of Developer to mortgage or otherwise encumber all or any portion of the Project Site for the benefit of any Mortgagee as security for one or more loans. Developer represents that there are no Mortgages on the Project Site as of the Effective Date.

10.2 Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of this Agreement, including, but not limited to, those which are or are intended to be covenants running with the land, a Mortgagee, including any Mortgagee who obtains title to the Project Site or any part thereof as a result of foreclosure proceedings, or conveyance or other action in lieu thereof, or other remedial action, shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or any part thereof or to guarantee such construction or completion. The foregoing provisions shall not be applicable to any party who,

after a foreclosure, conveyance or other action in lieu thereof, or other remedial action, obtains title to some or all of the Project Site from or through the Mortgagee, or any other purchaser at a foreclosure sale other than the Mortgagee itself, on which certain Community Benefits must be completed as set forth in Section 4.2. Nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any Mortgagee or any other person or entity to devote the Project Site or any part thereof to any uses other than uses consistent with this Agreement and the Approvals, and nothing in this Section shall be deemed to give any Mortgagee or any other person or entity the right to construct any improvements under this Agreement (other than as needed to conserve or protect improvements or construction already made) unless or until such person or entity assumes Developer's obligations under this Agreement.

10.3 Copy of Notice of Default and Notice of Failure to Cure to Mortgagee.

Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Mortgagee having a Mortgage on the real property which is the subject of the breach or default who has previously made a written request to the City therefor, at the last address of such Mortgagee specified by such Mortgagee in such notice. In addition, if such breach or default remains uncured for the period permitted with respect thereto under this Agreement, the City shall deliver a notice of such failure to cure such breach or default to each such Mortgagee at such applicable address. A delay or failure by the City to provide such notice required by this Section shall extend for the number of days until notice is given, the time allowed to the Mortgagee for cure. In accordance with Section 2924 of the California Civil Code, the City requests that a copy of any notice of default and a copy of any

notice of sale under any Mortgage be mailed to the City at the address for notices under this Agreement.

10.4 Mortgagee's Option to Cure Defaults. After receiving any notice of failure to cure referred to in Section 10.3, each Mortgagee shall have the right, at its option, to commence within the same period as the Developer to remedy or cause to be remedied any event of default, plus an additional period of: (a) thirty (30) days to cure a monetary event of default; and (b) sixty (60) days to cure a non-monetary event of default which is susceptible of cure by the Mortgagee without obtaining title to the applicable property. If an event of default is not cured within the applicable cure period, the City nonetheless shall refrain from exercising any of its remedies with respect to the event of default if, within the Mortgagee's applicable cure period: (i) the Mortgagee notifies the City that it intends to proceed with due diligence to foreclose the Mortgage or otherwise obtain title to the subject property; and (ii) the Mortgagee commences foreclosure proceedings within sixty (60) days after giving such notice, and thereafter diligently pursues such foreclosure to completion; and (iii) after obtaining title, the Mortgagee diligently proceeds to cure those events of default: (A) which are required to be cured by the Mortgagee and are susceptible of cure by the Mortgagee, and (B) of which the Mortgagee has been given notice by the City. Any such Mortgagee or Transferee of a Mortgagee who shall properly complete the improvements relating to the Project Site or applicable part thereof shall be entitled, upon written request made to the Agency, to a Certificate of Completion.

10.5 Mortgagee's Obligations with Respect to the Property. Notwithstanding anything to the contrary in this Agreement, no Mortgagee shall have any obligations or other liabilities under this Agreement unless and until it acquires title by any method to all or some portion of the Project Site (referred to hereafter as "**Foreclosed Property**"). A Mortgagee that

acquires title by foreclosure to any Foreclosed Property shall take title subject to all of the terms and conditions of this Agreement, to the extent applicable to the Foreclosed Property, including any claims for payment or performance of obligations which are due as a condition to enjoying the benefits of this Agreement. Upon the occurrence and continuation of an uncured default by a Mortgagee or Transferee in the performance of any of the obligations to be performed by such Mortgagee or Transferee pursuant to this Agreement, the City shall be afforded all its remedies for such uncured default as provided in this Agreement.

10.6 No Impairment of Mortgage. No default by the Developer under this Agreement shall invalidate or defeat the lien of any Mortgagee. Neither a breach of any obligation secured by any Mortgage or other lien against the mortgaged interest nor a foreclosure under any Mortgage or other lien, shall defeat, diminish, render invalid or unenforceable or otherwise impair the Developer's rights or obligations or constitute a default under this Agreement.

10.7 Cured Defaults. Upon the curing of any event of default by Mortgagee within the time provided in this Article 10 the City's right to pursue any remedies with respect to the cured event of default shall terminate.

11. AMENDMENT; TERMINATION; EXTENSION OF TERM

11.1 Amendment or Termination. This Agreement may only be amended with the mutual written consent of the City and Developer, provided following a Transfer, the City and Developer or any Transferee may amend this Agreement as it affects Developer or the Transferee and the portion of the Project Site owned by Developer or the Transferee without affecting other portions of the Project Site or other Transferees. Other than upon the expiration of the Term and except as provided in Sections 2.2, 5.6.4, 7.4.3, 9.4.2 and 11.2, this Agreement

may only be terminated with the mutual written consent of the Parties. Any amendment to this Agreement that does not constitute a Material Change may be agreed to by the Planning Director (and, to the extent it affects any rights or obligations of a City department, with the approval of that City Department). Any amendment that is a Material Change will require the approval of the Planning Director, the Planning Commission and the Board of Supervisors (and, to the extent it affects any rights or obligations of a City department, after consultation with that City department).

11.2 Early Termination Rights. Developer shall, upon thirty (30) days prior notice to the City, have the right, in its sole and absolute discretion, to terminate this Agreement in its entirety at any time if Developer does not Commence Construction on any part of the Project Site by the date which is five (5) years following the Effective Date. Thereafter, the City shall, upon sixty (60) days prior notice to Developer, have the right, in its sole and absolute discretion, to terminate this Agreement if the Developer has not Commenced Construction; provided Developer can prevent any such termination by the City by providing to the City notice, within the above sixty (60) day period, of Developer's intent to start construction and the Developer thereafter Commences Construction within one hundred twenty (120) days following delivery of Developer's notice to the City, or, if unable to actually Commence Construction within said time period, demonstrates reasonable, good faith and continuing efforts to Commence Construction, such as by pursuing all necessary Subsequent Approvals, and thereafter promptly Commences Construction upon receipt of the Subsequent Approvals. Any termination under this Section 11.2 shall result in the termination of the entirety of this Agreement affecting all of the Project Site, and any Transferee shall assume the risk of a termination of this Agreement by Developer or the City under this Section 11.2.

11.3 Termination and Vesting. Any termination under this Agreement shall concurrently effect a termination of the Approvals with respect to the terminated portion of the Project Site, except as to any Approval pertaining to a Building that has Commenced Construction in reliance thereon. In the event of any termination of this Agreement by Developer resulting from a Default by the City and except to the extent prevented by such City Default, Developer's obligation to complete the applicable Community Benefits shall continue as to the Building which has Commenced Construction and all relevant and applicable provisions of this Agreement shall be deemed to be in effect as such provisions are reasonably necessary in the construction, interpretation or enforcement to this Agreement as to any such surviving obligations. The City's and Developer's rights and obligations under this Section 11.3 shall survive the termination of this Agreement.

11.4 Amendment Exemptions. No issuance of a Subsequent Approval, or amendment of an Approval or Subsequent Approval, shall by itself require an amendment to this Agreement. And no change to the Project that is permitted under the 5M SUD shall by itself require an amendment to this Agreement. Upon issuance or approval, any such matter shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the amendment or Subsequent Approval). Notwithstanding the foregoing, if there is any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to an Approval or Subsequent Approval, then the Parties shall concurrently amend this Agreement (subject to all necessary approvals in accordance with this Agreement) in order to ensure the terms of this Agreement are consistent with the proposed Subsequent Approval or the proposed amendment to an Approval or Subsequent Approval. The Planning Department and the Planning Commission,

as applicable, shall have the right to approve changes to the Project as described in the Exhibits in keeping with its customary practices and the 5M SUD, and any such changes shall not be deemed to conflict with or require an amendment to this Agreement or the Approvals so long as they do not constitute a Material Change. If the Parties fail to amend this Agreement as set forth above when required, however, then the terms of this Agreement shall prevail over any Subsequent Approval or any amendment to an Approval or Subsequent Approval that conflicts with this Agreement.

11.5 Extension Due to Legal Action or Referendum; Excusable Delay.

11.5.1 Litigation and Referendum Extension. If any litigation is filed challenging this Agreement or an Approval having the direct or indirect effect of delaying this Agreement or any Approval (including but not limited to any CEQA determinations), including any challenge to the validity of this Agreement or any of its provisions, or if this Agreement or an Approval is suspended pending the outcome of an electoral vote on a referendum, then the Term of this Agreement and allany Approvals shall be extended for the number of days equal to the period starting from the commencement of the litigation or the suspension (or as to Approvals, the date of the initial grant of such Approval) to the end of such litigation or suspension (a "**Litigation Extension**"). The Parties shall document the start and end of a Litigation Extension in writing within thirty (30) days from the applicable dates.

11.5.2 "**Excusable Delay**" means the occurrence of an event beyond a Party's reasonable control which causes such Party's performance of an obligation to be delayed, interrupted or prevented, including, but not limited to: changes in Federal or State Laws; strikes or the substantial interruption of work because of labor disputes; inability to obtain materials; freight embargoes; civil commotion, war or acts of terrorism; inclement weather, fire, floods,

earthquakes or other acts of God; epidemics or quarantine restrictions; litigation; unforeseen site conditions (including archaeological resources or the presence of hazardous materials); or the failure of any governmental agency, public utility or communication service provider to issue a permit, authorization, consent or approval required to permit construction within the standard or customary time period for such issuing authority following Developer's submittal of a complete application for such permit, authorization, consent or approval, together with any required materials. Excusable Delay shall not include delays resulting from failure to obtain financing or have adequate funds, changes in market conditions, or the rejection of permit, authorization or approval requests based upon Developer's failure to satisfy the substantive requirements for the permit, authorization or approval request. In the event of Excusable Delay, the Parties agree that (i) the time periods for performance of the delayed Party's obligations impacted by the Excusable Delay shall be strictly limited to the period of such delay, interruption or prevention and the delayed Party shall, to the extent commercially reasonable, act diligently and in good faith to remove the cause of the Excusable Delay or otherwise complete the delayed obligation, and (ii) following the Excusable Delay, a Party shall have all rights and remedies available under this Agreement, if the obligation is not completed within the time period as extended by the Excusable Delay. If an event which may lead to an Excusable Delay occurs, the delayed Party shall notify the other Party in writing of such occurrence as soon as possible after becoming aware that such event may result in an Excusable Delay, and the manner in which such occurrence is likely to substantially interfere with the ability of the delayed Party to perform under this Agreement.

12. TRANSFER OR ASSIGNMENT; RELEASE; CONSTRUCTIVE NOTICE

12.1 Permitted Transfer of this Agreement. At any time, Developer shall have the right to convey, assign or transfer all or any part of its right, title and interest in and to all or part of the Project Site (a "Transfer") without the City's consent, provided that it also transfers to such party (the "Transferee") all of its interest, rights or obligations under this Agreement with respect to such portions of the Project Site (the "Transferred Property"). Developer shall not, by Transfer, separate a portion of the Project Site from the Community Benefits tied to that portion of the Project Site, as described in this Agreement, without the prior written consent of the Planning Director. If Developer Transfers one or more parcels such that there are separate fee owners within the Project Site, the obligation to perform and complete the applicable Community Benefits and other improvements associated with a Building; shall be the sole responsibility of the applicable Transferee (*i.e.*, the person or entity that owns the legal parcel on which the Building is located). Notwithstanding the foregoing (i) off-site improvements associated with the Dempster Building may be retained by Developer, and (ii) any ongoing obligations (such as open space operation and maintenance) may be transferred to a residential, commercial or Project Site-wide management association ("CMA"), provided such CMA reflects commercially reasonable requirements and standards generally applicable to similar developments and has the financial capacity and ability to perform the obligations so transferred.

12.2 Notice of Transfer. Developer shall provide not less than ten (10) days' notice to the City before any proposed Transfer of its interests, rights and obligations under this Agreement, together with a copy of the assignment and assumption agreement for that parcel (each, an "Assignment and Assumption Agreement") with a legal description of the parcel. Each Assignment and Assumption Agreement shall be in recordable form, in substantially the

form attached as Exhibit K (including the indemnifications, the agreement and covenant not to challenge the enforceability of this Agreement, and not to sue the City for disputes between Developer and any Transferee) and any material changes to the attached form will be subject to the review and approval of the Director of Planning not to be unreasonably withheld or delayed. Notwithstanding the foregoing any Transfer of Community Benefit obligations to a CMA as set forth in Section 12.1 shall not require the transfer of land to the CMA.

12.3 Release of Liability. Upon recordation of an approved Assignment and Assumption Agreement, Developer shall be released from any prospective liability or obligation under this Agreement related to the Transferred Property as specified in the Assignment and Assumption Agreement, and the Transferee shall be deemed to be "**Developer**" under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a default by Developer or any other Transferee with respect to any other portion of the Project Site and shall not entitle the City to terminate or modify this Agreement with respect to such other portion of the Project Site, except as otherwise provided herein. Additionally, the annual review provided by Section 8 shall be conducted separately as to Developer and each Transferee and only as to those obligations that Developer or such Transferee has under this Agreement.

12.4 Responsibility for Performance. The City is entitled to enforce each and every such obligation assumed by each Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert as a defense against the City's enforcement of

performance of such obligation that such obligation (i) is attributable to Developer's breach of any duty or obligation to the Transferee arising out of the Transfer or the Assignment and Assumption Agreement or any other agreement or transaction between Developer and the Transferee, or (ii) relates to the period before the Transfer. The foregoing notwithstanding, the Parties acknowledge and agree that a failure to complete a Mitigation Measure may, if not completed, delay or prevent a different party's ability to start or complete a specific Building or improvement under this Agreement if and to the extent the completion of the Mitigation Measure is a condition to the other party's right to proceed as specifically described in the Mitigation Measure, and Developer and all Transferees assume this risk. Accordingly, in some circumstances the City may withhold Subsequent Approvals based upon the acts or omissions of a different party.

12.5 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Site. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project Site and undertakes any development activities at the Project Site, is, and shall be, constructively deemed to have consented and agreed to, and is obligated by all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project Site.

12.6 Rights of Developer. The provisions in this Section 12 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses to

facilitate development of the Project Site, (ii) encumbering the Project Site or any portion of the improvements thereon by any Mortgage, (iii) granting an occupancy leasehold interest in portions of the Project Site, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (v) transferring all or a portion of the Project Site pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a Mortgage.

12.7 Transfers to REITs and UPREITs. The Parties recognize that there are no limitations on transfer of constituent membership interests in Developer. Nevertheless, in the interests of clarity the Parties agree that reapportionments and transfers by Forest City Enterprises, Inc. or any of its direct or indirect subsidiaries or affiliates ("FCE") of beneficial interests in Developer shall be permitted without prior notice to or review or consent from City, notwithstanding any provisions in this Article 12, so long as such reapportionments or transfers are to (1) affiliates or wholly-owned subsidiaries of FCE, or (2) any real estate investment trust sponsored by FCE or any successor, by operation of law or otherwise (a "REIT"), and/or any umbrella limited partnership related to any such REIT and in which the REIT has an ownership interest (an "UPREIT"), or any entity that is an affiliate of either the UPREIT or the REIT. In no event or circumstance shall any City consent or approval be required with respect to the trading or issuance of shares or other securities of FCE or a REIT or UPREIT in the public or private markets or where such Transfers are a part of a merger, consolidation or sale of all or substantially all of the assets or stock of FCE, a REIT, an UPREIT or any of their respective affiliates. The provisions of this Section 12.7 shall similarly apply to permit the transfer of any other constituent member interest in Developer. Reapportionments or transfers of membership interests under this Section 12.7 shall not require an Assignment and Assumption Agreement,

and the rights and obligations Developer (or Transferee) and the City under this Agreement shall not be affected in any way by such reapportionment or transfer.

13. DEVELOPER REPRESENTATIONS AND WARRANTIES

13.1 Interest of Developer; Due Organization and Standing. Developer represents that it is the legal or beneficial owner of the Project Site, with authority to enter into this Agreement on behalf of all fee owners of the Project Site. Developer is a Delaware limited liability company, duly organized and validly existing and in good standing under the Laws of the State of Delaware. Developer has all requisite power to own its property and authority to conduct its business as presently conducted. Developer represents and warrants that there is no existing lien or encumbrance recorded against the Project Site that, upon foreclosure or the exercise of remedies, would permit the beneficiary of the lien or encumbrance to eliminate or wipe out the obligations set forth in this Agreement that run with applicable land.

13.2 No Inability to Perform; Valid Execution. Developer represents and warrants that it is not a party to any other agreement that would conflict with Developer's obligations under this Agreement and it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

13.3 Conflict of Interest. Through its execution of this Agreement, Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the California Government Code, and certifies

that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the Term.

13.4 Notification of Limitations on Contributions. Through execution of this Agreement, Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

13.5 Other Documents. To the current, actual knowledge of Alexa Arena, after reasonable inquiry, no document furnished by Developer to the City with its application for this Agreement nor this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein, or herein, not misleading under the circumstances under which any such statement shall have been made.

13.6 No Bankruptcy. Developer represents and warrants to the City that Developer has neither filed nor is the subject of any filing of a petition under the federal

bankruptcy law or any federal or state insolvency laws or Laws for composition of indebtedness or for the reorganization of debtors, and, to the best of Developer's knowledge, no such filing is threatened.

14. MISCELLANEOUS PROVISIONS

14.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, and the agreements between the Parties specifically referenced in this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter contained herein.

14.2 Incorporation of Exhibits. Except for the Approvals which are listed solely for the convenience of the Parties, each Exhibit to this Agreement is incorporated herein and made a part hereof as if set forth in full. Each reference to an Exhibit in this Agreement shall mean that Exhibit as it may be updated or amended from time to time in accordance with the terms of this Agreement.

14.3 Binding Covenants; Run With the Land. Pursuant to Section 65868 of the Development Agreement Statute, from and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and, subject to Section 12, their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Project Site, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Subject to the provisions on Transfers set forth in Section 12, all provisions of this Agreement shall be enforceable during the Term as equitable servitudes and constitute covenants and

benefits running with the land pursuant to applicable Law, including but not limited to California Civil Code Section 1468.

14.4 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the Laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and the City and County of San Francisco shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

14.5 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both the City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Approvals shall be deemed to refer to this Agreement or the Approvals as amended from time to time pursuant to the provisions of this Agreement, whether or not the particular reference refers to such possible amendment. In the event of a conflict between the provisions of this Agreement and Chapter 56, the provisions of this Agreement will govern and control.

14.6 Project Is a Private Undertaking; No Joint Venture or Partnership. The development proposed to be undertaken by Developer on the Project Site is a private development. The City has no interest in, responsibility for, or duty to third persons concerning

any of said improvements. Developer shall exercise full dominion and control over the Project Site, subject only to the limitations and obligations of Developer contained in this Agreement.

14.6.1 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. Developer is not a state or governmental actor with respect to any activity conducted by Developer hereunder.

14.7 Recordation. Pursuant to the Development Agreement Statute and Chapter 56, the Clerk of the Board of Supervisors shall have a copy of this Agreement recorded in the Official Records within ten (10) days after the Effective Date of this Agreement or any amendment thereto, with costs to be borne by Developer.

14.8 Obligations Not Dischargeable in Bankruptcy. Developer's obligations under this Agreement are not dischargeable in bankruptcy.

14.9 Survival. Following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect except for any provision which, by its express terms, survive the expiration or termination of this Agreement.

14.10 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

14.11 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees

designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate/Finance, 5M Project

To Developer:

5M Project, LLC
5 Third Street, Suite 200
San Francisco, CA 94103
Attn: Martin Cepkauskas

with a copy to:

Forest City Residential Development
875 Howard Street, Suite 330
San Francisco, CA 94103
Attn: Alexa Arena

14.12 Limitations on Actions. Pursuant to Section 56.19 of the Administrative Code, any decision of the Board of Supervisors made pursuant to Chapter 56 shall be final. Any court action or proceeding to attack, review, set aside, void, or annul any final decision or determination by the Board of Supervisors shall be commenced within ninety (90) days after such decision or determination is final and effective. Any court action or

proceeding to attack, review, set aside, void or annul any final decision by (i) the Planning Director made pursuant to Administrative Code Section 56.15(d)(3) or (ii) the Planning Commission pursuant to Administrative Code Section 56.17(e) shall be commenced within ninety (90) days after said decision is final.

14.13 Severability. Except as is otherwise specifically provided for in this Agreement with respect to any Laws which conflict with this Agreement, if any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of this Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

14.14 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

14.15 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

14.16 Sunshine. Developer understands and agrees that under the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act

(California Government Code Section 250 *et seq.*), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. To the extent that Developer in good faith believes that any financial materials reasonably requested by the City constitutes a trade secret or confidential proprietary information protected from disclosure under the Sunshine Ordinance and other Laws, Developer shall mark any such materials as such. When a City official or employee receives a request for information that has been so marked or designated, the City may request further evidence or explanation from Developer. If the City determines that the information does not constitute a trade secret or proprietary information protected from disclosure, the City shall notify Developer of that conclusion and that the information will be released by a specified date in order to provide Developer an opportunity to obtain a court order prohibiting disclosure.

14.17 Waiver of Personal Liability Non-Liability of City Officials and Others.

Notwithstanding anything to the contrary in this Agreement, no individual board member, director, commissioner, officer, employee, official or agent of City or other City Parties shall be personally liable to Developer, its successors and assigns, in the event of any default by City, or for any amount which may become due to Developer, its successors and assigns, under this Agreement.

14.18 Non-Liability of Developer Officers and Others. Notwithstanding

anything to the contrary in this Agreement, no individual board member, director, officer, employee, official, partner, employee or agent of Developer or any Affiliate of Developer shall be personally liable to City, its successors and assigns, in the event of any default by Developer, or for any amount which may become due to City, its successors and assign, under this Agreement.

14.19 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

[signatures follow on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Approved as to form:

DENNIS J. HERRERA, City Attorney

By: _____
John Rahaim
Director of Planning

By: _____
Charles Sullivan, Deputy City Attorney

Approved on _____, 2015
Board of Supervisors Ordinance No. _____

Approved and Agreed:

By: _____
Naomi Kelly, City Administrator

By: _____
Mohammad Nuru,
Director of Public Works

Developer:

5M PROJECT, LLC,
a Delaware limited liability company

By: _____
Martin Cepkauskas
Vice President

CONSENT TO DEVELOPMENT AGREEMENT

San Francisco Municipal Transportation Agency

The Municipal Transportation Agency of the City and County of San Francisco ("SFMTA") has reviewed the Development Agreement (the "**Development Agreement**") between the City and 5M Project, LLC, a Delaware limited liability company ("**Developer**") to which this Consent to Development Agreement (this "**SFMTA Consent**") is attached and incorporated. Except as otherwise defined in this SFMTA Consent, initially capitalized terms have the meanings given in the Development Agreement.

By executing this SFMTA Consent, the undersigned confirms that the SFMTA Board of Directors, after considering at a duly noticed public hearing the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program contained or referenced therein, consented to and agrees to be bound by the Development Agreement as it relates to matters under SFMTA jurisdiction, including the Transportation Program and the transportation-related Mitigation Measures.

By executing this SFMTA Consent, the SFMTA does not intend to in any way limit, waive or delegate the exclusive authority of the SFMTA as set forth in Article VIIIA of the City's Charter.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through the
SAN FRANCISCO MUNICIPAL TRANSPORTATION
AGENCY

By: _____
EDWARD D. REISKIN,
Director of Transportation

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

San Francisco Municipal Transportation Agency Board of Directors
Resolution No. _____
Adopted: _____, 2015

CONSENT TO DEVELOPMENT AGREEMENT
Arts Commission

A. The Arts Commission of the City and County of San Francisco has reviewed the Development Agreement (the "**Development Agreement**") between the City and 5M Project, LLC, a Delaware limited liability company ("**Developer**") to which this Consent to Development Agreement (this "**Arts Commission Consent**") is attached and incorporated. Except as otherwise defined in this Arts Commission Consent, initially capitalized terms have the meanings given in the Development Agreement.

B. By executing this Arts Commission Consent, the undersigned confirms that the Arts Commission, after considering at a duly noticed public hearing the CEQA Findings, including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program contained or referenced therein, consented to and agrees to be bound by the Development Agreement as it relates to matters under the Arts Commission's jurisdiction, including the Arts Program.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through the
SAN FRANCISCO ARTS COMMISSION

By: _____
Mr. Tom DeCaigny, Director

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Susan Dawson, Deputy City Attorney

San Francisco Arts Commission
Resolution No. _____
Adopted: _____, 2015

EXHIBIT A

5M Project Legal Descriptions

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Building H-1 Site

BEGINNING at the point of intersection of the Southwesterly line of 5th Street with the Southeasterly line of Natoma Street; running thence Southeasterly along said line of 5th Street, 105 feet; thence at a right angle Southwesterly 75 feet; thence at a right angle Northwesterly 105 feet to the Southeasterly line of Natoma Street; thence Northeasterly along said Southeasterly line, 75 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 005

COMMENCING at a point on the Westerly line of 5th Street, distant thereon 30 feet Northerly from the Northwest corner of Howard and 5th Streets; thence running Northerly along the Westerly line of 5th Street, 25 feet; thence at right angles Westerly 75 feet, parallel with Howard Street; thence at right angles Southerly 25 feet; thence at right angles Easterly 75 feet to 5th Street, the point of beginning.

SAID LOT BEING a subdivision of the 100 Vara Lot shown upon the Official Map of San Francisco as Number 381 of the 100 Vara Lot Survey, Assessor's Block 3725, Lot 006

BEGINNING at a point on the Northwesterly line of Howard Street, distant thereon 70 feet Southwesterly from the Southwesterly line of 5th Street; running thence Southwesterly along said line of Howard Street, 29 feet and 3-1/2 inches; thence at a right angle Northwesterly 80 feet; thence at a right angle Southwesterly 25 feet and 8-1/2 inches; thence at a right angle Northwesterly 80 feet to the Southeasterly line of Natoma Street; thence at a right angle Northeasterly along said line of Natoma street, 50 feet; thence at a right angle Southeasterly 130 feet; thence at a right angle Northeasterly 5 feet; thence at a right angle Southeasterly 30 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 008

COMMENCING at a point on the Northwestern line of Howard Street, distant thereon 99 feet, 3-1/2 inches Southwesterly from the point formed by the intersection of the said Northwestern line of Howard Street with the Southwesterly line of 5th Street; running thence Southwesterly along the said Northwestern line of Howard Street, 25 feet, 8-1/2 inches; thence at a right angle Northwesterly 80 feet; thence at a right angle Northeasterly, 25 feet 8-1/2 inches; and thence at a right angle Southeasterly 80 feet to the Northwestern line of Howard Street and the point of commencement.

BEING a portion of 100 Vara Lot Number 196
Assessor's Block 3725, Lot 009

COMMENCING at the point of intersection of the Northwestern line of Howard Street and the Northerly line of Mary Street; running thence Northeasterly and along said line of Howard Street, 47 feet, 6 inches; thence at a right angle Northwesterly 160 feet to the Northeasterly line of Natoma Street; thence at a right angle Southwesterly along said line of Natoma Street, 47 feet, 6 inches to the Northeasterly line of Mary Street; thence at a right angle Southeasterly along said line of Mary Street, 160 feet to the point of commencement.

BEING a portion of 100 Vara Lot Number 381
Assessor's Block 3725, Lot 012

BEGINNING at a point on the Northwestern line of Howard Street, distant thereon 125 feet Southwesterly from the Southwesterly line of 5th Street; running thence Southwesterly along said line of Howard Street, 92 feet and 11-3/4 inches to a point distant thereon 47 feet and 6 inches Northeasterly from the Northeasterly line of Mary Street; thence at a right angle Northwesterly 160 feet to the Southeasterly line of Natoma Street; thence Northeasterly along said line of Natoma Street, 92 feet and 11-3/4 inches; thence at a right angle Southeasterly 160 feet to the point of beginning.

BEING a portion of 100 Vara Lot Number 381
Assessor's Block 3725, Lot 098

Building N1, New Examiner and Mary Court East Site

Parcel 1:

BEGINNING at the point of intersection of the Southwesterly line of 5th Street and the Southeasterly line of Minna Street; running thence Southeasterly, along said line of 5th Street, 75 feet; thence at a right angle Southwesterly 275 feet to the Northwesterly line of Mary Street; thence at a right angle Northwesterly, along said line of Mary Street, 75 feet to the Southeasterly line of Minna Street; thence at a right angle Northeasterly, along said line of Minna Street, 275 feet to the point of beginning.

EXCEPTING THEREFROM so much thereof as conveyed to the City and County of San Francisco in that certain Exchange Deed dated December 30, 1966 and recorded January 27, 1967 in Book B113, Official Records, Page 623, more particularly described as follows:

BEGINNING at a point on the Southeasterly line of Minna Street, distant thereon 265 feet Southwesterly from the Southwesterly line of 5th Street; and thence running Southwesterly, along said line of Minna Street, 10 feet to the Northeasterly line of Mary Street; thence at a right angle Southeasterly, along said line of Mary Street, 75 feet; thence at a right angle Northeasterly 10 feet; thence at a right angle Northwesterly 75 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381

Parcel 2:

BEGINNING at a point on the Southwesterly line of 5th Street, distant thereon 30 feet Northwesterly from the Northwesterly line of Natoma Street; running thence Northwesterly, along said line of 5th Street, 50 feet; thence at a right angle Southwesterly 75 feet; thence at a right angle Southeasterly 50 feet; thence at a right angle Northeasterly 75 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381

Parcel 3:

BEGINNING at the point of intersection of the Southwesterly line of 5th Street and the Northwesterly line of Natoma Street; running thence Northwesterly, and along said line of 5th Street, 30 feet; thence at a right angle Southwesterly 75 feet; thence at a right angle Southeasterly 30 feet to the Northwesterly line of Natoma Street; thence at a right angle Northeasterly, along said line of Natoma Street, 75 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381

Parcel 4:

BEGINNING at a point on the Northwesterly line of Natoma Street, distant thereon 75 feet Southwesterly from the Southwesterly line of 5th Street; running thence Southwesterly, and along said Northwesterly line of Natoma Street 150 feet; thence at a right angle Northwesterly 80 feet; thence at a right angle Northeasterly 150 feet; thence at a right angle Southeasterly 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381

Parcels 1 through 4 constituting Assessor's Block 3725, Lot 097

Building M-2 Site

BEGINNING at a point on the Southeasterly line of Mission Street, distant thereon 97 feet and 6 inches Southwesterly from the Southwesterly line of Mary Street; running thence Southwesterly and along said line of Mission Street 20 feet; thence at a right angle Southeasterly 160 feet to the Northwesterly line of Minna Street; thence at a right angle Northeasterly along said line of Minna Street 20 feet; thence at a right angle Northwesterly 160 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 089

BEGINNING at a point on the Southeasterly line of Mission Street, distant thereon 57 feet and 6 inches Southwesterly from the Southwesterly line of Mary Street; running thence Southwesterly and along said line of Mission Street 40 feet; thence at a right angle Southeasterly 160 feet to the Northwesterly line of Minna Street; thence at a right angle Northeasterly along said line of Minna Street 40 feet; thence at a right angle Northwesterly 160 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 090

BEGINNING at the point of intersection of the Southeasterly line of Mission Street with the Southwesterly line of Mary Street; running thence Southwesterly along the Southeasterly line of Mission Street 57 feet 6 inches; thence at a right angle Southeasterly 160 feet to the Northwesterly line of Minna Street; thence Northeasterly and along the Northwesterly line of Minna Street 57 feet and 6 inches to the Southwesterly line of Mary Street; and thence Northwesterly and along the Southwesterly line of Mary Street 160 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 091

M-1 Building Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEGINNING at the point formed by the intersection of the Southeasterly line of Mission Street with the Southwesterly line of 5th Street; and running thence Southeasterly along said line of 5th Street 160 feet to the Northwesterly line of Minna Street; thence at a right angle Southwesterly, along said line of Minna Street, 275 feet to the Northeasterly line of Mary Street; thence at a right angle Northwesterly, along said line of Mary Street, 160 feet to the southeasterly line of Mission Street; and thence at a right angle Northeasterly, along said line of Mission Street, 275 feet to the point of beginning.

EXCEPTING THEREFROM so much thereof as conveyed to the City and County of San Francisco in that certain Exchange Deed dated December 30, 1966 and recorded January 27, 1967 in Book B113, Official Records, Page 623, more particularly described as follows:

BEGINNING at a point on the Southeasterly line of Mission Street, distant thereon Southwesterly 265 feet from the Southwesterly line of 5th Street; and thence running Southwesterly along said line of Mission Street 10 feet to the Northwesterly line of Mary Street; thence at a right angle Southeasterly, along said line of Mary Street, 160 feet to the Northwesterly line of Minna Street; thence at a right angle Northwesterly, along said line of Minna Street, 10 feet; thence at a right angle Northwesterly 160 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 093

Camelline Building

BEGINNING at the point of intersection of the Northeasterly line of Mary Street with the Northwesternly line of Natoma Street; running thence Northeasterly, along the Northwesternly line of Natoma Street, 40 feet; thence at a right angle Northwesternly 80 feet; thence at a right angle Southwesterly 40 feet to the Northeasterly line of Mary Street; thence at a right angle Southeasterly, along the last mentioned line, 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 042

Dempster Printing Building

BEGINNING at a point on the Southeasterly line of Minna Street, distant thereon 402 feet 6 inches Northeasterly from the Northeasterly line of 6th Street; running thence Northeasterly and along said line of Minna Street 40 feet; thence at a right angle Southeasterly 75 feet; thence at a right angle Southwesterly 40 feet; thence at a right angle Northwesternly 75 feet to the point of beginning.

BEING a portion of 100 Vara Lot No. 202, in Block No. 381
Assessor's Block 3725, Lot 076

Mary Court West Site

BEGINNING at the point of intersection of the Southwesterly line of Mary Street and the Southeasterly line of Minna Street; running thence Southwesterly along said line of Minna Street 57 feet and 6 inches; thence at a right angle Southeasterly 25 feet; thence at a right angle Southwesterly 5 feet; thence at a right angle Southeasterly 24 feet; thence at a right angle Northeasterly 62 feet and 6 inches to the Southwesterly line of Mary Street; thence Southwesterly along said line of Mary Street 52 feet to the point of beginning.

BEING part of 100 Vara Block No. 381
Assessor's Block 3725, Lot 043

BEGINNING at a point on the Southwesterly line of Mary Street, distant thereon 80 feet Northwesternly from the Northwesternly line of Natoma Street; running thence Northwesternly and along said line of Mary Street 23 feet; thence at a right angle Southwesterly 62 feet and 6 inches; thence at a right angle Southeasterly 23 feet; thence at a right angle Northeasterly 62 feet and 6 inches to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 044

BEGINNING at a point on the Southwesterly line of Mary Street, distant thereon 40 feet Northwesterly from the Northwesterly line of Natoma Street; running thence Northwesterly along said Southwesterly line of Mary Street 40 feet; thence at a right angle Southwesterly 76 feet and 2 inches; thence at a right angle Southeasterly 40 feet; thence at a right angle Northeasterly 76 feet and 2 inches to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 045

BEGINNING at the point of intersection of the Northwesterly line of Natoma Street and the Southwesterly line of Mary Street; running thence Northwesterly and along said line of Mary Street 40 feet; thence at a right angle Southwesterly 76 feet and 2 inches; thence at a right angle Southeasterly 40 feet to the Northwesterly line of Natoma Street; thence at a right angle Northeasterly along said line of Natoma Street 76 feet and 2 inches to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 046

BEGINNING at a point on the Northwesterly line of Natoma Street, distant thereon 76 feet and 2 inches Southwesterly from the Southwesterly line of Mary Street; running thence Southwesterly along said line of Natoma Street 28 feet and 2 inches; thence at a right angle Northwesterly 80 feet; thence at a right angle Northeasterly 28 feet and 2 inches; thence at a right angle Southeasterly 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 381
Assessor's Block 3725, Lot 047

BEGINNING at a point on the Southeasterly line of Minna Street, distant thereon 57 feet and 6 inches Southwesterly from the Southwesterly line of Mary Street, (which point of beginning is perpendicularly distant 155 feet Northwesterly from the Northwesterly line of Natoma Street); running thence Southwesterly along said line of Minna Street 40 feet; thence at a right angle Southeasterly 75 feet; thence at a right angle Northeasterly 35 feet; thence at a right angle Northwesterly 47 feet; thence at a right angle Northeasterly 5 feet; thence at a right angle Northwesterly 28 feet to the Southeasterly line of Minna Street and the point of beginning.

BEING a portion of 100 Vara Block 381
Assessor's Block 3725, Lot 077

Chronicle/Examiner Connector Air Space Parcel

ALL OF THE AIRSPACE between elevations 34 feet and 103 feet per datum of the City and County of San Francisco and bounded by the following described area:

BEGINNING at the point of intersection of the Southwesterly line of Fifth Street with the Northwesterly line of Minna Street and thence running Southwesterly along said line of Minna Street 265 feet; thence at a right angle Southeasterly 40 feet to the Southeasterly line of Minna Street; thence at a right angle Northeasterly, along said Southeasterly line of Minna Street 265 feet; thence at a right angle Northwesterly 40 feet to the point of beginning.

BEING a portion of the airspace above and across Minna Street, as said street existed prior to the vacation of a portion thereof, by Ordinance No. 188-60, adopted by the Board of Supervisors on August 22, 1966 and approved by the Mayor on August 26, 1966 and as conveyed by Exchange Deed from the City and County of San Francisco to The Chronicle Publishing Company, a Nevada Corporation and The Hearst Corporation, a Delaware corporation recorded January 27, 1967, Instrument No. P38074, Book B133, Page 623, Official Records.

Assessor's Block 3725, Lot 094

Minna Street Air Space Parcel

ALL OF THE SPACE between a horizontal plane at elevation 31.00 feet and a horizontal plane at elevation 103.00 feet per datum of the City and County of San Francisco bounded by planes projected vertically above the surface limits of certain land described as follows:

BEGINNING at the point of intersection of the Southwesterly line of Fifth Street with the Northwesterly line of Natoma Street and thence running Southwesterly along said line of Natoma Street 265.00 feet to the Northeasterly line of Mary Street; thence Southeasterly along the Southeasterly prolongation of the Northeasterly line of Mary Street 35 feet to the Southeasterly line of Natoma Street; thence Northeasterly, along the Southeasterly line of Natoma Street 265.00 feet to the Southwesterly line of Fifth Street; thence Northwesterly along the Northwesterly prolongation of the Southwesterly line of Fifth Street 35.00 feet to the point of beginning.

BEING a portion of the airspace above and across Natoma Street, as said street existed prior to the vacation of a portion thereof, by Ordinance No. 524-79, adopted by the Board of Supervisors on October 22, 1976 and approved by the Mayor on November 2, 1976 and as conveyed by Quitclaim Deed from the City and County of San Francisco to The Chronicle

Publishing Company, a Nevada Corporation and The Hearst Corporation, a Delaware corporation recorded November 14, 1979, Instrument No. C47229, Book C896, Page 503, of Official Records.

Assessor's Block 3725, Lot 099

Natoma Street Air Space Parcel

All of the space between a horizontal plane at elevation 36.00 feet and a horizontal plane at elevation 103.00 feet per datum of the City and County of San Francisco bounded by planes projected Vertically above the surface limits of certain land described as follows:

BEGINNING at the point of intersection of the Southwesterly line of Mary Street with the Northwesterly line of Minna Street and thence running Southwesterly along said line Minna Street 97.50 feet; thence at a right angle Southeasterly 40 feet to the Southeasterly line of Minna Street; thence Northeasterly along the Southeasterly line of Minna Street 97.50 feet to the Southwesterly line of Mary Street; thence Northwesterly along the Northwesterly prolongation of the Southwesterly line of Mary Street 40.00 feet to the point of beginning.

BEING a portion of the airspace above and across Minna Street, as said street existed prior to the vacation of a portion thereof, by Ordinance No. 524-79, adopted by the Board of Supervisors on October 22, 1976 and approved by the Mayor on November 2, 1976 and as conveyed by Quitclaim Deed from the City and County of San Francisco to The Chronicle Publishing Company, a Nevada Corporation and The Hearst Corporation, a Delaware corporation recorded November 14, 1979, Instrument No. C47229, Book C896, Page 503, of Official Records.

Assessor's Block 3725, Lot 100

EXHIBIT B
5M PROJECT
PROJECT DESCRIPTION¹

The Project is a mixed-use development of new construction, rehabilitated and renovated existing buildings, and open space, constituting up to 1,697,600 gross square feet (gsf)² of building space, including up to: 821,300 gsf of residential uses (approximately 690 units), 807,600 gsf of office uses (including active office uses at or below the ground floor), 68,700 gsf of other active ground floor uses (including mezzanine and basement spaces), 59,500 square feet of open space and approximately 463331 vehicle parking spaces, 429 Class 1 bicycle spaces and 66 Class 2 bicycle spaces. The Project contains up to seven buildings (three new buildings and four retained buildings), with six open space areas and associated streetscape improvements, all as further described in the Design for Development, and below.

1. **Building H-1³**

- Demolition of existing buildings and surface parking lots at 172 Fifth Street, 190 Fifth Street, 910 Howard Street, 912 Howard Street, 918 Howard Street and 924 Howard Street (Assessor's Block/Lot No. 3725/005, 006, 008, 009, 012 & 098) for construction of the following:
 - An up to 617,900 gsf, 395-foot tall 25-story office building with approximately 584,900 gsf of office space above the ground floor, 33,000 square feet of active ground floor and mezzanine space (including 7,100 gsf of retail and 8,600 gsf of office uses, 17,300 square feet of lobby/core and building services space);
 - Up to three subterranean levels of vehicle and bicycle parking and loading, including up to: 254122 vehicular parking spaces, 6 loading spaces and 104 Class 1 bicycle spaces, and 23 Class 2 spaces;
 - A three-stall off-street freight loading dock on the ground floor, with a combined automobile parking entrance/exit and freight loading entrance from Howard Street and freight loading exit onto Natoma Street;
 - An approximately 11,000 square-foot private terrace on the southwest side of the building at or about the tenth floor; and

¹ Any capitalized term used in this Exhibit that is not defined herein shall have the meaning given to such term in this Agreement.

² Gross square footage excludes subterranean parking and loading, parking and loading ingress and egress, as well as a full mechanical floor for commercial Building H-1. All quantities stated herein are approximate and nothing herein shall be deemed to require maximum site development, unless otherwise noted. Size and location of private open spaces and related elements may be modified and/or relocated during design development in accordance with Approvals or Subsequent Approvals.

³ As more particularly described in Planning Commission Motion No.[-], dated July __, 2015, and any Subsequent Approvals.

- Construction of an up to 1,600 square-foot pedestrian improvement adjacent to Building H-1 along Mary Street.
- Demolition of existing surface parking on 435-39 and 441-45 Minna Street, 44 and 50 Mary Street, and 432-38 and 440 Natoma Street (Assessor's Block 3725, Lots 043- 047, 077), and construction of Mary Court West, approximately 14,600 sf open space;
- Construction and installation of the following streetscape improvements:
 - Removal of two metered vehicle parking spaces on Howard Street adjacent to the Building and replacement with a passenger loading/unloading zone adjacent to the Project on Howard Street, and addition of a metered commercial loading space;
 - Widening the Fifth Street sidewalk between Natoma and Howard Streets from 10 feet to 18 feet, with a 60-foot long, approximately 8-foot deep inset for three commercial loading spaces;
 - Widening the Mary Street sidewalk adjacent to Mary Court West, from 5 to 10 feet;
 - Streetscape improvements to sidewalks adjacent to Mary Court West;
 - Conversion of Mary Street between Minna and Howard Streets to a shared public way;
 - Sidewalk improvements on Howard Street adjacent to the off-site parcel at 198 Fifth Street;
 - Streetscape improvements to sidewalks adjacent to the Natoma, Fifth, Howard and Mary Street building frontages and street trees within an approximately 300-foot long portion of the south Howard Street sidewalk extending west from Fifth Street.

2. Building N-1⁴

- Demolition of a portion of the existing building at 110 Fifth Street (Assessor's Block/Lot No. 3725/097) to provide an approximately 18,000 square foot footprint for construction of the following:
 - An up to 400-unit, 470-foot tall 45-story residential building with approximately 570,500 gsf devoted to residential use, 13,200 square feet of active ground floor uses (composed of 7,300 gsf of active ground floor retail space; 5,900 square feet lobby/core and building services space);
 - Up to three subterranean levels of vehicle and bicycle parking and loading accessible from Minna Street, including up to: 156 vehicle spaces⁵ and 176 Class 1 bicycle spaces, and 24 Class 2 bicycle spaces;

⁴ As more particularly described in Planning Commission Motion No. [---], dated July __, 2015, and any Subsequent Approvals.

⁵ Building N-1 is entitled to use of an additional ~~135~~63 parking spaces, accessory to Building N-1, in the garage of Building H-1

- A one-stall off-street freight loading bay within the building, accessible from a separate entrance on Minna Street.
- Approximately 23,000 sf open space atop Building M-1 (Chronicle Building), including up to 400 sf of café/pop up retail kiosk type space, an access elevator, stairway and a ground-floor entrance lobby on the southern (Minna Street) façade of M-1.⁶
- Construction of a 3,600 square-foot private open space terrace on the north side of the building on or about the sixth floor of the building.
- Construction and installation of the following streetscape improvements:
 - Widening of the Fifth Street sidewalk adjacent to the building, between Minna and Natoma Streets, from 10 feet to 18 feet with an approximately 60-foot long, 8-foot deep inset for three commercial loading spaces;
 - Streetscape improvements to the sidewalks on the Fifth and Minna Street building frontages.

3. Building M-2⁷

- Demolition of existing surface parking at 939-949 Mission Street (Assessor's Block/Lot No. 3725/089-091) for construction of the following:
 - An up to 288-unit, 200-foot tall 20-story residential building with approximately 250,800 gsf devoted to residential use, and 13,500 square feet of active ground floor uses (composed of 6,800 gsf of active retail space and 6,700 square feet of lobby/core and building services).
 - Up to three subterranean levels of vehicle and bicycle parking and loading with an entrance and exit from and onto Minna Street, including up to: 53 vehicle spaces, 149 Class 1 bicycle spaces and 19 Class 2 bicycle spaces.
 - Construction of an approximately 3,600 square-foot private open space terrace on the west side of Building M-2.
- Demolition of existing surface parking on Assessor's Block/Lot 3725/097 and construction of Mary Court East, approximately 11,500 square feet of open space.
- Construction and installation of the following streetscape improvements:
 - New curb and striping on Mission Street for a passenger loading zone and two commercial metered parking spaces, and on Minna Street, removal of up to six parking spaces and replacement with two commercial metered spaces adjacent to the building.
 - Conversion of Mary Street between Mission and Minna Streets to a pedestrian-only alley, the North Mary Pedestrian Alley, closed to vehicular

⁶ Construction of this open space may be carried out together with separate renovations of Building M-1 (Chronicle) described in Item 4 below, if those proceed prior to construction of Building N-1.

⁷ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

and bicycle traffic, and construction associated improvements to the sidewalks and roadway;

- An up to 1,600 square-foot pedestrian improvement adjacent to Building M-2 along North Mary Pedestrian Alley;
- Streetscape improvements on the sidewalks adjacent to the Mission Street building frontage, and streetscape improvements to Minna and Mary Street sidewalks adjacent to Mary Court East constructed with Building M-2.

4. Building M-1⁸

- Renovation of an existing 179,200 square-foot office building located at 901-925 Mission Street (Assessor's Block/Lot 3725/093, commonly referred to as the San Francisco Chronicle Building), as follows:
 - Conversion of up to 40,000 square feet of storage within the building basement to office use;
 - Exterior and interior renovations to accommodate changes to mechanical, electrical and plumbing systems and building circulation necessitated by the demolition of a portion of the existing two-story above-ground connector between Building M-1 and the San Francisco Examiner Building (Block/Lot 3725/097);
 - Exterior and interior renovations to create additional ground floor building ingress/egress on the secondary Minna and/or Mary Street building façades;
- Building M-1 would remain three stories and 50 feet tall, and would include three floors, two first-floor mezzanines and a basement comprising up to: 170,700 gsf of office space, 1,100 gsf of ground floor retail use and 3,400 gsf of lobby/core space.
- Construction and installation of the following streetscape improvements:
 - Widening of the Fifth Street sidewalk from 10 feet to 18 feet (with a 60-foot long 8-foot deep inset for on-street loading) between Minna and Mission Street, and related sidewalk improvements;
 - Sidewalk improvements to the adjacent Mission and Minna Street frontages.
- As noted above, approximately 23,000 sf open space, including up to 400 sf of café/pop up retail kiosk type space, an access elevator, stairway and a ground-floor entrance lobby on the southern (Minna Street) façade, will be constructed in connection with Building N-1.

5. Examiner Building⁹

- Renovation and partial demolition of an existing 92,100 square-foot office building located at 110 Fifth Street, (Assessor's Block 3725 Lot 097, commonly referred to as

⁸ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

⁹ As more particularly described in Planning Commission Motion No.[--], dated July __, 2015, and any Subsequent Approvals.

the San Francisco Examiner Building) including an approximately 14,800 square-foot above-ground connector over Minna Street between the Examiner Building and Building M-1, as follows:

- Demolition of the eastern approximately two-thirds of the existing building and connector;
 - Exterior and interior renovations to the remaining, post-demolition building, including mechanical, electrical and plumbing systems and building circulation;
 - Conversion of up to 9,600 square feet of storage within the building basement to retail use.
- After demolition and renovation, the Examiner Building would remain three stories and 50 feet tall, and would be a 34,900 gsf building composed of up to: 21,800 gsf of office use above the ground floor (including 7,000 gsf of office use within the remaining above-ground connector), 11,800 gsf of active ground floor and basement retail space, and 1,300 gsf of lobby/core space.
- Construction and installation of streetscape improvements to the sidewalk on the Minna Street frontage of the Examiner Building.

6. Camelline Building (430 Natoma Street, Assessor's Block/Lot 3725/042).

- Retention of the existing building for continued use as a 9,600 square foot office building.

7. Dempster Printing Building (447 Minna Street, Assessor's Block/Lot 3725/076).

- Retention of the existing building with exterior and interior structural rehabilitation and interior renovation for continued use as a 12,000 square-foot office building.

Exhibit C
Youth Development Program

Developer shall make contributions to support youth development in the total amount of \$3,500,000 (Three Million Five Hundred Thousand Dollars) (the "**Youth Development Funds**"). Of this amount, (1) \$1,000,000 (One Million Dollars) shall be paid to the City's Department of Children, Youth and Families ("**DCYF**"), (2) \$1,500,000 (One Million Five Hundred Thousand Dollars) shall be paid to MOHCD, and (3) 1,000,000 (One Million Dollars) shall be paid to the City's Department of Parks and Recreation ("**RecPark**").¹ The Youth Development Funds shall be paid to DCYF, MOHCD and RecPark, respectively, in the amounts and on or before the dates specified in Exhibit D and allocated as set forth in this Exhibit.

1. DCYF Funding. DCYF shall allocate approximately one-third of the DCYF funds to each of use categories set forth subsections (a)-(c) below, with each category receiving approximately one-third of each of the three payments specified in Exhibit D.

(a) SoMa Summer and After School Youth Programming. DCYF shall allocate funds to support after school youth programming during the summer and after school, including educational and social activities. The funds will be allocated through a competitive process, or as otherwise determined by DCYF, and shall be distributed to South of Market (SoMa)-based youth serving organizations that have a minimum of five (5) years of experience in serving youth in SoMa, including after school programs at Bessie Carmichael and summer programs that target both academic enrichment and augment the recreational activities offered to youth in the neighborhood. Recipient organizations should also have experience leading and facilitating events and have a history of creating partnerships with local community-based organizations in SoMa as a way to augment offerings and programs to benefit local youths. Potential community-based organizations that would be qualified for such funds include but are not limited to United Playaz, West Bay, and Filipino American Development Foundation/Galing Bata.

¹ Any capitalized term used in this Exhibit C that is not defined herein shall have the meaning given to such term in this Agreement.

Exhibit C
Youth Development Program

(b) Bessie Carmichael Student Achievement. DCYF shall allocate funds to support student achievement at Bessie Carmichael. The funds will be distributed to the San Francisco Education Fund, a 501(c)(3) non-profit organization. The purpose of this funding is to facilitate progress with student achievement and improvement plans and implement strategies in partnership with nonprofits to support increased literacy, math proficiency, and college and career readiness.

(c) Bessie Carmichael Principal's Discretionary Fund. DCYF shall allocate funds to the Bessie Carmichael Principal's Discretionary Fund to be distributed to the San Francisco Unified School District for allocation to, and be used for programs at Bessie Carmichael School. The purpose of this funding is to support critical programs at the school, such as the Science Technology Arts and Math Initiative which provides aligned teacher training and professional development.

(d) DCYF Discretion. If the DCYF Director determines that any entity designated above is no longer operating a program that is qualified to deliver the specified services, then the DCYF Director shall have the right to substitute an alternative SoMa-based organization to receive the funds, provided DCYF shall continue to allocate the funding generally for the purposes described above.

2. MOHCD Funding.

(a) Non-Profit Capital Funds. The MOHCD funds shall be paid in the amount and at the time set forth in Exhibit D, and distributed by MOHCD to Northern California Community Loan Fund either as a lump sum or in installments to be used for capital improvements, organizational expansion and/or building acquisition within the SoMa impact area identified in Attachment 1 so as to provide facilities for youth and family organization or organizations, and which facilities may also serve as a site for civic gatherings and neighborhood programming. Consideration will be given to organizations with a demonstrated track record of providing financial expertise, supplying grants and technical assistance to non-profit arts and cultural institutions in

Exhibit C
Youth Development Program

SoMa (including those that target high risk and/or disadvantaged populations) that are seeking to acquire permanently affordable program and office space.

3. RecPark Funding.

(a) Gene Friend Recreation Center. Developer shall pay the RecPark funds to RecPark at the times provided in Exhibit D. RecPark will use these funds to support renovations and upgrades to the Gene Friend Recreation Center and the adjacent outdoor play area located at 270 Sixth Street.

4. Accounting.

Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in good faith in accordance with the provisions of this Youth Development Program. The Youth Development Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available to Developer upon request. The failure of any recipient to use funds as required by this Exhibit C shall not be a City or Developer breach of the Agreement. The City shall have no obligation to make any payment or provide any funds except for what it has received from the Developer as set forth in this Exhibit C, and Developer shall have no obligation to make any payment or provide any funds except as set forth in this Exhibit C.

5. Board Authorization

By approving the Agreement, the Board of Supervisors authorizes the City to accept and expend the Youth Development Funds paid by the Developer as set forth in this Exhibit C. The Board of Supervisors also agrees that any interest earned on any Youth Development Funds held by the City shall remain in designated accounts for youth development purposes consistent with this Exhibit C and shall not be transferred to the City's general fund.

Exhibit D¹**Community Benefit Schedule**

The Developer shall make the 5M Community Benefit Fee and applicable Impact Fee and Exaction payments in the amounts provided for each Building² listed on Schedule 1 determined, as applicable, on the actual square footage of the proposed Building at the time of issuance of the first construction document, provided, however, that where noted certain specified portions shall be paid in advance at the time the Approvals are Finally Granted.

The amounts payable as shown on Schedule 1, when tied to the square footage of a Building, are estimates based upon the anticipated square footage of that Building. The actual square footage amount payable by Developer under the applicable provision of the San Francisco Planning and Administrative Codes or this Agreement will be calculated in accordance with Planning Code and Administrative Code, as applicable, at the time of issuance of the relevant construction document. The uses of the Impact Fees and Exactions and Community Benefit Fee are described in the Exhibits to this Agreement and in Schedule 1.

While the Impacts Fees and Exactions will equal the applicable amounts required under the Planning and Administrative Codes, this Exhibit D reflects that the specified fees will be used by the City and allocated under this Agreement in a manner designed to first advance funds

¹ Any capitalized term used in this Exhibit not defined herein shall have the meaning given in this Agreement.

² "Building" as is shown on the Project Description, Exhibit B to this Agreement

and the contribution of land for affordable housing, and thereafter to fund transit and transportation but without reducing the overall amount to be used for transit and transportation.

The parties currently anticipate that the H-1 Building will start construction before the N-1 Building. If the N-1 Building starts construction before the H-1 Building, the Planning Director may, in consultation with the City's Controller, use the N-1 Building funds to first accomplish the uses specified in Schedule 1 for the H-1 Building, including the payment for the Eddy & Taylor Street project. Upon any such adjustment in the use of funds from the N-1 Building, a corresponding change will be made in the use of funds for the H-1 Building so that the overall community benefit funding remains the same.

In addition, in light of the fact that the payment amounts shown on Schedule 1 are estimates, the Planning Director, in consultation with the City Controller, may adjust dollar amounts in the line items for the use of funds as may be needed in order to achieve the overall community benefits reflected in this Agreement by increasing or decreasing any line item amount by up to 10%. For any increase or decrease of more than 10%, the Planning Director must get the prior approval of the Planning Commission. All Developer payments under Schedule 1 shall be made to the City and County of San Francisco, and delivered to the Planning Director at the address for notices set forth in this Agreement. The Planning Director, in consultation with the OEWD Director and the Controller, shall then direct funds to the appropriate City Agency accounts consistent with this Agreement.

Exhibit E

5M Affordable Housing Program

All initially capitalized terms shall have the meaning given in Section 1 (Definitions) of the Agreement, unless separately defined in this Exhibit E.

A. 5M Affordable Housing.

The 5M Affordable Housing Program consists of following components:

1) Impact Fees and Exactions and 5M Community Benefit Fee. The Impact Fees and Exactions and the 5M Community Benefit Fee for the H-1 and N-1 Buildings shall be allocated to and used for affordable housing as provided in the Community Benefit Schedule attached to this Agreement as Exhibit D (collectively, as allocated, the “**Affordable Housing Fees**”). All Affordable Housing Fees shall be dedicated to affordable houses uses in the area described on Schedule 1 to this Exhibit E as the “**Housing Impact Area**”.

2) M-2 Rental Building. ~~Twenty percent (20%) of the units located in the M-2 Building shall be permanently restricted, for the life of the M-2 Building, for occupancy by very low income tenants meeting the applicable income eligibility and rent requirements set forth in Sections 42(g)(1) and 142(d)(1) of the Internal Revenue Code and California Health and Safety Code Section 52080, et. seq.~~ Thirty percent (30%) of the units located in the M-2 Building (the “Restricted Units”) shall be restricted, for the life of the M-2 Building, for rental by Households whose combined Annual Gross Income for all members is between 100 percent and 150 percent of Area Median Income. Approximately (a) 20% of the Restricted Units shall be rented to Households at 100% of Area Median Income, (b) 40% of the Restricted Units shall be rented to Households at 120% of Area Median Income, and (c) 40% of the Restricted Units shall be rented to Households at 150% of Area Median Income (each, a “Qualifying AMI Level”). Rental Rates for the Restricted Units shall not exceed the amounts published annually by MOH applicable to each Qualifying AMI Level. The Restricted Units shall be of comparable quality to, and offer a range of sizes and number of bedrooms that is approximately

proportional to the range of sizes and number of bedrooms of, the non-restricted units in the M-2 Building. Each Qualifying AMI Level shall have at least one (1) Restricted Unit made available in each of the following categories, to the extent such categories exist at the M-2 Building: studio, one-bedroom, two-bedroom, and three-bedroom. The Restricted Units shall comply, as applicable, with the Rental Program for BMR Units set forth in Section III of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual, effective May 10, 2013. The provisions of this paragraph 2 are hereby expressly deemed to satisfy the requirements of the San Francisco Inclusionary Affordable Housing Program and San Francisco Planning Code Section 415 et seq. The rental and re-rental of the Restricted Units shall account for the then-existing lottery preferences utilized by MOHCD and permitted by law. All capitalized terms not defined herein shall have the meaning given to them in Section 401 of the San Francisco Planning Code. In addition, Developer acknowledges that the Planning Department and MOHCD established certain protocols for implementation of Section 415 et seq., and Developer shall be deemed in full compliance with such protocols by distributing the Restricted Units throughout the bottom 2/3 of the building with regard to floors, and not designating more than 50% of the units on any floor as Restricted Units, except as may be approved by the MOHCD Director.

3) Transfer Parcel. Developer shall transfer the Transfer Parcel to the City, acting through MOHCD, in accordance with the Transfer Agreement attached as Schedule 2 to this Exhibit E. The City shall use the Transfer Parcel to develop affordable housing; provided if the City decides after acceptance that it cannot develop affordable housing on the Transfer Parcel, the City may sell the Transfer Parcel and use the net sales proceeds for affordable housing in the Housing Impact Area. If the City does not accept the Transfer Parcel following the City's due diligence for any reason, then Developer shall pay to the City Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "**Backup Payment**") as set forth in the Transfer Agreement. The City shall use the Backup Payment for affordable housing in the Housing Impact Area and no other purpose.

B. Total Affordable Housing Anticipated to Equal to 3340% of Market Rate Housing.

With the Affordable Housing Fees, the Transfer Parcel and the M-2 Building on-site housing so dedicated as set forth above, the funds and property allocated to affordable housing generated by the Project is anticipated to equal 3340% of the market rate housing for the Project; all provided in the Housing Impact Area.

C. Housing Fees and Program Administered by MOHCD.

In order to effectuate the foregoing, all of the Affordable Housing Fees shall be dedicated to an affordable housing fund administered by MOHCD and used for predevelopment and development expenses and administrative costs associated with the acquisition, construction, and rehabilitation of permanently affordable housing units in the Housing Impact Area. If the City uses other funds, in advance of the City's receipt of the Affordable Housing Fees, to pay for any of the work contemplated by this Exhibit E, then the City may reimburse itself for such payments upon receipt of the Affordable Housing Fees and such reimbursement shall satisfy the requirement to use the Affordable Housing Fees in the Housing Impact Area. The City intends to provide financing for the construction of the City-approved affordable housing project at 168-186 Eddy Street (which is anticipated to generate 71 Project-generated units out of the anticipated 103 units to be constructed at this site). Thereafter, all Affordable Housing Fees shall be used as MOHCD shall determine, in its sole discretion, in any manner so long as consistent with this Agreement and used for affordable housing within the Housing Impact Area. If MOHCD determines that any of the Affordable Housing Fees cannot be used for a specific project as described in this Agreement, MOHCD shall use such funds for another affordable housing project in the Housing Impact Area.

D. Accounting.

Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in accordance with the provisions of this 5M Affordable Housing Program. The Affordable Housing Fees may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available to Developer upon request.

E. Board Authorization.

By approving the Agreement, the Board of Supervisors authorizes the City (including MOHCD, the Director of Property and the Controller) to: (1) accept and expend the Affordable Housing Fees paid by the Developer as set forth in this Exhibit E, and to take such actions as may be reasonably necessary to create the proposed affordable housing units as described in this Exhibit E; and (2) to accept the Transfer Parcel and utilize the Transfer Parcel, or alternatively to accept the Transfer Parcel Payment and use it for affordable housing within the Housing Impact Area, each as provided in the Schedule 2. As to M-2 Building, the Board of Supervisors also: (1) authorizes and encourages MOHCD to use good faith reasonable efforts to assist, in a timely manner, Developer in connection with any and all applications relating to the Available Funding Sources to the California Tax Credit Allocation Committee, and the California Debt Limit Allocation Committee ("CDLAC"), and the issuance of any tax-exempt bond financing awarded by CDLAC with respect to any multifamily rental housing, and 2) authorizes City staff and agrees, subject to applicable Board approvals and the receipt of CDLAC allocation, to use good faith reasonable efforts to assist with the issuance of multifamily housing revenue bonds, or alternatively, to allow for an alternative bond issuer to do so. Subject to necessary Board of Supervisor approvals, the City intends to be the issuer of the bonds needed for the M-2 Rental Building.

The City also agrees that any interest earned on any the Affordable Housing Fees shall remain in designated accounts for use by MOHCD for affordable housing consistent with this Exhibit E and shall not be transferred to the City's general fund.

Notwithstanding the foregoing, nothing herein shall prevent or limit the absolute discretion of the City to conduct environmental review in connection with any future proposal for development on the Transfer Parcel or any other site within the Housing Impact Areas, to make any modifications or select feasible alternatives to such future proposals as may be deemed necessary to conform to any applicable Laws, including without limitation, CEQA, balance benefits against unavoidable significant impacts before taking final action, or determine not to proceed with such future proposals and to obtain any applicable permits or other authorization for uses on the Transfer Parcel or any other site within the Housing Impact Area.

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Exhibit F

Workforce Agreement

Developer shall make contributions and require Project Sponsors, Contractors, Consultants, Subcontractors and Subconsultants, as applicable, to undertake activities to support workforce development in both the construction and end use phases of the Project, as set forth in this Exhibit F.¹

A. **Workforce Job Readiness and Training Funds.**

The Project shall contribute to OEWD \$1,500,000 (One Million Five Hundred Thousand Dollars) to support workforce job readiness and training ("**Workforce Job Readiness and Training Funds**"). Such funds shall be paid to OEWD at the time and allocated to and used as provided in Exhibit D to this Agreement. Priority for OEWD's use and allocation of Workforce Job Readiness and Training Funds shall be to organizations with an existing track record of working in the impacted communities within District 6.

1. **Barrier Removal Funds.** Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to reducing barriers to employment for at-risk populations, including low-income youth and young adults with histories of incarceration, homelessness, substance abuse or other factors that may create barriers to employment ("**Barrier Removal Funds**"). The Barrier Removal Funds shall be used and allocated by OEWD based on a competitive process to a qualified non-profit entity, and distributed over approximately two years (although OEWD may, in its discretion, advance funds sooner if OEWD identifies an earlier need for the funds consistent with this Exhibit F). The Barrier Removal Funds will be used to train enrolled individuals in areas such as life skill training, basic education (including assistance with attaining a GED or driver's license if applicable), job placement and retention services, and wrap-around social services, with a goal of allowing participants to be CityBuild-ready. OEWD shall give priority to allocating the Barrier

¹ Any capitalized term used in this Exhibit F, including its Attachments, that is not defined herein shall have the meaning given to such term in this Agreement.

Removal Funds to increase capacity of an established program. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Barrier Removal Funds within one hundred and twenty (120) days after OEWD's initial receipt of such funds.

2. Job Seeking Resources for Disadvantaged Adults. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to providing job seeking resources for disadvantaged adults, including individuals experiencing homelessness ("**Job Seeking Resources Funds**"). The Job Seeking Resources Funds shall be used and allocated by OEWD based on a competitive process to a qualified non-profit entity, and distributed over approximately two years (although OEWD may, in its discretion, advance funds sooner if OEWD identifies an earlier need for the funds consistent with this Exhibit F). The Job Seeking Resources Funds will be generally targeted to programs that include a comprehensive intake process, and that create a culturally competent, individualized plan for each client, including employment goals, training, and barrier removal. The programs may also include working with potential employers regarding any necessary accommodations or training, and ongoing support following job placement. OEWD shall give priority to allocating the Job Seeking Resources Funds to increase capacity of an established program with experience collaborating with other community-based organizations and social services agencies. OEWD shall use good faith efforts to promptly initiate and complete the competitive process and begin distribution of the Job Seeking Resources Funds within one hundred and twenty (120) days after OEWD's initial receipt of such funds.

3. Paid Information and Communications (ICT) Internships. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to paid ICT internships. According to the San Francisco Controller's Office, the tech sector has accounted for more than 30% of the jobs added in San Francisco since 2010. Yet as tech firms draw talent from across the United States – and across the world – local residents are too often under-represented in the workforce. Paid ICT internships and apprenticeships, both with 5M tenants and with tech firms throughout San Francisco, will provide an opportunity for local residents to gain valuable experience and to

build professional networks in the tech world. The program will prioritize South of Market residents.

4. TechSF – Information and Communications Technology (ICT) Training Program. Approximately \$500,000 (Five Hundred Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to the TechSF ICT Training Program. TechSF is an OEWD training academy that provides occupational skills training, work experience opportunities, and job placement assistance to training participants and other individuals working in informational technology fields in various industries. TechSF offers training in high growth ICT occupations including Software Development, Web Design, Motion Graphics, Cloud Services, Network Administration and Support, and other skills in demand to serve a continuum of jobseekers and employers. South of Market residents will be targeted in the program's outreach efforts, and slots will be prioritized for South of Market residents.

5. Specialized Construction Training and Certifications. Approximately \$250,000 (Two Hundred and Fifty Thousand Dollars) of the Workforce Job Readiness and Training Funds shall be dedicated to specialized construction training and certifications. OEWD's CityBuild Academy Pre-apprenticeship Training Program is an 18-week construction training program in partnership with City College, trades unions, and employers. Leveraging its existing resources, CityBuild Academy will provide additional specialized training outside of the Pre-apprenticeship Training Program to prepare residents for construction work at 5M. Priority will be given to South of Market residents.

6. Accounting. Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in accordance with the provisions of this Exhibit F. The Workforce Job Readiness and Training Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available upon Developer's request.

7. Board Authorization. By approving the Agreement, the Board of Supervisors authorizes the City (including OEWD) to accept and expend the Workforce Job Readiness and

Training Funds paid by the Developer as set forth in this Exhibit F. The Board of Supervisors also agrees that any interest earned on any the Workforce Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit F and shall not be transferred to the City's general fund.

B. First Source Hiring Program.

1. Each Project Sponsor shall, with respect to each Workforce Building², (i) include in each Contract for construction work a provision requiring each Contractor to enter into a FSHA Construction Agreement in the form attached hereto as Attachment A before beginning any construction work, and (ii) provide a signed copy thereof to the First Source Hiring Administration ("FSHA") and CityBuild within 10 business days of execution.

2. Each Project Sponsor shall, with respect to each Workforce Building, comply with the requirements of San Francisco Administrative Code Chapter 83 ("**Chapter 83**") and upon entering into leases or other occupancy contracts for commercial space at the Premises that are subject to Chapter 83 with a tenant ("**Commercial Tenant**"), will include in each such contract a requirement that the Commercial Tenant enter into a FSHA Operations Agreement in the form attached hereto as Attachment B, and (ii) provide a signed copy thereof to the FSHA within 10 business days of execution.

3. CityBuild shall represent the FSHA and will provide referrals of Qualified Economically Disadvantaged Individuals for Entry Level Positions on the construction work for each Workforce Building as required under Chapter 83. The FSHA will provide referrals of Qualified Economically Disadvantaged Individuals for the permanent Entry Level Positions located within the Premises where required under Chapter 83.

² Any capitalized term used in this Section B that is not defined will have the definition given to such term in Attachment A, including the following terms: Contract, Contractor, Entry Level Positions, Project Sponsor, Qualified Economically Disadvantaged Individuals for Entry Level Positions, and Workforce Building.

4. The owners or residents of the individual residential units and any residential Homeowner's Association within the Project shall have no obligations under this Section B and no obligation to enter into a FSHA Construction Agreement or FSHA Operations Agreement.

5. FSHA shall notify any Contractor, Subcontractor and Commercial Tenant, as applicable, in writing, with a copy to Project Sponsor, of any alleged breach on the part of that entity of its obligations under Chapter 83 or its FSHA Construction Agreement or the FSHA Operations Agreement, as applicable, before seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code. FSHA sole remedies against a Contractor, Subcontractor or Commercial Tenant shall be as set forth in Chapter 83, including the enforcement process. Upon FSHA's request, a Project Sponsor shall reasonably cooperate with FSHA in any such enforcement action against any Contractor, Subcontractor or Commercial Tenant, provided in no event shall a Project Sponsor be liable for any breach by a Contractor, Subcontractor or Commercial Tenant.

6. If a Project Sponsor fulfills its obligations as set forth in this Section B, it shall not be held responsible for the failure of a Contractor, Subcontractor, Commercial Tenant or any other person or party to comply with the requirements of Chapter 83 or this Section B. If a Project Sponsor fails to fulfill its obligations under this Section B, the applicable provisions of Chapter 83 shall apply, though the City and the Project Sponsor shall have the right to invoke the process set forth in Section 9.2 of the Agreement.

7. This Section B is an approved "First Source Hiring Agreement" as referenced in Section 83.11 of the Administrative Code.

C. **Local Business Enterprise (LBE) Utilization Program.**

Each Project Sponsor of a Workforce Building, as defined in Attachment C, and its respective Contractors and Consultants, shall comply with the Local Business Enterprise Utilization Program set forth in Attachment C hereto.

Attachment A:

First Source Construction Hiring Agreement

This First Source Construction Hiring Agreement ("FSHA Construction Agreement") is made as of _____, by and between _____, the First Source Hiring Administration, (the "FSHA"), and the undersigned contractor ("Contractor"):

RECITALS

WHEREAS, Contractor has executed or will execute an agreement (the "Contract") to construct or oversee a portion of the project to construct _____ [specify number of new dwelling units, and/or square feet of commercial space and number of accessory, off-street parking spaces] ("Workforce Building") at _____, Lots _____ in Assessor's Block _____, San Francisco California ("Site"), and a copy of this FSHA Construction Agreement is attached as an exhibit to, and incorporated in, the Contract; and

WHEREAS, as a material part of the consideration given by Contractor under the Contract, Contractor has agreed to execute this First Source Construction Agreement and participate in the San Francisco Workforce Development System established by the City and County of San Francisco, pursuant to Chapter 83 of the San Francisco Administrative Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. **DEFINITIONS**

For purposes of this FSHA Construction Agreement, initially capitalized terms shall be defined as follows:

- a. "Core" or "Existing" workforce: Contractor's "core" or "existing" workforce shall consist of any worker who appears on the Contractor's active payroll for at least 60 days of the 100 working days prior to the award of this Contract.
- b. Economically Disadvantaged Individual: An individual who is either (a) eligible for services under the Workforce Investment Act of 1998 (29 U.S.C.A. 2801, *et seq.*), as may be amended from time to time, or (b) designated as "economically disadvantaged" by the OEWD/First Source Hiring Administration as an individual who is at risk of relying upon, or returning to, public assistance.
- c. Hiring opportunity: When a Contractor adds workers to its existing workforce for the purpose of performing the Work under this Contract, a "hiring opportunity" is created. For example, if the carpentry subcontractor has an existing crew of five carpenters and needs seven carpenters to perform the work, then there are two hiring opportunities for carpentry on a Workforce Building.

- d. Job Notification: Written notice of job request from Contractor to CITYBUILD for any hiring opportunities. Contract shall provide Job Notifications to CITYBUILD with a minimum of 3 business days' notice.
- e. New hire: A "new hire" is any worker who is not a member of Contractor's core or existing workforce.
- f. Referral: A referral is an individual member of the CITYBUILD Referral Program who has received training appropriate to entering the construction industry workforce.
- g. Workforce Building: Buildings M-2, N-1 and H-1 as described in Exhibit B to the 5M Development Agreement, including initial tenant improvements therein, and any other Buildings or construction activities in the Project Site that require a Permit as defined in Chapter 83.
- h. Workforce participation goal: The workforce participation goal is expressed as a percentage of the Contractor's and its Subcontractors' new hires for a Workforce Building.
- i. Entry Level Position: A non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary and permanent construction jobs related to the development of a commercial activity.
- j. First Opportunity: Consideration by Contractor of System Referrals for filling Entry Level Positions prior to recruitment and hiring of non-System Referral job applicants.
- k. Job Classification: Categorization of employment opportunity or position by craft, occupational title, skills, and experience required, if any.
- l. Job Notification: Written notice, in accordance with Section 2(b) below, from Contractor to FSHA for any available Entry Level Position during the term of the Contract.
- m. Publicize: Advertise or post available employment information, including participation in job fairs or other forums.
- n. Qualified: An Economically Disadvantaged Individual who meets the minimum bona fide occupational qualifications provided by Contractor to the System in the job availability notices required this FSHA Construction Agreement.
- o. System: The San Francisco Workforce Development System established by the City and County of San Francisco, and managed by the Office of Economic and Workforce Development (OEWD), for maintaining (1) a pool of Qualified individuals, and (2) the mechanism by which such individuals are certified and referred to prospective employers covered by the First Source Hiring

requirements under Chapter 83 of the San Francisco Administrative Code. Under this agreement, CityBuild will act as the representative of the San Francisco Workforce Development System.

- p. System Referrals: Referrals by CityBuild of Qualified applicants for Entry Level Positions with Contractor.
- q. Subcontractor: A person or entity who has a direct contract with Contractor to perform a portion of the work under the Contract.
- r. Project Sponsor. Project Sponsor shall mean [*insert name of applicable Developer or Workforce Building owner*], including any successor during the term of this FSHA Operations Agreement.

2. PARTICIPATION OF CONTRACTOR IN THE SYSTEM

- a. The Contractor agrees to work in Good Faith with the Office of Economic and Workforce Development (OEWD)'s CityBuild Program to achieve the goal of 50% of new hires for employment opportunities in the construction trades and Entry-Level Position related to providing support to the construction industry.

The Contractor shall provide CityBuild the following information about the Contractor's employment needs under the Contract for each Workforce Building:

- i. On Attachment A-1, the CityBuild Workforce Projection Form 1, Contractor will provide a detailed numerical estimate of journey and apprentice level positions to be employed on each Workforce Building for each trade.
 - ii. Contractor is required to ensure that a CityBuild Workforce Projection Form 1 is also completed by each of its Subcontractors.
 - iii. Contractor will collaborate with CityBuild staff in completing the CityBuild Workforce Hiring Plan Form 2, to identify, by trade, the number of Core workers at Workforce Building project start and the number of workers at Workforce Building project peak; and the number of positions that will be required to fulfill the First Source local hiring expectation.
 - iv. Contractor and Subcontractors will provide documented verification that its "core" employees for this contract meet the definition listed in Section 1.a.
 - v. A negotiated and signed CityBuild Workforce Hiring Plan Form 2 will constitute the First Source Hiring Plan for each Workforce Building as required under Chapter 83.
- b. Contractor must (A) give good faith consideration to all CityBuild Referrals, (B) review the resumes of all such referrals, (C) conduct interviews for posted Entry

Level Positions in accordance with the non-discrimination provisions of this contract, and (D) affirmative obligation to notify CityBuild of any new entry-level positions throughout the life of the Workforce Building.

- c. Contractor must provide constructive feedback to CityBuild on all System Referrals in accordance with the following:
 - i. If Contractor meets the criteria in Section 5(a) below that establishes “good faith efforts” of Contractor, Contractor must only respond orally to follow-up questions asked by the CityBuild account executive regarding each System Referral; and
 - ii. After Contractor has filled at least 5 Entry Level Positions under this Agreement, if Contractor is unable to meet the criteria in Section 5(b) below that establishes “good faith efforts” of Contractor, Contractor will be required to provide written comments on all CityBuild Referrals.
- d. Contractor must provide timely notification to CityBuild as soon as the job is filled, and identify by whom.

3. CONTRACTOR RETAINS DISCRETION REGARDING HIRING DECISIONS

Contractor agrees to offer the System the First Opportunity to provide qualified applicants for employment consideration in Entry Level Positions, subject to any enforceable Collective Bargaining Agreements as defined in Section 8 below. Contractor shall consider all applications of Qualified System Referrals for employment. Provided Contractor utilizes nondiscriminatory screening criteria, Contractor shall have the sole discretion to interview and hire any System Referrals.

4. COMPLIANCE WITH COLLECTIVE BARGAINING AGREEMENTS

Notwithstanding any other provision hereunder, if Contractor is subject to any Collective Bargaining Agreement(s) requiring compliance with a pre-established applicant referral process, Contractor’s only obligations with regards to any available Entry Level Positions subject to such Collective Bargaining Agreement(s) during the term of the Contract shall be the following:

- a. Contractor shall notify the appropriate union(s) of the Contractor’s obligations under this FSHA Construction Agreement and request assistance from the union(s) in referring Qualified applicants for the available Entry Level Position(s), to the extent such referral can conform to the requirements of the Collective Bargaining Agreement(s).
- b. Contractor shall use “name call” privileges, in accordance with the terms of the applicable Collective Bargaining Agreement(s), to seek Qualified applicants from the System for the available Entry Level Position(s).

- c. Contractor shall sponsor Qualified apprenticeship applicants, referred through the System, for applicable union membership.

5. CONTRACTOR'S GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS
HEREUNDER

Contractor will make good faith efforts to comply with its obligations to participate in the System under this FSHA Construction Agreement. Determinations of Contractor's good faith efforts shall be in accordance with the following:

- a. Contractor shall be deemed to have used good faith efforts if Contractor accurately completes and submits prior to the start of demolition and/or construction of a Workforce Building Attachment A-1: CityBuild Workforce Projection Form 1; and
- b. Contractor's failure to meet the criteria set forth from Section 5(c) to 5(m) does not impute "bad faith." Failure to meet the criteria set forth in Section 5(c) to 5(m) shall trigger a review of the referral process and the Contractor's efforts to comply with this FSHA Construction Agreement. Such review shall be conducted by FSHA in accordance with Section 11 (c) below.
- c. Meet with the Workforce Building project's Project Sponsor, general contractor, or CityBuild representative to review and discuss the plan to meet local hiring obligations under San Francisco's First Source Hiring Ordinance (Municipal Code- Chapter 83) or the City and County of San Francisco Administrative Code Chapter 6.
- d. Contact a CityBuild representative to review hiring projections and goals for this Workforce Building project. Contractor must take active steps to advise all of its subcontractors of the local hiring obligations on the Workforce Building project, including, but not limited to providing CityBuild access and presentation time at each pre-bid, each pre-construction, and if necessary, any progress meeting held throughout the life of the Workforce Building project.
- e. Submit to CityBuild a "Projection of Entry Level Positions" form or other formal written notification specifying expected hiring needs during the Workforce Building project's duration.
- f. Notify the respective union(s) regarding local hiring obligations and request their assistance in referring qualified San Francisco residents for any available position(s). This step applies to the extent that such referral would not violate the union's Collective Bargaining Agreement(s).
- g. Reserve "name call" privileges for qualified applicants referred through the CityBuild system. This should be done within the terms of applicable Collective Bargaining Agreement(s).

- h. Provide CityBuild with up-to-date list of all trade unions affiliated with any work on this project in a timely matter in order to facilitate CityBuild's notification to these unions of the Workforce Building project's workforce requirements.
- i. Submit a "Job Request" form to CityBuild for each apprentice level position that becomes available. Please allow a minimum of 3 Business Days for CityBuild to provide appropriate candidate(s). Contractor should simultaneously contact its union about the position as well, and let them know that Contractor has contacted CityBuild as part of its local hiring obligations.
- j. The Contractor has an ongoing, affirmative obligation and must advise each of its subs of their ongoing obligation to notify CityBuild of any/all apprentice level openings that arise throughout the duration of the Workforce Building project, including openings that arise from layoffs of original crew. Contractor shall not exercise discretion in informing CityBuild of any given position; rather, CityBuild is to be universally notified, and a discussion between the Contractor and CityBuild can determine whether a CityBuild graduate would be an appropriate placement for any given apprentice level position.
- k. Hire qualified candidate(s) referred through the CityBuild system. In the event of the firing/layoff of any CityBuild graduate, Contractor must notify CityBuild staff within two days of the decision and provide justification for the layoff; ideally, Contractor will request a meeting with the Workforce Building project's employment liaison as soon as any issue arises with a CityBuild placement in order to remedy the situation before termination becomes necessary.
- l. Provide a monthly report and/or any relevant workforce records or data from contractors to identify workers employed on the Workforce Building project, source of hire, and any other pertinent information as pertain to compliance with this FSHA Construction Agreement.
- m. Maintain accurate records of efforts to meet the steps and requirements listed above. Such records must include the maintenance of an on-site First Source Hiring Compliance binder, as well as records of any new hire made by the Contractor through a San Francisco CBO whom the Contractor believes meets the First Source Hiring criteria. Any further efforts or actions agreed upon by CityBuild staff and the Contractor on a Workforce Building project basis.

6. COMPLIANCE WITH THIS AGREEMENT OF SUBCONTRACTORS

In the event that Contractor subcontracts a portion of the work under the Contract, Contractor shall determine how many, if any, of the Entry Level Positions are to be employed by its Subcontractor(s) using Form 1: the CityBuild Workforce Projection Form and minimum hiring goals using Form 2: the CityBuild Workforce Hiring Plan, provided, however, that Contractor shall retain the primary responsibility for meeting the requirements imposed under this FSHA Construction Agreement. Contractor shall

ensure that this FSHA Construction Agreement is incorporated into and made applicable to such Subcontract.

7. EXCEPTION FOR ESSENTIAL FUNCTIONS

Nothing in this FSHA Construction Agreement precludes Contractor from using temporary or reassigned existing employees to perform essential functions of its operation; provided, however, the obligations of this FSHA Construction Agreement to make good faith efforts to fill such vacancies permanently with System Referrals remains in effect. For these purposes, "essential functions" means those functions absolutely necessary to remain open for business.

8. CONTRACTOR'S COMPLIANCE WITH EXISTING EMPLOYMENT AGREEMENTS

Nothing in this FSHA Construction Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, project labor agreements or existing employment contracts (Collective Bargaining Agreements"). In the event of a conflict between this FSHA Construction Agreement and an existing agreement, the terms of the existing agreement shall supersede this FSHA Construction Agreement.

9. HIRING GOALS EXCEEDING OBLIGATIONS OF THIS AGREEMENT

Nothing in this FSHA Construction Agreement shall be interpreted to prohibit the adoption of hiring and retention goals, first source hiring and interviewing requirements, notice and job availability requirements, monitoring, record keeping, and enforcement requirements and procedures which exceed the requirements of this FSHA Construction Agreement.

10. OBLIGATIONS OF CITYBUILD

Under this FSHA Construction Agreement, CityBuild shall:

- a. Upon signing the CityBuild Workforce Hiring Plan, immediately initiate recruitment and pre-screening activities.
- b. Recruit Qualified individuals to create a pool of applicants for jobs who match Contractor's Job Notification and to the extent appropriate train applicants for jobs that will become available through the First Source Program;
- c. Screen and refer applicants according to qualifications and specific selection criteria submitted by Contractor;
- d. Provide funding for City-sponsored pre-employment, employment training, and support services programs;

- e. Follow up with Contractor on outcomes of System Referrals and initiate corrective action as necessary to maintain an effective employment/training delivery system;
- f. Provide Contractor with reporting forms for monitoring the requirements of this FSHA Construction Agreement; and
- g. Monitor the performance of the FSHA Construction Agreement by examination of records of Contractor as submitted in accordance with the requirements of this FSHA Construction Agreement.

11. CONTRACTOR'S REPORTING AND RECORD KEEPING OBLIGATIONS

Contractor shall:

- a. Maintain accurate records demonstrating Contractor's compliance with the First Source Hiring requirements of Chapter 83 of the San Francisco Administrative Code including, but not limited to, the following:
 - (1) Applicants
 - (2) Job offers
 - (3) Hires
 - (4) Rejections of applicants.
- b. Submit completed reporting forms based on Contractor's records to CityBuild quarterly, unless more frequent submittals are reasonably required by FSHA. In this regard, Contractor agrees that if a significant number of positions are to be filled during a given period or other circumstances warrant, CityBuild may require daily, weekly, or monthly reports containing all or some of the above information.
- c. If based on complaint, failure to report, or other cause, the FSHA has reason to question Contractor's good faith effort, Contractor shall demonstrate to the reasonable satisfaction of the City that it has exercised good faith to satisfy its obligations under this FSHA Construction Agreement.

12. DURATION OF THIS AGREEMENT

This FSHA Construction Agreement shall be in full force and effect throughout the term of the Contract. Upon expiration of the Contract, or its earlier termination, this FSHA Construction Agreement shall terminate and it shall be of no further force and effect on the parties hereto.

13. NOTICE

All notices to be given under this FSHA Construction Agreement shall be in writing and sent by: certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail,

a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to FSHA: First Source Hiring Administration
 OEWD, 1 South Van Ness 5th Fl.
 San Francisco, CA 94103
 Attn: Ken Nim, Compliance Manager,
 ken.nim@sfgov.org

If to CityBuild: CityBuild Compliance Manager
 OEWD, 1 South Van Ness 5th Fl.
 San Francisco, CA 94103
 Attn: Ken Nim, Compliance Manager,
 ken.nim@sfgov.org

If to Project Sponsor:

Attn:

If to Contractor:

Attn:

- a. Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in San Francisco, California are authorized to close.
- b. Notwithstanding the forgoing, any Job Notification or any other reports required of Contractor under this Agreement (collectively, "Contractor Reports") shall be delivered to the address of FSHA pursuant to this Section via first class mail, postage paid, and such Contractor Reports shall be deemed delivered two (2) business days after deposit in the mail in accordance with this Subsection.

14. ENTIRE AGREEMENT

This FSHA Construction Agreement and the 5M Development Agreement contain the entire agreement between the parties to this FSHA Construction Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest. This FSHA Construction Agreement shall inure to the benefit of and be binding on the parties and their respective successors and assigns. If there is more than one party comprising Contractor, their obligations shall be joint and several.

15. SEVERABILITY

If any term or provision of this FSHA Construction Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this FSHA Construction Agreement shall not be affected.

16. COUNTERPARTS

This FSHA Construction Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

17. HEADINGS

Section titles and captions contained in this FSHA Construction Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this FSHA Construction Agreement or the intent of any of its provisions

18. GOVERNING LAW

This FSHA Construction Agreement shall be governed and construed by the laws of the State of California, and interpreted consistent with the requirements of Chapter 83.

IN WITNESS WHEREOF, the following have executed this FSHA Construction Agreement as of the date set forth above.

CONTRACTOR:

Date: _____

Signature: _____

Name of Authorized Signer: _____

Company: _____

Address: _____

Phone: _____

Email: _____



CITY AND COUNTY OF SAN FRANCISCO
 OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
 CITYBUILD PROGRAM



FIRST SOURCE HIRING PROGRAM
ATTACHMENT A-1 - CITYBUILD
CONSTRUCTION CONTRACTS

FORM 1: CITYBUILD WORKFORCE PROJECTION

Instructions

*The Prime Contractor must complete and submit Form 1 within 30 days of award of contract.
 All subcontractors with contracts in excess of \$100,000 must complete Form 1 and submit to the Prime Contractor within 30 days of award of contract.
 The Prime Contractor is responsible for collecting all completed Form 1's from all subcontractors.
 It is the Prime Contractor's responsibility to ensure the CityBuild Program receives completed Form 1's from all subcontractors in the specified time and keep a record of these forms in a compliance binder at the project jobsite.
 All contractors and subcontractors are required to attend a preconstruction meeting with CityBuild staff.*

Construction Project Name:	_____	Construction Project Address:	_____
Projected Start Date:	_____	Contract Duration:	_____ (calendar days)
Company Name:	_____	Company Address:	_____
Main Contact Name:	_____	Main Phone Number:	_____
Main Contact Email :	_____		
Name of Person with Hiring Authority:	_____	Hiring Authority Phone Number:	_____
Hiring Authority Email:	_____		

_____	_____	_____
Name of Authorized Representative	Signature of Authorized Representative*	Date

**By signing this form, the company agrees to participate in the CityBuild Program and comply with the provisions of the First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

Table 1: Briefly summarize your contracted or subcontracted scope of work

Table 2: Complete on the following page

*List the construction trade crafts that are projected to perform work. Do not list Project Managers, Engineers, Administrative, and any other non-construction trade employees.
 Total Number of Workers on the Project: The total number of workers projected to work on the project per construction trade. This number will include existing workers and new hires. For union contractors this total will also include union dispatches.*

Total Number of New Hires: List the projected number of New Hires that will be employed on the project. For union contractors, New Hires will also include union dispatches.

Table 2: List all construction trades projected to perform work

Construction Trades	Journey or Apprentice	Union (Yes or No)	Total Work Hours	Total Number of Workers on the Project	Total Number of New Hires
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			
	J <input type="checkbox"/> A <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>			

Table 3: List your core or existing employees projected to work on the project

Please provide information on your projected core or existing employees that will perform work on the jobsite.

"Core" or "Existing" workers are defined as any worker appearing on the Contractor's active payroll for at least 60 out of the 100 working days prior to the award of this Contract. If necessary, continue on a separate sheet.

Name of Core or Existing Employee	Construction Trade	Journey or Apprentice	City	Zip Code
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
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		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		
		J <input type="checkbox"/> A <input type="checkbox"/>		

FOR CITY USE ONLY: CityBuild Staff Approved: Yes No Date: _____
 Reason: _____



CITY AND COUNTY OF SAN FRANCISCO
 OFFICE OF ECONOMIC AND WORKFORCE
 DEVELOPMENT
 CITYBUILD PROGRAM



FIRST SOURCE HIRING PROGRAM
 CITYBUILD ATTACHMENT 3
 CONSTRUCTION CONTRACTS

FORM 3: CITYBUILD JOB NOTICE FORM

INSTRUCTIONS: To meet the requirements of the First Source Hiring Program (San Francisco Administrative Code Chapter 83), the Contractor shall notify CityBuild, the First Source Hiring Administrator, of all new hiring opportunities with a minimum of 3 business days prior to the start date.

1. Complete the form and fax to CityBuild 415-701-4896 or EMAIL: workforce.development@sfgov.org
2. Contact Workforce Development at 415-701-4848 or by email: local.hire.ordinance@sfgov.org

OR call the main line of the Office of Economic and Workforce Development (OEWD) at 415-701-4848 to confirm receipt of fax or email.

ATTENTION: Please also submit this form to your union or hiring hall if you are required to do so under your collective bargaining agreement or contract. CityBuild is not a Dispatching Hall, nor does this form act as a Request for Dispatch. All formal Requests for Dispatch will be conducted through your union or hiring hall.

Section A. Job Notice Information

Trade _____ # of Journeymen _____ # of Apprentices _____

Start Date _____ Start Time _____ Job Duration _____

Brief description of your scope of work: _____

Section B. Union Information (Union contractors complete Section B. Otherwise, leave Section B blank)

Local # _____ Union Contact Name _____ Union Phone # _____

Section C. Contractor Information

Project Name: _____

Jobsite Location: _____

Contractor: _____ Prime Sub

Contractor Address: _____

Contact Name: _____ Title: _____

Office Phone: _____ Cell Phone: _____ Email: _____

Alt. Contact: _____ Phone #: _____

Contractor Contact Signature _____ Date _____

OEWD USE ONLY Able to Fill Yes No



Edwin M. Lee, Mayor

**Attachment B: First Source Hiring Agreement
For Business, Commercial, Operation and Lease Occupancy of the Building**

This First Source Hiring Agreement (this "FSHA Operations Agreement"), is made as of _____, by and between _____ (the "Lessee"), and the First Source Hiring Administration, (the "FSHA"), collectively the "Parties":

RECITALS

WHEREAS, Lessee has plans to occupy the building at [Address] "Premises" which required a First Source Hiring Agreement between the project sponsor and FSHA due to the issuance of a building permit for 25,000 square feet or more of floor space or construction of ten or more residential units; and,

WHEREAS, the Project Sponsor was required to provide notice in leases, subleases and other occupancy contracts for use of the Premises ("Contract"); and

WHEREAS, as a material part of the consideration given by Lessee under the Contract, Lessee has agreed to execute this FSHA Operations Agreement and participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parties covenant and agree as follows:

1. DEFINITIONS

For purposes of this FSHA Operations Agreement, initially capitalized terms shall be defined as follows:

- a. **Entry Level Position:** Any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.
- b. **Workforce System:** The First Source Hiring Administrator established by the City and County of San Francisco and managed by the Office of Economic and Workforce Development (OEWD).

- c. Referral: A member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.
- d. Lessee: Tenant, business operator and any other occupant of a Workforce Building requiring a First Source Hiring Agreement as defined in SF Administrative Code Chapter 83. Lessee shall include every person tenant, subtenant, or any other entity occupying a Workforce Building for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer.
- e. Project Sponsor shall mean [*insert name of applicable Developer or Workforce Building owner*], including any successor during the term of this FSHA Operations Agreement.
- e. Workforce Building: Buildings M-2, N-1 and H-1 as described in Exhibit B to the 5M Development Agreement, including initial tenant improvements therein, and any other Buildings or construction activities within the Project Site that require a Permit as defined in Chapter 83.

2. OEWD WORKFORCE SYSTEM PARTICIPATION

- a. Lessee shall notify OEWD's Business Team of every available Entry Level Position and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Lessee shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Lessee no later than 10 business days after date of interview or hire. Lessee will also provide feedback on reasons as to why referrals were not hired. Lessee shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Lessee.
- b. This FSHA Operations Agreement shall be in full force and effect as to each Workforce Building until the earlier of (a) ten (10) years following the date Lessee opens for business at the Premises, or (b) termination of Lessee's lease or other occupancy agreement, at which time this FSHA Operations Agreement shall terminate and be of no further force and effect on the parties hereto.

3. GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee will make good faith efforts to comply with its obligations under this FSHA Operations Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee will execute this FSHA Operations Agreement and Attachment B-1 upon entering into leases for the commercial space of the Workforce Building. Lessee

will also accurately complete and submit Attachment B-1 annually to reflect employment conditions.

- b. Lessee agrees to register with OEWD's Referral Tracking System, upon execution of this FSHA Operations Agreement.
- c. Lessee shall notify OEWD's Business Services Team of all available Entry Level Positions 10 business days prior to posting with the general public. The Lessee must identify a single point of contact responsible for communicating Entry-Level Positions and take active steps to ensure continuous communication with OEWD's Business Services Team.
- d. Lessee accurately completes and submits Attachment B-1, the "First Source Employer's Projection of Entry-Level Positions" form to OEWD's Business Services Team upon execution of this FSHA Operations Agreement.
- e. Lessee fills at least 50% of open Entry Level Positions with First Source referrals. Specific hiring decisions shall be the sole discretion of the Lessee.
- f. Nothing in this FSHA Operations Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this FSHA Operations Agreement and an existing agreement, the terms of the existing agreement shall supersede this FSHA Operations Agreement.

Lessee's failure to meet the criteria set forth in Section 3 (a.b.c.d.e.) does not impute "bad faith" and shall trigger a review of the referral process and compliance with this FSHA Operations Agreement. Failure and noncompliance with this FSHA Operations Agreement will result in penalties as defined in SF Administrative Code Chapter 83, Lessee agrees to review SF Administrative Code Chapter 83, and execution of the FSHA Operations Agreement denotes that Lessee agrees to its terms and conditions.

4. NOTICE

All notices to be given under this FSHA Operations Agreement shall be in writing and sent via mail or email as follows:

ATTN: Business Services, Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Email: Business.Services@sfgov.org

5. ENTIRE AGREEMENT

This FSHA Operations Agreement and the 5M Development Agreement contain the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors. If any term or provision of this FSHA Operations Agreement shall be held invalid or

unenforceable, the remainder of this FSHA Operations Agreement shall not be affected. If this FSHA Operations Agreement is executed in one or more counterparts, each shall be deemed an original and all, taken together, shall constitute one and the same instrument. This FSHA Operations Agreement shall inure to the benefit of and be binding on the parties and their respective successors and assigns. If there is more than one party comprising Lessee, their obligations shall be joint and several.

Section titles and captions contained in this FSHA Operations Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This FSHA Operations Agreement shall be governed and construed by laws of the State of California.

IN WITNESS WHEREOF, the following have executed this FSHA Operations Agreement as of the date set forth above.

Date: _____

Signature: _____

Name of Authorized Signer: _____

Company: _____

Address: _____

Phone: _____

Email: _____

Business Name: _____ Phone: _____
 Main Contact: _____ Email: _____

Signature of authorized representative* _____ Date _____

**By signing this form, the lessee agrees to participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) and comply with the provisions of Exhibit B First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

Instructions:

- Upon entering into leases for the commercial space of the building, the Lessee must submit to OEWD, a signed Attachment B and Attachment B-1. Lessee will also complete and submit an Attachment B-1 annually to reflect employment conditions.
- The employer must notify the First Source Hiring Program (Contact Info below) if an **Entry Level Position** becomes available.

Section 1: Select your Industry

- | | | |
|--|---|--|
| <input type="checkbox"/> Auto Repair | <input type="checkbox"/> Entertainment | <input type="checkbox"/> Personal Services |
| <input type="checkbox"/> Business Services | <input type="checkbox"/> Elder Care | <input type="checkbox"/> Professionals |
| <input type="checkbox"/> Consulting | <input type="checkbox"/> Financial Services | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Healthcare | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Government Contract | <input type="checkbox"/> Insurance | <input type="checkbox"/> Security |
| <input type="checkbox"/> Education | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Wholesale |
| <input type="checkbox"/> Food and Drink | <input type="checkbox"/> I don't see my industry <i>(Please Describe)</i> _____ | |

Section 2: Describe Primary Business Activity

Section 3: Provide information on all Entry Level Positions

Entry-Level Position Title	Job Description	Number of New Hires	Projected Hiring Date

Please email, fax, or mail this form SIGNED to:

ATTN: Business Services
 Office of Economic and Workforce Development
 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
 Tel: 415-701-4848
 Fax: 415-701-4897
<mailto:Business.Services@sfgov.org>
 Website: www.workforcedevelopmentsf.org

ATTACHMENT C
LOCAL BUSINESS ENTERPRISE UTILIZATION PLAN
Exhibit F
Workforce Agreement

1. Purpose and Scope. This Attachment C ("LBE Utilization Plan") governs the Local Business Enterprise obligations of the Project pursuant to San Francisco Administrative Code Section 14B.20 and satisfies the obligations of each Project Sponsor and its Contractors and Consultants for a LBE Utilization Plan as set forth therein. In the event of any conflict between Administrative Code Chapter 14B and this Attachment, this Attachment shall govern.

2. Roles of Parties. In connection with the design and construction phases of each Workforce Building (as defined below), the Project will provide community benefits designed to foster employment opportunities for disadvantaged individuals by offering contracting and consulting opportunities to local business enterprises ("LBEs"). Each Project Sponsor of a Workforce Building shall participate in a local business enterprise program, and the City's Contract Monitoring Division ("CMD") will serve the roles as set forth below.

3. Definitions. For purposes of this Attachment, the definitions shall be as follows:

a. "CMD" shall mean the Contract Monitoring Division of the City Administrator's Office.

b. "Commercially Useful Function" shall mean that the business is directly responsible for providing the materials, equipment, supplies or services to the Project Sponsor, Construction Contractor or professional services firm retained to work on a Workforce Building, as the case may be (each, a "Contracting Party") as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary employment services are those required and sought by the Project Sponsor or a Contractor or professional services firm. When the Project Sponsor or a Contractor or professional services firm requires and seeks products from an LBE supplier or distributor, no more than sixty percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock or is a specially manufactured item(s), the required product, no more than five percent of the cost of the product shall be credited towards LBE participation goals.

c. "Consultant" shall mean a person or company that has entered into a professional services contract for monetary consideration with a Project Sponsor to provide advice or services to the Project Sponsor directly related to the architectural or landscape design, physical planning, and/or civil, structural or environmental engineering of a Workforce Building.

d. "Contract(s)" shall mean an agreement, whether a direct contract or subcontract, for Consultant or Contractor services for all or a portion of a Workforce Building.

e. "Contractor" shall mean a person or entity that enters into a direct Contract with a Project Sponsor to build or construct all or a portion of a Workforce Building.

ATTACHMENT C
LOCAL BUSINESS ENTERPRISE UTILIZATION PLAN
Exhibit F
Workforce Agreement

f. "Good Faith Efforts" shall mean procedural steps taken by the Project Sponsor, Contractor or Consultant with respect to the attainment of the LBE participation goals, as set forth in Section 6 below.

g. "Local Business Enterprise" or "LBE" means a business that is certified as an LBE under Chapter 14B.3.

h. "LBE Liaison" shall mean the Project Sponsor's primary point of contact with CMD regarding the obligations of this LBE Utilization Plan. Each prime Contractor(s) shall likewise have a LBE Liaison.

i. "Project Sponsor" shall mean the project sponsor of a Workforce Building.

j. "Subconsultant" shall mean a person or entity that has a direct Contract with a Consultant to perform a portion of the work under a Contract for a Workforce Building.

k. "Subcontractor" shall mean a person or entity that has a direct Contract with a Contractor to perform a portion of the work under a Contract for a Workforce Building.

l. "Workforce Building" shall mean all Buildings as described in Exhibit B to the 5M Development Agreement, including initial tenant improvements therein.

4. LBE Participation Goal. Project Sponsor agrees to participate in this LBE Utilization Program and CMD agrees to work with Project Sponsor in this effort, as set forth in this Attachment C. As long as this Attachment C remains in full force and effect, each Project Sponsor shall make good faith efforts as defined below to achieve an overall LBE participation goal of 10% of the total cost of all Contracts for a Workforce Building awarded to LBE Contractors, Subcontractors, Consultants or Subconsultants that are Small and Micro-LBEs, as set forth in Administrative Code Section 14B.8(A).

5. Project Sponsor Obligations. Each Project Sponsor shall comply with the requirements of this Attachment C as follows: Upon entering into a Contract with a Contractor or Consultant, each Project Sponsor will include each such Contract a provision requiring the Contractor or Consultant to comply with the terms of this Attachment C, and setting forth the applicable percentage goal for such Contract, and provide a signed copy thereof to CMD within 10 business days of execution. Such Contract shall specify the notice information for the Contractor or Consultant to receive notice pursuant to Section 16. Each Project Sponsor shall identify a "LBE Liaison" as its main point of contact for outreach/compliance concerns and shall be available to meet with CMD staff on a regular basis or as necessary regarding the implementation of this Attachment C. If a Project Sponsor fulfills its obligations as set forth in this Section 5 and otherwise cooperates in good faith at CMD's request with respect to any meet and confer process or enforcement action against a non-compliant Contractor, Consultant, Subcontractor or Subconsultant, then it shall not be held responsible for the failure of a Contractor, Consultant, Subcontractor or Subconsultant or any other person or party to comply with the requirements of this Attachment C.

ATTACHMENT C
LOCAL BUSINESS ENTERPRISE UTILIZATION PLAN
Exhibit F
Workforce Agreement

6. Good Faith Efforts. City acknowledges and agrees that each Project Sponsor, Contractor, Subcontractor, Consultant and Subconsultant shall have the sole discretion to qualify, hire or not hire LBEs. If a Contractor or Consultant does not meet the LBE hiring goal set forth above, it will nonetheless be deemed to satisfy the good faith effort obligation of this Section 6 and thereby satisfy the requirements and obligations of this Attachment C if the Contractor, Consultants and their Subcontractors and Subconsultants, as applicable, perform the good faith efforts set forth in this Section 6 as follows:

a. Advance Notice. Notify CMD in writing of all upcoming solicitations of proposals for work under a Contract at 15 business days before issuing such solicitations to allow opportunity for CMD to identify and outreach to any LBEs that it reasonably deems may be qualified for the Contract scope of work.

b. Contract Size. Where practicable, the Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant will divide the work in order to encourage maximum LBE participation or, encourage joint venturing. The Contracting Party will identify specific items of each Contract that may be performed by Subcontractors.

c. Advertise. The Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant will advertise for at least 30 days prior to the opening of bids or proposals, for professional services and contracting opportunities in media focused on small businesses including the Bid and Contract Opportunities website through the City's Office of Contract Administration (<http://mission.sfgov.org/OCABidPublication>) and other local and trade publications, and allowing subcontractors to attend outreach events, pre-bid meetings, and inviting LBEs to submit bids to Project Sponsor or its prime Contractor or Consultant, as applicable. As practicable, convene pre-bid or pre-solicitation meetings no less than 15 days prior to the opening of bids and proposals to all for LBEs to ask questions about the selection process and technical specifications/requirements. A Project Sponsor may request CMD's permission to award a contract without advertising if the work consists of specialty services or otherwise does not provide opportunities for LBE participation.

d. CMD Invitation. If a pre-bid meeting or other similar meeting is held with proposed Contractors, Subcontractors, Consultants or Subconsultants, invite CMD to the meeting to allow CMD to explain proper LBE utilization.

e. Public Solicitation. The Project Sponsor or its Prime Contractor(s) and/or Consultants, as applicable, will work with CMD to follow up on initial solicitations of interest by contacting LBEs to determine with certainty whether they are interested in performing specific items in a project.

f. Outreach and Other Assistance. The Project Sponsor or its Prime Contractor (s) and/or Consultants, as applicable, will a) provide LBEs with plans, specifications and requirements for all or part of the project; b) notify LBE trade associations that disseminate bid and contract information and provide technical assistance to LBEs. The designated LBE Liaison(s) will work with CMD to conduct outreach to LBEs for all consulting/contracting

ATTACHMENT C
LOCAL BUSINESS ENTERPRISE UTILIZATION PLAN
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opportunities in the applicable trades and services in order to encourage them to participate on the project.

g. **Contacts.** Make contacts with LBEs, associations or development centers, or any agencies, which disseminate bid and contract information to LBEs and document any other efforts undertaken to encourage participation by LBEs.

h. **Good Faith/Nondiscrimination.** Make good faith efforts to enter into Contracts with LBEs and give good faith consideration to bids and proposals submitted by LBEs. Use nondiscriminatory selection criteria (for the purpose of clarity, exercise of subjective aesthetic taste in selection decisions for architect and other design professionals shall not be deemed discriminatory and the exercise of its commercially reasonable judgment in all hiring decisions shall not be deemed discriminatory).

i. **Incorporation into contract provisions.** Project Sponsor shall include in prime Contracts provisions that require prospective Contractors and Consultants that will be utilizing Subcontractors or Subconsultants to follow the above good faith efforts to subcontract to LBEs, including overall LBE participation goal and any LBE percentage that may be required under such Contract.

j. **Monitoring.** Allow CMD Contract Compliance unit to monitor Consultant/Contractor selection processes and, when necessary give suggestions as to how best to maximize LBEs ability to complete and win procurement opportunities.

k. **Insurance and Bonding.** Recognizing that lines of credit, insurance and bonding are problems common to local businesses, staff will be available to explain the applicable insurance and bonding requirements, answer questions about them, and, if possible, suggest governmental or third party avenues of assistance.

l. **Maintain Records and Cooperation.** Maintain records of LBEs that are awarded Contracts, not discriminate against any LBEs, and, if requested, meet and confer with CMD as reasonably required in addition to the meet and confer sessions described in Section 9 below to identify a strategy to meet the LBE goal;

m. **Quarterly Reports.** During construction, the LBE Liaison(s) shall prepare a quarterly report of LBE participation goal attainment and submit to CMD as required by Section 9 herein; and

n. **Meet and Confer.** Attend the meet and confer process described in Section 9.

7. **Good Faith Outreach.** Good faith efforts shall be deemed satisfied solely by compliance with Section 6. Contractors and Consultants, and Subcontractors and Subconsultants as applicable shall also work with CMD to identify from CMD's database of LBEs those LBEs who are most likely to be qualified for each identified opportunity under Section 6.b, and following CMD's notice under Section 8.a, shall undertake reasonable efforts at CMD's request

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to support CMD's outreach identified LBEs as mutually agreed upon by CMD and each Contractor or Consultant and its Subcontractors and Subconsultants, as applicable.

8. CMD Obligations. The following are obligations of CMD to implement this LBE Utilization Plan:

a. During the fifteen (15) business day notification period for upcoming Contracts required by Section 6.b, CMD will work with the Project Sponsor and its prime Contractor and/or Consultant as applicable to send such notification to qualified LBEs to alert them to upcoming Contracts.

b. Provide assistance to Contractors, Subcontractors, Consultants and Subconsultants on good faith outreach to LBEs.

c. Review quarterly reports of LBE participation goals; when necessary give suggestions as to how best to maximize LBEs ability to compete and win procurement opportunities.

d. Perform other tasks as reasonably required to assist the Project Sponsor and its Contractors, Subcontractors, Consultants and Subconsultants in meeting LBE participation goals and/or satisfying good faith efforts requirements.

9. Meet and Confer Process. Commencing with the first Contract that is executed for a Workforce Building, and every six (6) months thereafter, or more frequently if requested by either CMD, Project Sponsor or a Contractor or Consultant each Contractor and Consultant and the CMD shall engage in an informal meet and confer to assess compliance of such Contractor and Consultants and its Subcontractors and Subconsultants as applicable with this Attachment C. When deficiencies are noted, meet and confer with CMD to ascertain and execute plans to increase LBE participation.

10. Prohibition on Discrimination. Project Sponsors shall not discriminate in its selection of Contractors and Consultants, and such Contractors and Consultants shall not discriminate in their selection of Subcontractors and Subconsultants against any person on the basis of race, gender, or any other basis prohibited by law. As part of its efforts to avoid unlawful discrimination in the selection of Subconsultants and Subcontractors, Contractors and Consultants will undertake the Good Faith Efforts and participate in the meet and confer processes as set forth in Sections 6 and 9 above.

11. Collective Bargaining Agreements. Nothing in this Attachment C shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, project labor agreement, project stabilization agreement, existing employment contract or other labor agreement or labor contract ("Collective Bargaining Agreements"). In the event of a conflict between this Attachment C and a Collective Bargaining Agreement, the terms of the Collective Bargaining Agreement shall supersede this Attachment C.

ATTACHMENT C
LOCAL BUSINESS ENTERPRISE UTILIZATION PLAN
Exhibit F
Workforce Agreement

12. Reporting and Monitoring. Each Contractor, Consultant, and its Subcontractors and Subconsultants as applicable shall maintain accurate records demonstrating compliance with the LBE participation goals, including keeping track of the date that each response, proposal or bid that was received from LBEs, including the amount bid by and the amount to be paid (if different) to the non-LBE contractor that was selected, documentation of any efforts regarding good faith efforts as set forth in Section 6. Project Sponsors shall create a reporting method for tracking LBE participation. Data tracked shall include the following (at a minimum):

- a. Name/Type of Contract(s) let (e.g. Civil Engineering contract, Environmental Consulting, etc.)
- b. Name of prime Contractors (including identifying which are LBEs and non-LBEs)
- c. Name of Subcontractors (including identifying which are LBEs and non-LBEs)
- d. Scope of work performed by LBEs (e.g. under an Architect, an LBE could be procured to provide renderings)
- e. Dollar amounts associated with both LBE and non-LBE Contractors at both prime and Subcontractor levels.
- f. Total LBE participation is defined as a percentage of total Contract dollars.

13. Written Notice of Deficiencies. If based on complaint, failure to report, or other cause, the CMD has reason to question the good faith efforts of a Project Sponsor, Contractor, Subcontractor, Consultant or Subconsultant, then CMD shall provide written notice to the Project Sponsor, each affected prime Contractor or Consultant and, if applicable, also to its Subcontractor or Subconsultant. The prime Contractor or Consultant and, if applicable, the Subcontractor or Subconsultant, shall have a reasonable period, based on the facts and circumstances of each case, to demonstrate to the reasonable satisfaction of the CMD that it has exercised good faith to satisfy its obligations under this Attachment C. When deficiencies are noted CMD staff will work with the appropriate LBE Liaison(s) to remedy such deficiencies.

14. Remedies. Notwithstanding anything to the contrary in the Development Agreement, the following process and remedies shall apply with respect to any alleged violation of this Attachment C:

Mediation and conciliation shall be the administrative procedure of first resort for any and all compliance disputes arising under this Attachment C. The Director of CMD shall have power to oversee and to conduct the mediation and conciliation.

Non-binding arbitration shall be the administrative procedure of second resort utilized by CMD for resolving the issue of whether a Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant discriminated in the award of one or more LBE Contracts to the extent that such issue is not resolved through the mediation and conciliation procedure described above. Obtaining a final judgment through arbitration on LBE contract related disputes shall be a condition precedent to the ability of the City or the

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Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant to file a request for judicial relief.

If a Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant is found to be in willful breach of the obligations set forth in this Attachment C, assess against the noncompliant Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant liquidated damages not to exceed \$10,000 or 5% of the Contract, whichever is less, for each such willful breach. In determining the amount of any liquidated damages to be assessed within the limits described above, the arbitrator or court of competent jurisdiction shall consider the financial capacity of the Project Sponsor, Contractor, Consultant, Subcontractor or Subconsultant. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

For all other violations of this Attachment C, the sole remedy for violation shall be specific performance, without the limits with respect thereto in Section 9.4.3-9.4.5 of the Development Agreement.

15. Duration of this Agreement. This Attachment C shall terminate (i) as to each Workforce Building where work has commenced under the Development Agreement, upon completion of initial construction, including initial tenant improvements, of the Workforce Building, and (ii) for any Workforce Building that has not commenced before the termination of the Development Agreement, upon the termination of the Development Agreement. Upon such termination, this Attachment C shall be of no further force and effect.

16. Notice. All notices to be given under this Attachment C shall be in writing and sent by: certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail, a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to CMD: _____

Attn: _____

If to Project Sponsor: _____

Attn: _____

If to Contractor: _____

Attn: _____

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If to Consultant:

Attn: _____

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in San Francisco, California are authorized to close.

EXHIBIT G

Transportation Program

All initially capitalized terms shall have the meaning given in the Definitions section of this Agreement, unless separately defined in this Exhibit.

1. **Improvements.**

Developer shall construct the street and sidewalk improvements (the "Improvements") described in this Section 1 below. The Parties agree to cooperate with one another to complete the Improvements as and when contemplated by this Exhibit, and to take all other actions or proceedings reasonably necessary or appropriate to ensure that the reviews, Subsequent Approvals, and inspections required to complete such Improvements are provided without undue delay and in accordance with this Agreement, provided that nothing in this Exhibit obligates City to spend any sums of money or to incur any costs other than administrative costs incurred in the ordinary course of business, in connection therewith.

Developer shall complete the Improvements described below and depicted on Schedule 1 hereto, each as may be further described in and consistent with the Design for Development, as provided in the respective Building Conditional Use authorization, prior to issuance of a Certificate of Occupancy for each respective Building identified below:

Building	Improvements
Building H-1	<p>Widen the adjacent Fifth Street sidewalk, between Natoma and Howard Streets, from 10 feet to 18 feet (with a 60-foot long, approximately 8-foot deep inset for three commercial loading spaces).</p> <p>Widen Mary Street sidewalk adjacent to Mary Court West, from 5 feet to 10 feet, and install associated streetscape improvements to all sidewalks adjacent to Mary Court West.</p> <p>Convert Mary Street between Minna and Howard Streets to a shared public way.</p> <p>Construct and install the privately owned publicly accessible approximately 1,600-square-foot pedestrian improvement area adjacent to Building H-1 along Mary Street.</p> <p>Construct and install streetscape and other improvements on</p>

Building	Improvements
	<p>the adjacent Natoma, Fifth, Howard and Mary Street frontages.</p> <p>Install street trees within a 300-foot long portion of the south Howard Street sidewalk extending west from Fifth Street.¹</p> <p>Sidewalk improvements on Howard Street adjacent to the off-site parcel at 198 Fifth Street.¹</p>
Building M-2	<p>Convert Mary Street between Mission and Minna Streets to a pedestrian-only alley, the "North Mary Pedestrian Alley", which would thereafter be closed to vehicular and bicycle traffic, and install associated streetscape improvements.</p> <p>Construct and install the privately owned publicly accessible approximately 1,600-square-foot pedestrian improvement area adjacent to Building M-2 along North Mary Alley.</p> <p>Construct and install streetscape and other improvements on the adjacent Mission Street frontage, and streetscape and other improvements to the Mary Street and Minna Street sidewalk adjacent to Mary Court East constructed with Building M-2.</p>
Building N-1	<p>Widen the western Fifth Street sidewalk between Natoma and Minna Streets from 10 feet to 18 feet (with an 60-foot long, approximately 8-foot deep inset for three commercial loading spaces).</p> <p>Construct and install streetscape and other improvements on the adjacent Fifth and Minna Street building frontages.</p>
Building M-1 (Chronicle Building)	<p>Widen the western Fifth Street sidewalk between Minna and Mission Streets from 10 feet to 18 feet (with an 60-foot long, approximately 8-foot deep inset for three commercial loading spaces).</p> <p>Construct and install streetscape and other improvements on the adjacent Fifth, Mission and Minna Street frontages.</p>
Examiner Building	<p>Construct and install streetscape improvements on adjacent Minna Street frontage.</p>

¹ Obligations to construct or install Improvements off of, and not adjacent to, the Project Site are expressly conditioned upon obtaining access rights from affected property owner(s). If Developer is not able to secure such rights, then Developer and the City shall meet and confer to identify alternative improvements of equal value for Developer to complete instead.

2. Transit Fee and TSP Contribution.

Developer shall pay a Transit Impact Development Fee ("Transit Fee") for use and allocation as described in the Community Benefits Schedule, Exhibit D to the Agreement. Upon receipt, the SFMTA shall have the right to expend the Transit Fee in its sole discretion in accordance with customary SFMTA practice.

Developer shall pay to SFMTA the portion of the 5M Community Benefit Fee at the time and in the manner described in the Community Benefits Schedule, Exhibit D to the Agreement (the "TSP Contribution"). The TSP Contribution shall be used by SFMTA to contribute to SFMTA's costs to construct and install pedestrian safety improvements, including but not limited to sidewalks, cross-walks, signal timing and left/right turn pockets, as further described below in this Section 2 (the "TSP Improvements"). SFMTA shall be responsible for all additional costs associated with the design, permitting, construction, installation, maintenance and operation of the TSP Improvements beyond the amount of the TSP Contribution. SFMTA's use of the TSP Contributions and the timing of its construction of the TSP Improvements shall be prioritized in the following order:

2.1 Mission Street Mid Block Crossing. Mid-block signalized crosswalk extending north across Mission Street between the North Mary Pedestrian Alley and the San Francisco Mint building, which is estimated to be \$400,000.

2.2 SoMa Street Streetscape, Pedestrian Safety and Related Improvements. SFMTA shall use the remaining TSP Contributions for the purpose of designing and constructing streetscape, pedestrian safety, pedestrian realm and related improvements within the impact area identified on Schedule 2 hereto. Priority will be given to improvements that address pedestrian and bicycle safety improvements on corridors adjacent to the Project Site, particularly those that are a part of Vision Zero SF (i.e., the high injury corridor analysis conducted by SFDPH in collaboration with SFMTA on behalf of the City's Vision Zero Task Force).

Without limiting the foregoing, SFMTA will contribute an amount from the TSP Contribution, not to exceed \$85,000, for a study that reviews bicycle and pedestrian safety and network connectivity priorities for the 5th Street corridor between Market and Harrison Streets and the Howard Street corridor between 4th and 7th Streets. This study will prioritize consistency with Vision Zero SF, the SFMTA's Bicycle Strategy, and the community priorities incorporated into Planning Department's Central Corridor study, each as may be revised as and when funding becomes available. SFMTA shall lead the scoping, planning and engineering matters for the study with the intent of delivering recommendations that are defined sufficiently to submit to the Planning Department for environmental review, as necessary, under CEQA. Nothing in this section is intended to limit SFMTA's right to provide additional funding, programs or to conduct additional studies related to the above matters.

3. Fifth Street East Sidewalk and Related Improvements.

As further described in and in accordance with the requirements of the MMRP, Exhibit J to the Agreement, Developer shall fund the design and construction of the following improvements:

- 3.1 Sidewalk extension of the east sidewalk on Fifth Street between Minna and Mission Streets by 10 to 15 feet;
- 3.2 Restriping and widening of the east crosswalk at the intersection of Fifth/Mission Streets to 25 feet;
- 3.3 Traffic and pedestrian signal upgrades at the intersection of Fifth/Mission Streets;
- 3.4 Restriping of the Minna Street travel lanes between Fifth Street and the Project's garage entrances; and
- 3.5 New and more visible "Minna Street Garage Entrance" and Garage Full" signs at the Fifth and Mission Garage.

4. TDM Plan.

Developer shall implement the Transportation Demand Management ("TDM") Plan consistent with the TDM menu prepared by Fehr and Peers ("TDM Menu" attached hereto as Schedule 3), which identifies proposed TDM measures ("TDM Measures") for reducing estimated one-way vehicle trips, and establishes numeric goals for each Building associated therewith.

Developer shall undertake the following with respect to monitoring and reporting of compliance with the proposed TDM measures. Developer shall, in consultation with qualified transportation engineers, design a bi-annual survey of residents' and employees' travel behavior as set forth below, conduct the survey and submit a written report ("TDM Report") on the status of implementing all TDM Measures, at no cost to the City. The TDM Report will contain the results of the bi-annual survey, and also assess whether the Project is meeting its vehicle-trip reduction target 14 percent², as measured against the PM peak projection (set forth in the revised project assessment prepared by LCW Consulting dated April 27, 2015) of 465 trips ("TDM Goal"). The TDM Report shall include information on the contribution of each Building described in the TDM Menu in reducing vehicle trips and meeting the aggregate TDM Goal, based on that Building's trip reduction target described in the TDM Menu, and its implementation of TDM measures as described on the TDM Menu. The determination of whether the TDM Goal is being achieved prior to completion of all Buildings covered by the TDM Menu shall be measured in the aggregate for all Buildings that have received certificates of occupancy and are at least 75% occupied. The first survey will be conducted within one (1) year following the certificate of occupancy of the first Building. Additional surveys will be conducted every two years thereafter. The information and analysis regarding achievement of the TDM Goal may be part of the annual review procedure under Section 8.2 of the Agreement, or it may

² This percentage includes a combination of Code-required and additional trip reduction measures, as set forth in the Note to the TDM Menu.

be performed on a separate schedule based upon the timing of the availability information consistent with this Exhibit G.

Each TDM Report will either provide evidence that the Project has (or completed and occupied a portion thereof) achieved the TDM Goal, or if not achieved, provide an explanation of why the TDM Goal has not been reached. If a TDM Report indicates that the Project has not reached the TDM Goal, then the Developer and SFMTA shall meet and confer to determine a reasonably achievable program of additional measures for attaining the TDM Goal.

If SFMTA and the Developer are unable to reach agreement on a program of additional measures for attaining the TDM goal within 90 days of the completion of a TDM Report or such longer period as may be agreed to by both parties, Developer will pay SFMTA \$50,000 (Fifty Thousand Dollars), in fiscal year 2015 dollars, adjusted by the Consumer Price Index) within 60 days following the end of the 90-day meet and confer period. These funds will be used by SFMTA solely for transportation demand management or transportation improvements related to the Project traffic impact area as determined by SFMTA. The format of the survey and TDM Report will be developed in consultation with the SFMTA.

The TDM Plan implementation and Developer's related obligations under this Section 4 shall begin for each Building upon issuance of the temporary certificate of occupancy for the Building and remain in effect for a period of 10 years thereafter.

5. Board Authorization and Appropriation. By approving this Agreement, including this Exhibit, the Board of Supervisors authorizes the Controller and City Department to accept the funds paid by Developer as set forth in this Exhibit, to maintain separate, interest-bearing accounts or subaccounts as contemplated in this Exhibit, or otherwise provide for separate accounting of funds paid by Developer and their use, and to appropriate the funds, including interest and earnings, for the purposes described in this Exhibit for the term of the Agreement. Any interest earned on the deposited funds, accounts or subaccounts created under the terms of this Exhibit shall remain in the designated account or subaccount for use consistent with the identified purpose and shall not be transferred to the City's General Fund for other purposes. Any accounts for receipt and use of the TSP Contribution funds described above shall terminate upon the payment by Developer and expenditure by City of the respective TSP Contribution funds.

Notwithstanding the foregoing, nothing herein shall prevent or limit the absolute discretion of the City to conduct environmental review in connection with any future proposal for the TSP Improvements, to make any modifications or select feasible alternatives to such future proposals as may be deemed necessary to conform to any applicable Laws, including without limitation, CEQA, balance benefits against unavoidable significant impacts before taking final action, or determine not to proceed with such future proposals and to obtain any applicable permits or other authorization for the TSP Improvements.

SCHEDULE 1 - IMPROVEMENTS MAP

TO BE CONSTRUCTED BY THE PROJECT¹

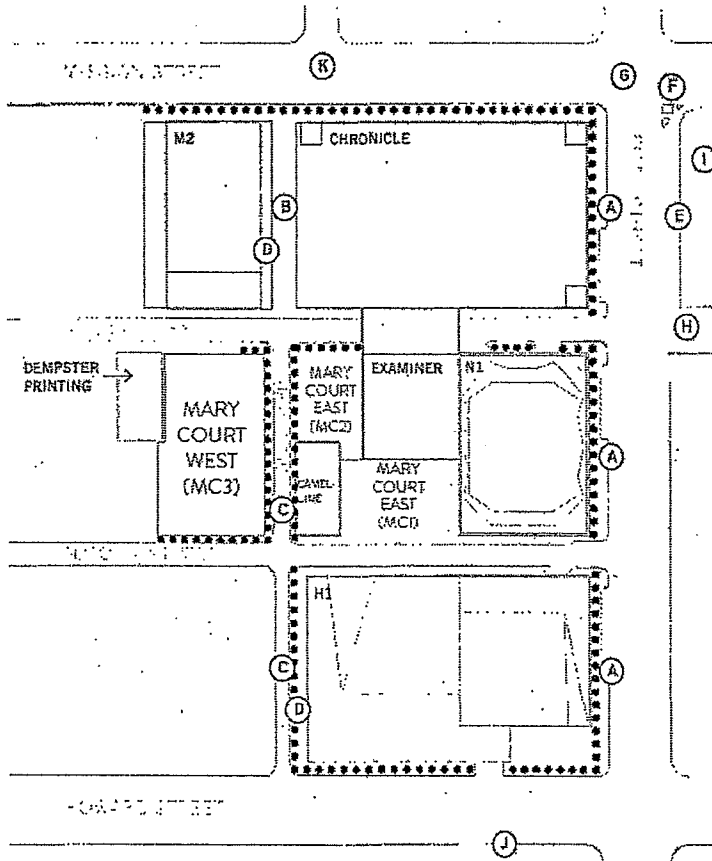
- ◆◆◆ Building related streetscape improvements (including street trees)
- (A) West sidewalk widening between Mission and Howard Streets (from 10 feet to 18 feet, with 8-foot inset for loading)
- (B) Conversion to North Mary Pedestrian Only Alley
- (C) Conversion to Shared Public Way (including West sidewalk widening of Mary Street between Mission and Natoma, from 5 feet to 10 feet)
- (D) Privately owned pedestrian improvement

TO BE FUNDED BY THE PROJECT, DESIGNED/CONSTRUCTED BY SFMTA¹

- (E) East sidewalk widening between Mission and Minna Streets (from 10 feet to 15 feet)
- (F) Crosswalk widening/restriping to 25 feet (East Mission/Fifth Street intersection)
- (G) Traffic/pedestrian signal upgrades at Fifth/Mission Street intersection
- (H) Restriping of the Minna Street travel lanes between Fifth Street and the Fifth/Mission Garage entrances to provide for additional vehicle queuing on Minna Street
- (I) New/more visible "MINNA STREET GARAGE ENTRANCE" and "GARAGE FULL" signs for the Fifth/Mission Garage
- (J) Off-site streetscape improvements (including street trees)
- (K) Mission Street mid block signalized crosswalk

¹As depicted improvements are more particularly described in the Transportation Program

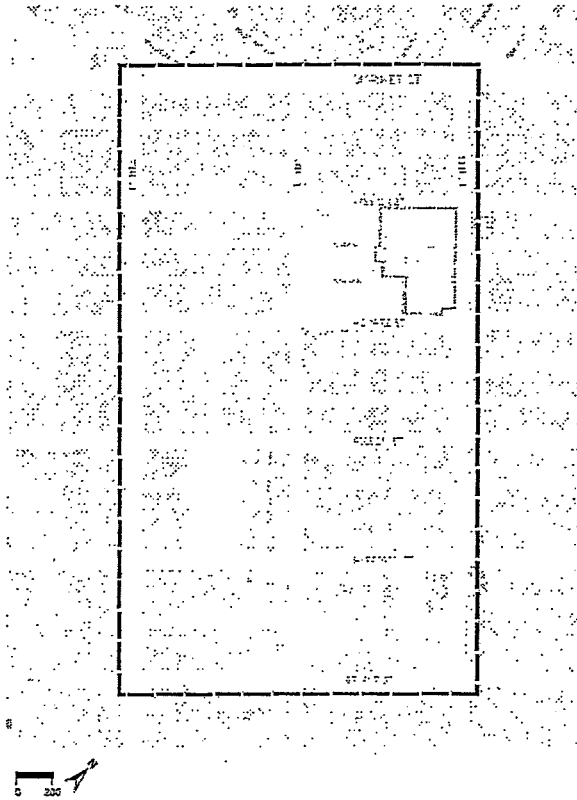
5M PROJECT SAN FRANCISCO



SCHEDULE 2 - TSP CONTRIBUTION IMPACT AREA MAP

DRAFT—07/07/15

Map depicts potential location of TSP Contribution expenditure as discussed in Transportation Program, Section 2.



SM PROJECT SAN FRANCISCO

Schedule 3 – TDM Menu

Category	#	Strategy Name	Description of Property Management Role	Expected Reduction to Annual Trips	Order of Magnitude Cost	Required by Ordinance	Included in Project Requirements	Assumptions
Parking	1	Parking Management - Pricing and Regulation	Pricing parking to encourage employees to consider alternatives to driving, promote regular carpool and encourage visitors from driving.	2.5%	Medium	Yes	No	Assumes parking prices as approved and applied to employees & visitors if not only. Separated payment to reflect urban context of San Francisco.
	2	Unbundled Parking	Separate cost of residents with from cost of parking spaces. Requires residents to make and condo owners to pay extra for reserved parking space.	1.7%		Yes	Yes	Assumes parking pricing as approved and applied to residents if not. Effect decreased to reflect parking reduction in SF market.
	3	Reserve lots on parking and safety	Provide dedicated parking for emergency vehicles to reduce traffic congestion and searching for a space.	Project Amenity for Tarzana	Medium	No	No	
Trip Reduction from Parking Strategies				4.2%				
Bicycle and Pedestrian	4	Bike Share and Safety	Locate within 500' parking lot of a bike share station. OR dedicated space for a bike share station.	0.1%	Very Low	No	Yes	
	5	Bicycle Parking/Storage, Secure Bike Parking	Provide secure space for bicycles to store work bikes.	Project Amenity for Tarzana		Yes	Yes	
	6	Showers and Lockers	Provide showers and lockers for bicyclists commuters.	Project Amenity for Tarzana		Yes	Yes	
	7	Bike Repair Station or Bike Repair Kiosks	Provide a bike repair shop or kiosk within the development.	Project Amenity for Tarzana	Medium	No	No	
Trip Reduction from Bike/Ped Amenities				0.1%				
Carshare	8	Structural Carshare Membership	Provide residents with structural carshare membership under terms of use as part of CDM/PCA class. Encourage employees to use carshare for employees.	1.5%	Medium	No	No	Assumes employees of this office carshare membership, which made an increased number, not for residents' use only.
	9	Carshare Parking	Provide dedicated parking spaces for carsharing vehicles.	0.5%		Yes	Yes	Assumes 5 spaces are dedicated for carsharing as included in the project description. Effect partly is dependent to what carshare member is included in cost.
Trip Reduction from Carshare				2%				
TDM Program & Other Amenities	10	Telecommuting	Designate individual for each temporary manager, allowing to coordinate and monitor program and for "yes" to this role.	1.5%	Medium	Yes	No	
	11	Transit Bunkie (Office)	Include requirements to ease for employees to provide a dedicated transit storage area for employees.	0.5%	Low to Med/L	No	No	Assumes 100% of employees use of transit storage area for employees. Assumes 75% of employees are reimbursed for transit.
	12	Preferred Program - Preferred Carpool Parking	Provide preferred spaces and/or promotions for carpooling to work at the project site.	1.4%	Low	No	No	
	13	Web-based Teleworking	Encourage use of teleworking spot by offering teleworking services. Employees will choose their own teleworking services.	Project Amenity for Tarzana	Low	No	No	
	14	Information for employees / transit options	Provide "transit access" style displays showing and sound audio lines of transit routes, possibly showing traffic conditions and alerts.	Project Amenity for Tarzana	Medium	No	No	
	15	Delivery, Dryclean, Breakage Services	Provide on-site on-site delivery or on-site breakage services.	Project Amenity for Tarzana	Medium	Yes	No	
	16	Mailboxes, Wayfinding Signage	Provide signage directing and/or mailboxes to reduce mail stress, including a network and facilities, as well as regular maintenance.	Project Amenity for Tarzana	Low	No	Yes	
17	Provide Facilities Delivery Services	Provide on-site delivery of on-site services or on-site services for employees.	Project Amenity for Tarzana	Low	No	Yes		
Trip Reduction from TDM Program & Other Amenities				6%				
Trip Reduction from Full TDM Plan:				14%				

Note: The originally developed cost-based methodology in the SF Guidelines provides screen costs and does not include a cost-based methodology based on other components. Some-based measures are included because they are a part of a cost-based implementation to reduce project costs. The City has recently indicated that preferences that may, more specifically, increase due to cost-based measures be incorporated by the City to account for potential variation in the delivery of these measures. The City also includes other required measures, but the costs are not shown separately in work, with the summary accounting to reduce and beyond costs.

TDM Menu - Chronicle/Examiner

Category	#	Strategy Name	Developer or Property Management Role	Expected Reduction in Auto Trips	Order of Magnitude	Required in Code?	Available in Project Description?	Assumptions
Parking	1	Parking Management - Pricing and Signage	Pricing parking to encourage employees to consider alternatives to driving, promote regular turnover and discourage visitors from driving.	2.5%	Medium	Yes	No	Assumes parking priced as in a rate set, applies to employee & visitor trips only. Exempted somewhat to reflect urban context of San Francisco.
	2	Real-time info on parking availability	Provide displays showing real-time garage occupancy to assist to reduce traffic circling while searching for a space.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Parking Strategies				2%				
Bicycle and Pedestrian	3	Bike Share Availability	Location within 1,500 walking feet of a bike share station or designated space for a future bike share station.	0.1%	None to Low	No	Yes	
	4	Bicycle Parking (Bike Rack)/Secure Bike Parking	Provide secure space for cyclists to store their bikes.	Project Amenity for Tenants	-	Yes	Yes	
	5	Showers and Lockers	Provide showers and lockers for bicycle commuters.	Project Amenity for Tenants	-	Yes	Yes	
	6	Bike Repair Station or Bike Repair Services	Provide a bike repair shop or facility within the development.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Bike/Ped Amenities				0.1%				
Carpshare	7	Subsidized Carshare Membership	Encourage employees to subsidize carshare for employees.	0.5%	Medium	No	No	Assumes one year of subsidized carshare membership, which would be an increased adoption rate for residential and office trips.
	8	Carshare Parking	Provide dedicated parking spaces for carpooled vehicles.	0.5%	-	Yes	Yes	Assumes 8 spaces are dedicated for carpooling as included in the project description. Effect is partially conservative to reflect fact that measure is included in code.
Trip Reduction from Carshare				1%				
TDM Program & Other Amenities	9	TDM Coordinator	Designate individual for each property manager / building to coordinate and market all programs and facilities in this list.	1.0%	Medium	Yes	No	
	10	Transit Subsidy (Office)	Include requirement in lease for employer/ tenants to provide a tax-deductible transit subsidy for employees.	5.0%	Low to Medium	No	No	Transit subsidy is generally in form of "employer check" participation, allowing employees to use up to \$120/month toward any qualified transit pass or Clipper Card value. Assumes 75% of employees are reimbursed \$55/month.
	11	Preferred Car-pool Parking	Provide preferred spaces and/or preferential parking rates for individuals who carpool to work at the project site.	2.0%	Low	No	No	
	12	Web-based navigation	Encourage use of ride-matching apps and/or TDM.org membership services. Explore incentives to offer site-specific navigation services.	Project Amenity for Tenants	Low	No	No	
	13	Real-time information for motorists / transit users	Provide "dashscreen" style display showing estimated arrival times of transit routes, potentially showing traffic conditions and alerts.	Project Amenity for Tenants	Medium	No	No	
	14	Daycare/Daycare Brokerage Services	Provide on-site childcare facility or childcare brokerage services.	Project Amenity for Tenants	Medium	Yes	No	
	15	Microschool/Workplace Storage	Provide signage directing pedestrians and cyclists to relevant transit stops, building entrances and facilities, as well as to popular destinations.	Project Amenity for Tenants	Low	No	Yes	
16	Provide Pedestrian Delivery Services	Provide consultation pick-up/drop-off schedule or arrange work with package carriers.	Project Amenity for Tenants	Low	No	Yes		
Trip Reduction from TDM Program & Other Amenities				8%				
Trip Reduction from Full TDM Plan:				17%				

Notes: The assumptions, values, and travel demand rates included in this table are based on a review of the literature and are not intended to be a substitute for a detailed study. The City has not yet adopted the measures in this table, and the values are based on a review of the literature and are not intended to be a substitute for a detailed study. The City has not yet adopted the measures in this table, and the values are based on a review of the literature and are not intended to be a substitute for a detailed study.

TDM Menu - M2

Category	Strategy Name	Description of Property Management Tools	Expected Reduction to Auto Trips	Order of Implementation	Separate Costs	Subsidy/Incentive	Assumptions
Parking	1. Parking Management - Pricing and Exp. Location	Pricing parking to encourage parking to consider alternatives to driving and promote car-pooling	4.5%	Medium	Yes	No	Assumes parking prices at market rate, applies to employees & visitor trips only. Discounted agreement to reflect urban context of San Francisco.
	2. Unbundled Parking	Separate cost of residential unit from cost of parking space. Require residential tenants and condo purchasers to pay extra for a reserved parking space.	2.0%	-	Yes	Yes	Assumes the unbundling pricing at market rate applies to residential trips. Effect dampened to reflect partial inclusion in SF G. Values.
	3. Real-time info on parking availability	Provide displays showing real-time garage occupancy in order to reduce traffic circling while searching for a space.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Parking Strategies			7%				
Bicycle and Pedestrian	4. Bike Share Availability	Location within 500' walking distance of a bike share station OR dedicate space for a future bike share station.	0.3%	Low to Low	No	Yes	
	5. Bicycle Parking/Bike Repair/Secure Bike Parking	Provide secure space for cyclists to store their bikes.	Project Amenity for Tenants	-	Yes	Yes	
	6. Bike Repair Station or Bike Repair Service	Provide a bike repair shop or facility within the development.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Bike/Ped Amenities			0.1%				
Carpools	7. Subsidized Carshare Membership	Provide carshare with subsidized carshare membership under terms of lease / as part of COA/HOA fees. Encourage employees to subsidize carshare for employees.	0.7%	Medium	No	No	Assumes one year of subsidized carshare membership, which fees as an increase as option rate for residents and office trips.
	8. Carshare Parking	Provide carshare parking spaces for carsharing vehicles.	0.5%	-	Yes	Yes	Assumes 2 spaces are dedicated for carsharing as included in the project cost plan. Effect is partially dampened to reflect that measures is included in cost.
Trip Reduction from Carshare			1%				
TDM Program & Other Amenities	9. TDM Coordinator	Designate individual for property manager / building to coordinate and manage all programs and features in this list.	1.3%	Medium	Yes	No	
	10. Information for motorists / transit riders	Provide "transit screen" style displays showing estimated arrival times of transit routes, potentially showing traffic conditions and alerts.	Project Amenity for Tenants	Medium	No	No	
	11. Multinodal Wayfinding Signage	Provide signage directing pedestrians and cyclists to relevant transit stops, building entrances and facilities, as well as to popular destinations.	Project Amenity for Tenants	Low	No	Yes	
	12. Proximity to transit Delivery Services	Provide convenient pick-up/drop-off schedule or arrangements with package services.	Project Amenity for Tenants	Low	No	Yes	
Trip Reduction from TDM Program & Other Amenities			1%				
Trip Reduction from Full TDM Plan:			9%				

Note: This table was developed from data and information provided by the project sponsor and is not intended to be used for any other purpose. The City of San Francisco is not responsible for the accuracy or completeness of the information provided. The City of San Francisco is not responsible for the accuracy or completeness of the information provided. The City of San Francisco is not responsible for the accuracy or completeness of the information provided. The City of San Francisco is not responsible for the accuracy or completeness of the information provided.

TDM Menu - N1

Category	Strategy Name	Developer or Property Management Role	Expected Reduction to Auto Trips	Level of Magnitude Cost	Required in Code?	Included in Project Description?	Assumptions
Parking	1. Parking Management - Pricing and Regulation	Pricing parking to encourage patrons to consider alternatives to driving and promote regular turnover	1.0%	Very Low	Yes	No	Assumes parking prices at market rate, applies to employee & visitor trips only. Expenses associated to reduce urban context of San Francisco.
	2. Unbonded Parking	Separate cost of residential unit from cost of parking spaces. Require residential purchasers to pay extra for a reserved parking space.	5.0%	-	Yes	Yes	Assumes monthly parking pricing is reduced; applies to residential trips. Effect depends on which parking inclusion is SF Guidelines.
Trip Reduction from Parking Strategies			6%				
Bicycle and Pedestrian	4. Bike Share Availability	Location, within 1/4 mile walking distance of a bike share station OR dedicated space for a future bike share station.	0.1%	Very Low	No	Yes	
	5. Bicycle Parking/Bike Room/Secure Bike Parking	Provide secure space for cyclists to store their bikes.	Project Amenity for Tenants	-	Yes	Yes	
	7. Bike Repair Station or Bike Repair Services	Provide a bike repair shop at facility within this development.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Bike/Ped Amenities			0.1%				
Carpool	8. Subsidized Carshare Membership	Provide residents with subsidized carshare membership under terms of lease / as part of COPI/CA rules. Encourage employers to subsidize carshare for employees.	1.0%	Medium	No	No	Assumes one year of subsidized carshare membership which leads to an increased adoption rate for residential and office trips.
	9. Carshare Parking	Provide dedicated parking spaces for carsharing vehicles.	0.5%	-	Yes	Yes	Assumes 8 spaces are dedicated for carsharing as indicated in the project description. Effect is partially dependent on which carshare measure is included in code.
Trip Reduction from Carshare			2%				
TDM Program or Other Amenities	18. TDM Coordinator	Designate staff member for each property manager / building to coordinate and monitor all programs and activities in this list.	1.0%	Medium	Yes	No	
	24. Real-time Information for Residents / Transit Riders	Provide "transit screen" type display showing estimated arrival times of transit routes, particularly showing traffic conditions and alerts.	Project Amenity for Tenants	Medium	No	No	
	26. Multilingual Wayfinding Signage	Provide signage directing pedestrians and cyclists to relevant transit stops, building amenities and facilities, as well as to popular destinations.	Project Amenity for Tenants	Low	No	Yes	
	27. Package/Facilities Delivery Services	Provide convenient pick-up/drop-off services or arrangements with package carriers.	Project Amenity for Tenants	Low	No	Yes	
Trip Reduction from TDM Program or Other Amenities			1%				
Trip Reduction from Full TDM Plan:			9%				

This table assumes a 100% adoption of the measures listed. The data was derived from a study conducted by the San Francisco Bay Area Metropolitan Transportation Commission (MTC) in 2011. The study was based on a survey of 1,000 households in the San Francisco Bay Area. The study found that the average household has 1.5 vehicles and that 10% of households have no vehicles. The study also found that 10% of households have a carpooling arrangement. The study found that the average household has 1.5 vehicles and that 10% of households have no vehicles. The study also found that 10% of households have a carpooling arrangement.

TDM Menu - H1

Category	Strategy Name	Developer or Property Management Role	Estimated Reduction in Auto Trips	Order of Implementation	Required on Lot?	Required on Project Development?	Assessment Date
Parking	1 Parking Management - Pricing and Regulation	Park pricing to encourage employees to consider alternatives to driving, promote regular turnover and encourage visitors from driving.	0.2%	Medium	Yes	No	Assesses parking prices at market rate, applies to employees & visitors only. Dependent on what to request urban context of San Francisco.
	2 Real-time info on parking availability	Provide displays showing real-time garage occupancy in order to reduce traffic circling while searching for a space.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Parking Strategies			0.2%				
Bicycle and Pedestrian	4 Bike Share Availability	Location within 1,000 walking feet of a bike share station OR dedicated space for a future bike share station.	0.1%	High to Low	No	Yes	
	5 Bicycle Parking/Bike Room/Secure Bike Parking	Provide secure space for cyclists to store their bikes.	Project Amenity for Tenants		Yes	Yes	
	6 Showers and Lockers	Provide showers and lockers for bicycle commuters.	Project Amenity for Tenants		Yes	Yes	
	7 Bike Repair Station or Bike Repair Services	Provide a bike repair shop or facility within the development.	Project Amenity for Tenants	Medium	No	No	
Trip Reduction from Bike/Ped Amenities			0.1%				
Carshare	8 Subsidized Carshare Membership	Provide residents with subsidized carshare membership, under terms of lease, as part of COA/POA. Encourage employees to subsidize carshare for employees.	0.5%	Medium	No	No	Assesses one year of subsidized carshare membership, which leads to an increased adoption rate for residents, and office trips.
	9 Carshare Parking	Provide dedicated parking spaces for carsharing vehicles.	0.5%		Yes	Yes	Assesses 5 spaces are dedicated for carsharing as included in the project description. Effect is partially dependent on what fact that measure is included in cost.
Trip Reduction from Carshare			1%				
TDM Program & Other Amenities	10 TDM Coordinator	Designate individual for each property manager / building to coordinate and manage all programs and facilities in this list.	Low	Medium	Yes	No	
	11 Transit Subsidy (Office)	Incentivize employers to provide for employees to provide a tax-qualified transit subsidy to employees.	0.5%	Low to Medium	No	No	Transit subsidy is generally in form of "commuter check" participation, allowing employees to use up to \$150/month towards any qualified transit pass or Clipper Card value. Assumes 75% of employees are participating \$65/month.
	12 Employee Program - Preferential Carpool Parking	Provide preferential spaces and/or preferential parking rates for individuals who carpool to work at the project site.	2.5%	Low	No	No	
	13 Web-based Navigation	Encourage use of free-navigation apps and/or 511.org. Heatmapping service. Explore solutions to other site-specific navigation services.	Project Amenity for Tenants	Low	No	No	
	14 Real-time Information for Pedestrians / Transit Users	Provide "street screen" type displays showing estimated arrival times of transit routes, potentially showing traffic conditions and alerts.	Project Amenity for Tenants	Medium	No	No	
	15 Daycare/Daycare Brokerage Services	Provide on-site childcare facility or childcare brokerage service.	Project Amenity for Tenants	Medium	Yes	No	
	16 Multinodal Wayfinding Signage	Provide signage directing pedestrians and cyclists to relevant transit stops, building entrances and facilities, as well as to popular destinations.	Project Amenity for Tenants	Low	Yes	Yes	
17 Promote/Facilitate Delivery Services	Provide convenient pick-up/drop-off schedule or arrangements with package carriers.	Project Amenity for Tenants	Low	No	Yes		
Trip Reduction from TDM Program & Other Amenities			9%				
Trip Reduction from Full TDM Plan:			1.8%				

Note: The total TDM reduction is based on the most conservative estimates. The TDM menu is provided as a guide only and does not constitute a commitment. The TDM menu is provided as a guide only and does not constitute a commitment. The TDM menu is provided as a guide only and does not constitute a commitment. The TDM menu is provided as a guide only and does not constitute a commitment.

TDM MEASURE APPLICABILITY BY USE

	Measure	Office	Residential	Restaurant	Retail
1.	Parking Pricing & Regulation	X		X	X
2.	Unbundled Parking		X		
3.	Real-Time Parking Info	X		X	X
4.	Bike Share Availability	X	X	X	X
5.	Bicycle Parking	X	X	X	X
6.	Showers & Lockers	X			
7.	Bike Repair Station or Services	X	X		X
8.	Subsidized Carshare	X	X		
9.	Carshare Parking	X	X	X	X
10.	TDM Coordinator	X	X	X	X
11.	Transit Subsidy (Office)	X			
12.	Rideshare Program + Preferential Carpool Parking	X			
13.	Web-based ridematching	X			
14.	Real-time information for motorists / transit riders	X	X	X	X
15.	On-Site Daycare/Daycare Brokerage Services	X	X		
16.	Multimodal Wayfinding Signage	X	X	X	X
17.	Provide/Facilitate Delivery Services	X	X		

Source: Fehr & Peers, 2015

Exhibit H
Arts Program

Developer shall make contributions and undertake activities to support facilities and programs for the arts and culture as set forth below.¹ -The Arts Capital Funds, Arts Programming Funds and Non-Profit Arts Facilities Funds shall be paid on or before the dates specified in Exhibit D for the uses described in this Exhibit.

A. Dempster Building Transfer.

Developer shall contribute the Dempster Building as and when provided in this Agreement, to the Community Arts and Stabilization Trust ("CAST") or to another ~~nonprofit~~non-profit organization, as set forth in Section 7.8 to this Agreement, to be used for a mix of organizations that provide programs and services to benefit the community, with a focus on underserved communities in the vicinity of the Project Site, and emphasizing non-profit community-based arts and culture-focused organizations, as well as other community-serving uses such as youth programming and workforce development.

B. Public Art Fee.

Developer shall make Public Art Fee contributions in accordance with Section 5.4.2.1 of this Agreement. -As provided therein, (i) sixty percent (60%) of the ~~of the~~ Public Art Fee shall be allocated to and used for capital expenditure ("Arts Capital Funds"), and (ii) forty percent (40%) shall be used for public art and cultural programming ("Arts Programming Funds"), all as described in Section 7.8 of this Agreement. - In addition to the Public Art Fee contributions, Developer shall contribute Six Hundred Thousand Dollars (\$600,000) for the Non-Profit Arts Facilities Fund, as described below. -The Public Art Fee and Non-Profit Arts Facilities Fund contributions shall be paid to the City Treasurer, to be distributed to the San Francisco Arts

¹ Any capitalized term used in this Exhibit that is not defined herein shall have the meaning given to such term in this Agreement.

Commission ("Arts Commission") at the time and allocated as provided in Exhibit D to this Agreement for the uses set forth below.

1. Arts Capital Funds. -The Arts Capital Funds shall be distributed by the Arts Commission to CAST or to another ~~nonprofit~~non-profit organization, as set forth in Section 7.8 to this Agreement, to be used for the payment of capital costs, including, without limitation, the costs of interior and exterior design, engineering, and construction, relating to the redevelopment of the Dempster Building for the uses set forth in Section A above.

2. Arts Programming Funds.- The Arts Programming Funds shall be distributed by the Arts Commission for use on the Project Site in accordance with its standard procedures and Planning Code Section 429 and Administrative Code Section 10-100-29 (the "Public Artwork Trust Fund"), as the same are modified by this Exhibit H.- For purposes of this Section 2, references to the Arts Commission shall be to the Arts Commission acting by and through its Director of Cultural Affairs.

a. ~~Arts Program Development, Oversight and Curation Funds.~~ Ten percent (10%) of the Arts Programming Funds shall be distributed by the Arts Commission to CAST or such other non-profit entity designated pursuant to Section 7.8 that is operating the Dempster Building. Such funds shall be paid in the amount and at the time specified in Exhibit D and distributed annually in equal installments over an approximately five year period. Such funds shall be used to oversee, coordinate and curate public art and cultural programming in the publicly accessible open spaces within the Project Site, working in collaboration with the grantees of Arts Programming Funds pursuant to Section b. below and the Director of Cultural Affairs.

b. ~~Arts Program Competitive Grant Funds.~~ Ninety percent (90%) of the ~~The~~ Arts Programming Funds shall be distributed by the San Francisco Arts Commission to San Francisco-based non-profit arts entities and artists through a competitive grant process.-Such funds shall be paid in the amount and at the time specified in Exhibit D and distributed annually in equal installments over an approximately five-year period.- Such funds shall be used for

public art and cultural programming in the publicly accessible open spaces within the Project Site. -Qualifying fund uses include:- (i) physical structures, exhibits or artwork, as long as the purpose is to represent the cultural history of the community and/or serve as an interactive art installation that engages the community; (ii) arts events, cultural events and performances that are open and accessible to the public (with a focus on events that serve the immediate neighborhood) and that include options for free and/or reduced price admission; and (iii) participatory, ~~place keeping~~ and social practice projects or other public programs that use social engagement as a medium. ~~Consideration~~Funding consideration priority will be given to arts organizations with a demonstrated track record of leveraging funds with matching grants or other sources and/or creating partnerships with local, individual artists and community-based organizations who have a long-established presence in the South of Market (“SoMa”) area, are deeply rooted within the neighborhood, and reflect and/or support high-risk and/or historically underserved populations.

3. Non-Profit Arts Facilities Funds.- The Non-Profit Arts Facilities Funds shall be paid at the time specified in Exhibit D and distributed by the Arts Commission through a competitive process either ~~as a lump sum or in installments over a~~ period of up to five year period years to a non-profit entity or non-profit entities for the purpose of: (i) assisting San Francisco-based non-profit entities providing arts and cultural programs with financial planning, space planning, funding sources and other technical advice associated with locating, securing and improving appropriate space for arts and cultural spaces; ~~activities;~~ or (ii) providing direct assistance on such facilities-related issues. Consideration will be given to organizations with a demonstrated track record of ~~either advising non-profits arts and cultural institutions in the SoMa area on facilities-related issues, including working with high risk and/or disadvantaged populations, or providing direct services on facilities related issues in the SoMa area.~~

4. Accounting.- Developer shall have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in good faith in accordance with the provisions of this Arts Program. -The Public Art Fee and Non-Profit Arts Facilities Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the

City shall maintain records as part of the City's City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available to Developer upon request.

The failure of any recipient to use funds as required by this Exhibit H shall not be a City or Developer breach of the Agreement. -The City shall have no obligation to make any payment or provide any funds except for what it has received from the Developer as set forth in this Exhibit H, and Developer shall have no obligation to make any payment or provide any funds except as set forth in this Exhibit- H.

5. Board Authorization. - By approving the Agreement, the Board of Supervisors authorizes the City to accept and expend the Public Art Fee and Non-Profit Arts Facilities Funds paid by the Developer as set forth in this Exhibit H. -The Board of Supervisors also agrees that any interest earned on any Public Art Fee and Non-Profit Arts Facilities Funds held by the City shall remain in designated accounts for arts purposes consistent with this Exhibit H and shall not be transferred to the City's City's general fund.

Exhibit I

List of Approvals

Planning Commission

1. Certification of the Final Environmental Impact Report (Motion No. _____, adopted _____, 2015).
2. Adoption of CEQA Findings (including a Statement of Overriding Considerations), and a Mitigation Monitoring and Reporting Program (Motion No. _____, adopted _____, 2015).
3. Approval of the Fifth and Mission Design for Development document (Resolution No. _____, adopted _____, 2015).
4. Approval of Conditional Use Authorizations for compliance with the 5M SUD and Design for Development for buildings and related improvements within the Project Site (Motion Nos. _____, _____, _____, _____, and _____, adopted _____, 2015).
5. Approval of allocation of net new shadow on Boedekker Park (Motion No. _____, adopted _____, 2015).
6. Approval of office space allocation under Sections 321 and 322 of the Planning Code (Motion Nos. _____ and _____, adopted _____, 2015).
7. Adoption of General Plan consistency and Section 101.1 priority policy findings (Motion No. _____, adopted _____, 2015).
8. Adoption of General Plan Referral for tentative subdivision map (Motion No. _____, adopted _____, 2015).

Recreation and Parks Commission and Planning Commission

9. Approval of raising the absolute cumulative shadow limits for Boeddeker Park pursuant to Planning Code Section 295 (joint action with Planning Commission) (Resolution No. _____, adopted _____, 2015).

Department of Public Works

10. Approval of tentative subdivision map (Order No. _____, dated _____, 2015).

Arts Commission

11. Consent to Development Agreement's Arts Program (for use of fees for capital improvements and programming) (Resolution No. _____, dated _____, 2015).

San Francisco Municipal Transportation Agency

12. Consent to Development Agreement's Transportation Program (Resolution No. _____, dated _____, 2015).

Board of Supervisors

13. Affirm Certification of the Final Environmental Impact Report (Motion No. _____, adopted _____, 2015).
14. Approval of General Plan Map, and Planning Code and Zoning Map amendments (Ordinance Nos. _____, and _____, adopted _____, 2015).
15. Approval of Development Agreement (Ordinance No. _____, adopted _____, 2015).

Exhibit K

Form of Assignment and Assumption Agreement

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO
(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

[Angela Calvillo]
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO DEVELOPMENT AGREEMENT FOR 5M**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Assignment") is entered into this _____ day of _____, 20____, by and between _____, a _____ ("Assignor") and _____, a _____ ("Assignee").

RECITALS

A. [5M, LLC], a _____ and the City and County of San Francisco, a political subdivision and municipal corporation of the State of California (the "City"), entered into that certain Development Agreement (the "Development Agreement") dated as of _____, 2015 for reference purposes, with respect to certain real property owned by Assignor, as such property is more particularly described in the Development Agreement (the "Project Site"). The Development Agreement was recorded in the Official Records of the City and County of San Francisco on _____ as Document No. _____.

[add recital to document any previous transfer of the Transferred Property, with recording information]

B. The Development Agreement provides that Developer (Assignor) has the right to: (i) Transfer all or a portion of the Project Site, (ii) assign all of its rights, title, interest and obligations under the Development Agreement to a Transferee with respect to the portions of the Project Site transferred to the Transferee, and (iii) upon the recordation of an approved Assignment and Assumption Agreement, to be released from any prospective liability or obligation under the Development Agreement related to the Transferred Property as set forth in Section 12.3 of the Development Agreement.

C. Assignor intends to convey certain real property as more particularly identified and described on Exhibit A attached hereto (hereafter the "Transferred Property ") to Assignee. The Transferred Property is subject to the Development Agreement.

D. Assignor desires to assign and Assignee desires to assume Assignor's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Transferred Property, as more particularly described below.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Defined Terms. Initially capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Development Agreement.
2. Assignment of Development Agreement. Assignor hereby assigns to Assignee, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property, including any Community Benefits that are tied to Buildings on the Transferred Property [OPTION: , excluding the obligation to complete the off-site improvements for the Dempster Building as set forth in Section 12.1 of the Development Agreement, which obligation is retained by Assignor]. Assignor retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other portions of the Project Site owned by Assignor.
3. Assumption of Development Agreement. Assignee hereby assumes, effective as of Assignor's conveyance of the Transferred Property to Assignee, all of the rights, title, interest, burdens and obligations of Assignor under the Development Agreement with respect to the Transferred Property, including its associated Community Benefits, and agrees to observe and fully perform all the duties and obligations of Assignor under the Development Agreement with respect to the Transferred Property, and to be subject to all the terms and conditions thereof with respect to the Transferred Property. The parties intend that, upon the execution of this Assignment and conveyance of the Transferred Property to Assignee, Assignee shall become the "Developer" under the Development Agreement with respect to the Transferred Property.
4. Reaffirmation of Indemnifications. Assignee hereby consents to and expressly reaffirms any and all indemnifications of the City set forth in the Development Agreement, including without limitation Section 4.7 of the Development Agreement.
5. Assignee's Covenants. Assignee hereby covenants and agrees that: (a) Assignee shall not challenge the enforceability of any provision or requirement of the Development Agreement; (b) Assignee shall not sue the City in connection with any and all disputes between Assignor and Assignee arising from this Assignment or the Development Agreement, including any failure to complete all or any part of the Project by any party; and (c) Assignee shall indemnify the City and its officers, agents and employees from, and if requested, shall defend them against any and all Losses resulting directly or indirectly from any dispute between Assignor and Assignee arising from this Assignment or the Development Agreement.
6. Binding on Successors. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.
7. Notices. The notice address for Assignee under Section 14.11 of the Development Agreement shall be:

Attn: _____

With copy to:

Attn: _____

8. Counterparts. This Assignment may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

9. Governing Law. This Assignment and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law.

IN WITNESS HEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

ASSIGNOR:

[insert signature block]

ASSIGNEE:

[insert signature block]

EXHIBIT L

Notice of Completion of Building and Community Benefits

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

[5M LLC]
[address]_____

Attn: _____

(Space above this line reserved for Recorder's
use only)

THIS NOTICE OF COMPLETION OF BUILDING AND COMMUNITY BENEFITS (this "Notice") dated for reference purposes only as of this _____ day of _____, 20____, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision and municipal corporation of the State of California (the "City"), acting by and through its Planning Department, and [5M, LLC, a _____ limited liability corporation] ("Developer") [*substitute party, if needed*].

1. The City and Developer entered into that certain Development Agreement dated as of _____, and recorded in the Official Records of the City And County of San Francisco on _____, as Document Number _____ (Book No. ____, Reel No. _____) (the "Development Agreement"). Capitalized terms used in this Notice that are not defined shall have meaning given to such terms in the Development Agreement.

2. Under Section 7.1 of the Development Agreement, when one or more Buildings have been completed and all of the Community Benefits tied to those specific Buildings have also been completed, the City agreed, upon Developer's request, to execute and record a notice of completion as it relates to the applicable Building.

3. The City confirms that the Building known as _____, located on the property described in the attached Exhibit A (the "Affected Property"), together with all of the Community Benefits tied to that Building, have been completed in accordance with the Development Agreement. All parties with an interest in the Affected Property have the right to rely on this Notice.

CITY:

Approved as to form:

CITY AND COUNTY OF SAN FRANCISCO,
municipal corporation

[DENNIS J. HERRERA], City Attorney

By: _____
Director of Planning

By: _____
Deputy City Attorney

Exhibit A

[attach legal description of Affected Property]

MEMORANDUM OF UNDERSTANDING # _____
5M Project

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") dated as of June 1 2013, is made by and between the San Francisco Office of Economic and Workforce Development ("OEWD") and Forest City California Residential Development, Inc. ("Forest City") in connection with the proposed 5M project in San Francisco.

RECITALS

This MOU is made with regard to the following facts, intentions and understandings:

A. In January 2012, Forest City filed an environmental evaluation application (Case No. 2011.0409E) for a multi-phased, mixed-use development plan covering 22 parcels (approximately four acres) in the northeast portion of the block bounded by Mission, Fifth, Howard, and Sixth Streets (as described in the application, and as may be revised and updated from time to time, the "5M Project").

B. The 5M Project currently contemplates the construction of up to 890,000 square feet of new office space, 750 new dwelling units, 100,000 square feet of retail space, and 34,000 square feet of open space. The 5M Project also seeks to modify and improve circulation throughout the area, and add parking and loading facilities. The final scope of the 5M Project is not fixed at this stage in the public process. Accordingly, Forest City and OEWD understand and agree that the 5M Project may be refined and modified through the community and stakeholder review, environmental review, and planning processes.

C. Forest City intends to apply for the approval of a special use district and planning code and zoning map amendments, a Section 309 approval and to negotiate for other City agreements related to workforce and other public benefits. These agreements will require review and approval by the City's Planning Commission and Board of Supervisors, and may require approval of other City agencies.

D. The parties anticipate that a special use district ordinance and supplementary planning and design standards documents will establish the review and design guidelines and requirements for the 5M Project, including the process by which the design of individual phases of the 5M Project are approved by the City.

E. OEWD is currently working with Forest City, as well as the City Attorney's Office and other City agencies, to determine the appropriate scope of all of the 5M Project transaction and entitlement documents. This MOU is to provide a payment mechanism for Forest City to reimburse OEWD and other City agencies (including the City Attorney's Office) for staff time and materials expended on any component of the 5M Project.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, OEWD and Forest City agree to the following:

1. Negotiations and Entitlement Process. OEWD, working in close consultation with the Planning Department, shall act as the lead representative of the City in negotiating the substance of the proposed entitlement package (with design guidelines and requirements, project phasing, workforce requirements, transportation improvements, and other appendices) and any other transaction or approval documents (such documents shall be referred to as the "Project Documents"). OEWD shall consult with staff from affected City agencies, and such City agencies shall contribute personnel and staff time as may be directed by their respective directors or department heads. Following negotiations, all Project Documents shall be subject to review and approval of the Planning Commission, applicable City agencies, and the Board of Supervisors, each in their sole discretion.

2. Reimbursement of City Costs.

(a) Forest City shall reimburse OEWD for the actual costs incurred by the City for all work associated with the preparing, adopting or negotiating the Project Documents for the 5M Project. Eligible costs shall include, without limitation, the (1) fees and expenses of the City Attorney's Office staff at the rates charged by the City Attorney's Office to third party outside developers from time to time, (2) actual fees and expenses of any outside counsel and third party consultants, advisors, and professionals (including, but not limited to, real estate appraisers), (3) actual costs related to public outreach and information; and (4) costs of staff time for the City agencies consulted in communication with the Project Documents. Eligible costs shall not include costs that are paid or reimbursed through planning department or other project applications. Before engaging any outside counsel or consultants, OEWD shall obtain Forest City's approval regarding the proposed engagement, which approval shall not be unreasonably withheld. OEWD shall be responsible for coordinating the billing of all City agencies as described in this section.

(b) OEWD will provide Forest City with monthly invoices. These invoices shall indicate the hourly rate for each OEWD or City staff member at that time, the total number of hours spent by each City staff member on the tasks during the invoice period, any additional costs incurred by the City and a brief non-confidential description of the work completed.

(c) Forest City will reimburse OEWD \$10,560 for the work performed by OEWD before the start of calendar year 2013. The parties anticipate that OEWD and other City staff time to be reimbursed under subsection (a)(1)-(4) above, shall not exceed \$265,000 based on following staffing (under a 40-hour work week): up to 10% of Director of Development's time and up to 30% of the Project Manager or Managers' time. See Appendix A for current billing rates.

(d) Forest City shall pay the invoiced amount within 45 calendar days of receipt from OEWD, provided that (i) that the maximum amount payable shall not exceed the budget established in subsection (c) above, as the same may be revised from time to time as provided in Section 14(a), (ii) in the event that City's costs and expenses exceed the amounts set forth in the

approved budget, then, notwithstanding anything in this MOU to the contrary, City shall have the right to suspend additional work on the 5M Project until the parties reach agreement on a revised budget and additional payments to be made by Forest City, including any amounts due by Forest City for work previously performed, and (iii) in the event the parties cannot reach agreement on a revised budget, or if Forest City fails to pay any amounts due and owing hereunder, then City shall have the right to terminate this MOU without cost or liability.

(e) If Forest City in good faith disputes any portion of an invoice, then within 60 calendar days of receipt of the invoice Forest City shall provide written notice of the amount disputed and the reason for the dispute, and the parties shall use good faith efforts to reconcile the dispute as soon as practicable. Forest City shall have no right to withhold the disputed amount. If any dispute is not resolved within 90 days of Forest City's notice to City of the dispute, Forest City may pursue all remedies at law or in equity to recover the disputed amount. Forest City shall have no obligation to reimburse City for any cost that is not invoiced to Forest City within forty-eight (48) months from the date the cost was incurred.

(f) If Forest City submits an application for a development agreement, the parties may terminate this MOU and revise the payment mechanisms for the reimbursement of all City costs consistent with San Francisco Administrative Code Chapter 56.

4. City Limitation. Nothing in this MOU shall obligate OEWD or any other City department to expend funds or resources, nor shall anything in this MOU be construed as a limitation on any party's authority to contribute staff, funds or other resources to the processing, review and consideration of the 5M Project. Nothing in this MOU shall limit the discretion to be exercised by City staff and City officials in connection with the 5M Project.

5. No Liability; Termination. The parties are entering into this MOU in order to cooperate in negotiating the substance of an entitlement package with respect to the 5M Project. The parties understand and agree that the City would not be willing to enter into this MOU if it could result in any liability or cost to the City. Accordingly, in the event that Forest City believes that the City has violated any of the terms of this MOU, Forest City's sole remedy shall be to terminate this MOU. Forest City shall be responsible for the eligible costs incurred by any of the City agencies before the termination notification. Notwithstanding anything to the contrary in this MOU, either party shall have the right to terminate this MOU at any time and for any reason without cost or liability by providing notice of termination to the other party, provided any such termination shall not relieve Forest City of its reimbursement obligations with respect to work performed before the date of termination.

6. City Discretion. Forest City acknowledges and agrees that by entering into this MOU, OEWD is not committing itself or agreeing to approve any land use entitlements or undertake any other acts or activities relating to the subsequent independent exercise of discretion by the Planning Commission, the Board of Supervisors, the Mayor, or any other City agency, commission or department, and that the Project Documents and approvals are subject to the prior approval of the Planning Commission, the Board of Supervisors, and the Mayor (and perhaps other City agencies, as applicable), each in their sole and absolute discretion.

7. Assignment. Forest City may assign its rights and obligations under this MOU to an affiliate or subsidiary entity at any time with notice to but without the consent of OEWD, provided, if such affiliate or subsidiary fails to pay amounts due hereunder, then Forest City shall remain liable for such payment.

8. Environmental Review. The final project ultimately proposed by OEWD and Forest City shall be subject to a process of thorough public review and input and all necessary and appropriate approvals; that process must include environmental review under CEQA before a City department, commission, or any other City decision-maker may consider approving a project; and the 5M Project will require discretionary approvals by a number of government bodies after public hearings and environmental review. Nothing in this MOU commits, or shall be deemed to commit, the City or a City official to approve or implement any project, and they may not do so until environmental review of the 5M Project as required under CEQA has been completed. Accordingly, all references to the "5M Project" in this MOU shall mean the proposed project as revised and subject to future environmental review and consideration by the City. The City and any other public agency with jurisdiction over any part of the 5M Project shall have the absolute discretion before approving that project to: (i) make such modifications to the 5M Project as may be necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii) require the implementation of specific measures to mitigate any specific impacts of the 5M Project; (iv) balance the benefits of the 5M Project against any significant environmental impacts before taking final action if such significant impacts cannot otherwise be avoided; and (v) determine whether or not to proceed with the 5M Project.

9. Notices. Unless otherwise indicated elsewhere in this MOU, all written communications sent by the parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To OEWD: Ken Rich
Director of Development
c/o Jon Lau, Project Manager
Office of Economic and Workplace Development
City Hall, Room 448
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Phone: 415.554.5194
Email: ken.rich@sfgov.org

To Forest City: Alexa Arena
Senior Vice President
c/o Audrey Tendell, Project Manager
Forest City
875 Howard Street, Suite 330
San Francisco, CA 94103
Phone: 415-836-5980
Fax: 415-896-1213
Email: alexaarena@forestcity.net

Any notice of default must be sent by registered mail.

10. California Political Reform Act. The parties acknowledge that payments pursuant to this MOU from Forest City to OEWD are payments to the City, not to any individual employee or officer of the City, and that the payments therefore are not "income" to any City employee or officer under the California Political Reform Act, California Government Code Section 81000, *et seq.*

11. Notification of Limitations on Contributions. Forest City acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Forest City acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more.

12. No Joint Liability. Nothing in this MOU shall be construed as giving a party the right or ability to bind other parties and nothing in this MOU shall be construed to create any joint liability with regard to, or as a result of, the activities undertaken by any of the parties, their employees, officers and/or agents. All employees, officers and/or agents of a party shall remain employees, officers and/or agents of that party and shall be subject to the laws, procedures, rules and policies governing that party's employees, officers and/or agents.

13. Sunshine. Forest City understands and agrees that under the City's Sunshine Ordinance (S.F. Administrative Code Chapter 67) and the State Public Records Law (Gov't Code section 6250 *et seq.*) apply to this MOU and any and all records and materials submitted to the City in connection with this MOU.

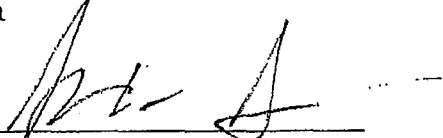
14. Miscellaneous. (a) This MOU may be modified only in writing and by mutual consent of all parties. (b) This MOU shall become effective when signed by all OEWD and Forest City. It shall remain in effect until terminated in writing by either party. (c) There are no intended third party beneficiaries of this MOU. The parties acknowledge and agree that this MOU is entered into for their benefit and not for the benefit of any other party. (d) This MOU shall be governed by the applicable laws of California. (e) This MOU contains all of the representations and the entire agreement between the parties with respect to the subject matter of this MOU. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this MOU.

IN WITNESS WHEREOF, the parties have executed this MOU on the date set forth herein.

City and County of San Francisco, a
municipal corporation, acting by and through its
Office of Economic and Workforce Development

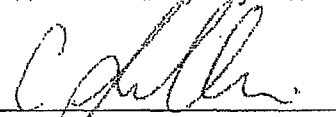
By: 
Todd Rufo, Director

Forest City California Residential Development, Inc., a California
corporation

By: 
Alexa Arena, Senior Vice President

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
Charles Sullivan, Deputy City Attorney

Appendix A

OEWD / Other City Staff – Billing Rates

(Hourly rates as of April 1, 2013)

Jon Lau	\$105.36
Ken Rich	\$139.44
Administrative Analyst	\$55.44
Senior Workforce Analyst	\$97.68
Rhonda Simmons	\$148.77
Peter Albert (MTA)	\$92.60
City attorney	\$365



FOR IMMEDIATE RELEASE:

Monday, November 9, 2015

Contact: Mayor's Office of Communications, 415-554-6131

***** STATEMENT *****

**MAYOR LEE'S STATEMENT ON BOARD OF SUPERVISORS' LAND USE
& TRANSPORTATION COMMITTEE APPROVAL FOR 5M PROJECT**

Mayor Edwin M. Lee today issued the following statement on the Board of Supervisors' Land Use & Transportation Committee unanimous approval of the 5M Project:

"We have a mandate from San Francisco voters to produce more affordable housing, faster. In order to reach our aggressive housing goals of building and rehabbing 30,000 new homes by 2020, half within reach of our low and middle income families, we need to seize on opportunities like this one. This 5M Project provides an unusual downtown opportunity that will transform four acres of underutilized land to create affordable housing, jobs, parks and other community benefits. I thank Forest City for agreeing to their new goal of 40 percent affordable housing to move this project forward for our seniors, low income residents and middle income families.

I would also like to extend my thanks to two Supervisors who helped make sure that this project responds to the City's most critical needs. Supervisor Jane Kim worked to find a way to increase the overall affordability of the project, while ensuring it addresses the needs of a wide range of incomes, from teachers to low income seniors. Supervisor Wiener took a firm stance to ensure that the 5M Project will also be the first development project in San Francisco to pay transit impact fees on residential units, with these funds slated to pay for pedestrian and bicycle safety improvements in the vicinity of the project."

The 5M Project being developed by Forest City is a four-acre, 1.6 million square foot privately-owned and privately-financed mixed-use development project that was approved at the Planning Commission on September 17th with an affordable housing package that would create a total of 212 new units of affordable housing, all at the low and very low income levels. The 5M Project will now create 241 units of permanently affordable housing, reaching 40 percent. The result is an even more robust housing package that increases the project's overall affordability to 40 percent and dedicates a portion of those new affordable units to middle-income households. For more information on the 5M Project, go to: www.5mproject.com.

###

11/9/15 Presented
in Committee

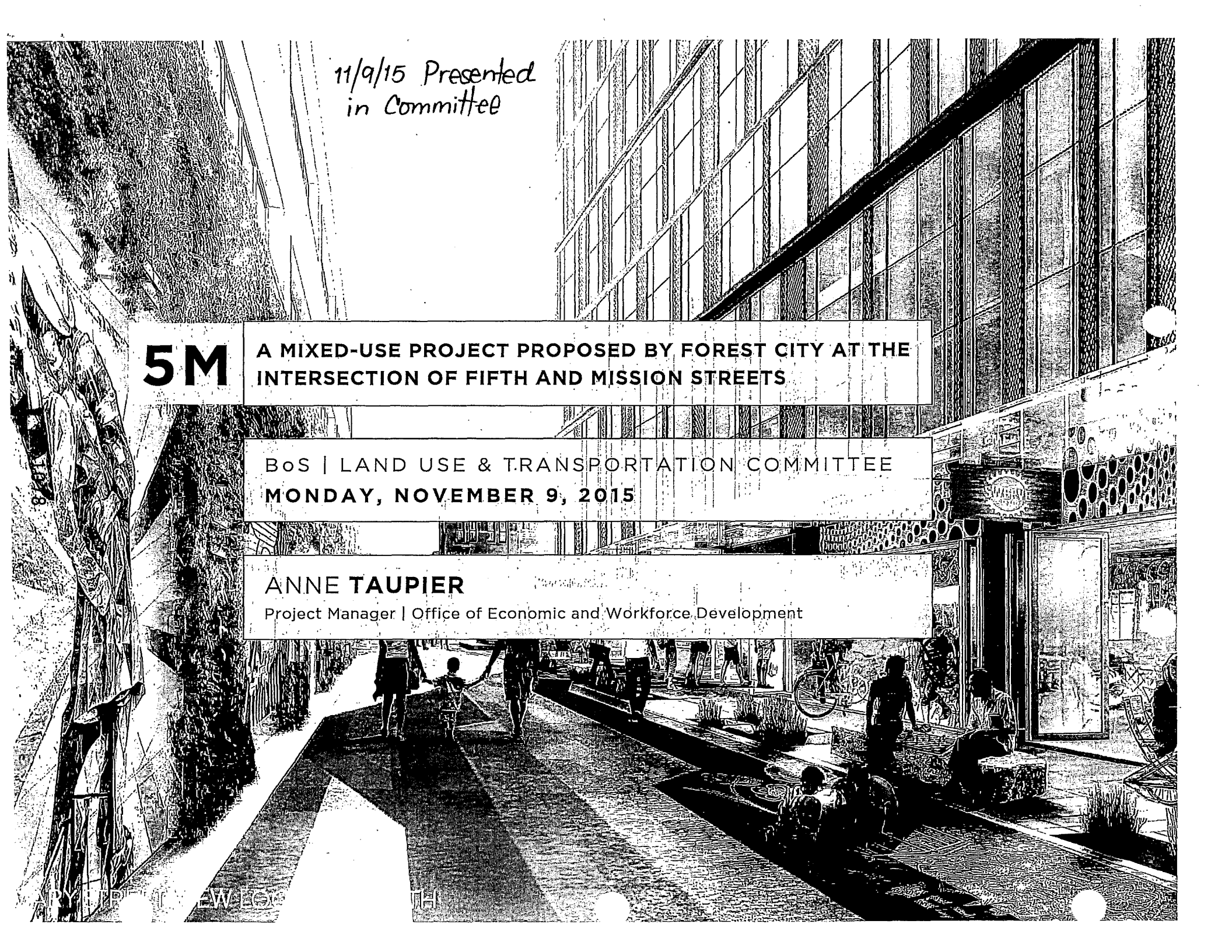
5M

**A MIXED-USE PROJECT PROPOSED BY FOREST CITY AT THE
INTERSECTION OF FIFTH AND MISSION STREETS**

**BoS | LAND USE & TRANSPORTATION COMMITTEE
MONDAY, NOVEMBER 9, 2015**

ANNE TAUPIER

Project Manager | Office of Economic and Workforce Development



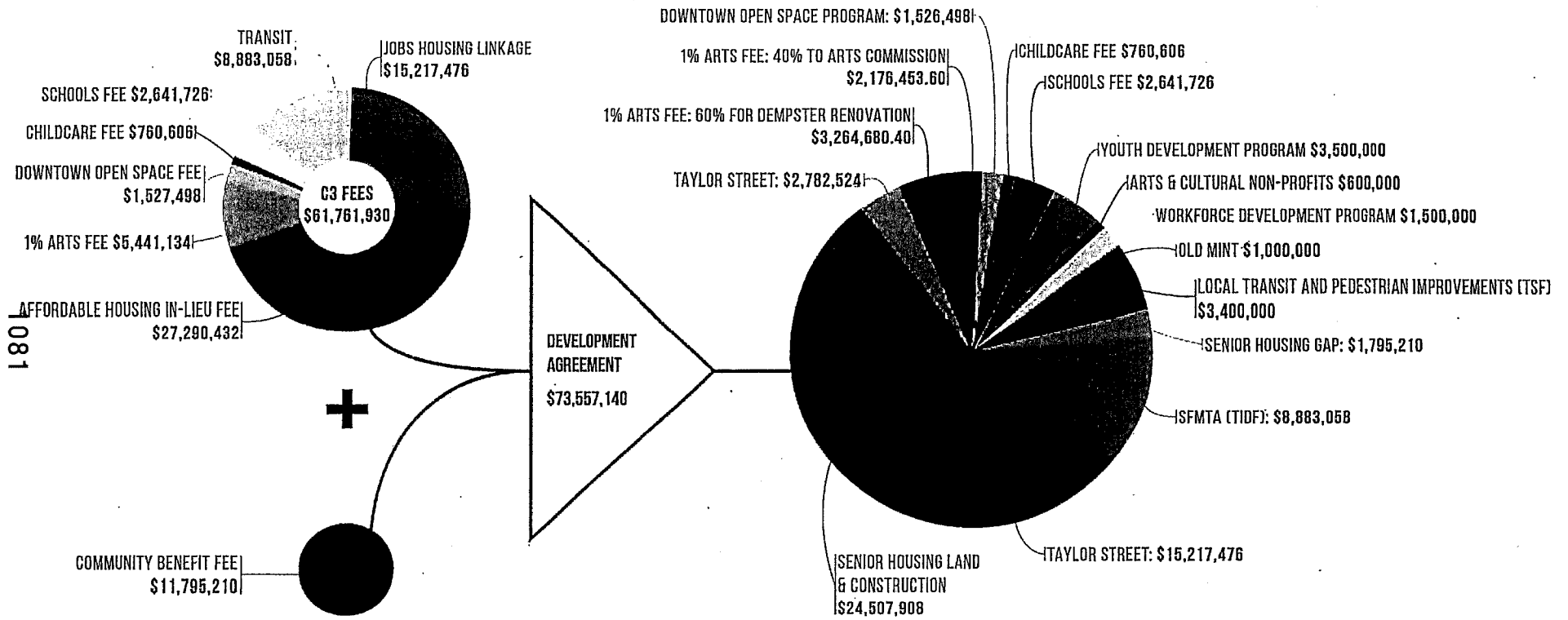
DEVELOPMENT AGREEMENT

- **Legally binding contract between City and project sponsor committing both parties to the following set of obligations:**
 - Developer gets vested development rights from the City for a period of 15 years
 - City gets a set of community benefits from the developer, many of which could not be required under regular zoning

BENEFITS

- **\$73.5 million in impact fees and community benefits contribution**
 - \$300,000 for Filipino Cultural Heritage District
 - 1 acre of publically accessible and privately maintained open space on-site
 - \$12 million transit and pedestrian safety improvements
 - \$1.5 million open space fee
 - \$1.5 million workforce development
 - \$6.8 million youth development, schools and childcare
 - \$5.4 million 1% arts contribution
 - Donation of the Dempster Building to the Community Arts Stabilization Trust (CAST)
 - \$600,000 additional funding for arts and cultural non-profits
 - \$1 million contribution for the Old Mint

FEES AND DISTRIBUTION



1081

AFFORDABLE HOUSING

242 units of new affordable housing including:

30% on-site – M-2 Residential Rental Building	88 units
Gap funding the 100% affordable project at 168 Taylor Street	71 units
Land dedication and funding the construction of senior units at 967 Mission Street	83 units
TOTAL BELOW MARKET RATE (BMR) UNITS:	242 units

OPEN SPACE

\$1.5 MILLION
DOWNTOWN OPEN SPACE FEE

48,600 SQUARE FEET
NEW PERMANENT OPEN SPACE WITHIN PROJECT SITE

26,100 SQUARE FOOT PARK ON MARY COURT

22,500 SQUARE FEET OF OPEN SPACE LOCATED ON THE ROOF OF
THE CHRONICLE BUILDING

ARTS, CULTURE AND NON-PROFIT OFFICE SPACE \$6 MILLION

- Donation of the 12,000 square foot historic Dempster Building to the Community Arts Stabilization Trust (CAST)**
- 1% Downtown Arts Trust - \$5.4 million:**
 - 60% to CAST – capital expenditure for the renovation of the Dempster building
 - 40% – Competitive Grant Funding for public art and cultural programming throughout the 5M Site
- \$600,000 to the Arts Commission to provide grants within the SoMa community to arts and cultural non-profits in need of technical assistance, capital improvements, expansion or stabilization**

WORKFORCE DEVELOPMENT

- **\$1.5 million towards workforce development programs within the SoMa impact area**
 - Workforce Job readiness and barrier removal programs for at risk populations including low-income youth
 - Job Seeking Resources for disadvantaged adults including individuals experiencing homelessness
 - Specialized Construction Training & Certificates
 - Informational and Communications (ICT) training and internships
 - Participation in City's First Source Program
 - LBE targets for construction and end uses

YOUTH DEVELOPMENT

- **\$6.8 million dedicated to youth development, educational resources, childcare, and community facilities**
 - \$1 million, distributed through DCYF, to the Bessie Carmichael Elementary School over a 3 year period for enhanced after school and summer programs; on-site volunteer tutoring and faculty training and development resources
 - \$1 million distributed to Recreation and Parks for the renovation of the Gene Friend Recreation Center
 - 1.5 million distributed through MOHCD to NCCLF for capital improvements, expansion and/or stabilization and technical assistance for non-profit organizations serving youth and families within the SoMa “impact area”
 - \$2.6 million Schools Fee
 - \$760,000 Childcare Fee

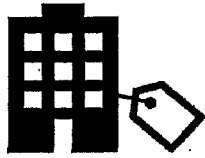
TRANSPORTATION

- **\$12.2 million in funding for transportation and pedestrian safety**
 - \$8.8 million Transportation Infrastructure Development Fee (TIDF)
 - \$3.4 million Transportation Sustainability Fee (TSF) dedicated to pedestrian and transportation safety improvements in the surrounding neighborhood, including a Mission Street mid-block cross walk between Mint Plaza and the future Mary Court open space
 - Transportation Demand Management (TDM) Program
 - Subsidized carshare membership and parking
 - TDM Coordinator on site
 - Trip reduction through parking strategies, bicycle and pedestrian amenities, subsidized carshare programs and TDM coordinator monitoring trip reduction target

THE OLD MINT

- \$1 million for capital improvements and technical studies related to the long term restoration of the historic Old Mint**
- \$350,000 will be distributed ahead of the First Building permit (upon finally granting the Development Agreement) in order to stabilize the building for public use and revenue generating activities**

CENTRAL SOMA TARGETED PUBLIC BENEFITS



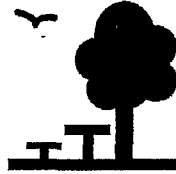
AFFORDABLE HOUSING

MAXIMIZE PRODUCTIONS AND PROTECTION



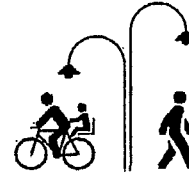
TRANSPORTATION

FUND IMPROVEMENTS TO LOCAL AND REGIONAL TRANSIT



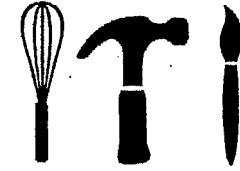
OPEN SPACE

ENSURE ACCESS TO HIGH QUALITY OPEN SPACE FOR ALL RESIDENTS AND WORKERS



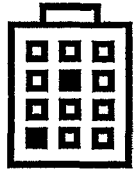
COMPLETE STREETS

MAKE EVERY STREET PLEASANT AND SAFE FOR BIKING AND WALKING



PRODUCTION/DISTRIBUTION/REPAIR (PDR)

ALLOW NO NET LOSS OF PDR JOBS



NON-PROFIT OFFICE

CREATE PROTECTED SPACE



COMMUNITY FACILITIES

ENSURE PROVISION OF HEALTH CLINICS, SERVICE PROVIDERS, AND ART SPACES FOR A GROWING COMMUNITY



HISTORIC PRESERVATION

FUND REHABILITATION OF IMPORTANT NEIGHBORHOOD AND CITYWIDE RESOURCES



CHILDCARE

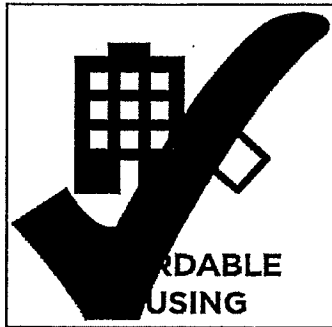
ENSURE PROVISION FOR GROWING COMMUNITY



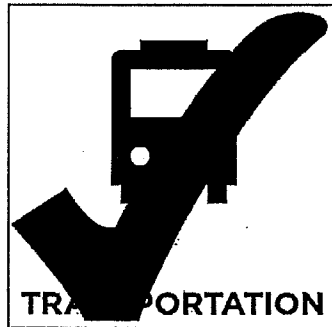
ENVIRONMENTAL SUSTAINABILITY

BE AN INTERNATIONAL MODEL

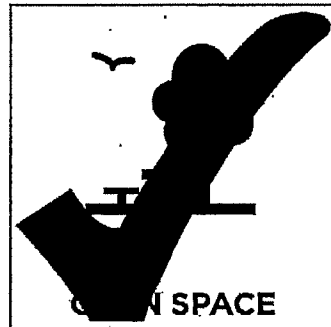
CENTRAL SOMA TARGETED PUBLIC BENEFITS



MAXIMIZE PRODUCTIONS AND PROTECTION



FUND IMPROVEMENTS TO LOCAL AND REGIONAL TRANSIT



ENSURE ACCESS TO HIGH QUALITY OPEN SPACE FOR ALL RESIDENTS AND WORKERS



MAKE EVERY STREET PLEASANT AND SAFE FOR BIKING AND WALKING



ALLOW NO NET LOSS OF PDR JOBS



CREATE PROTECTED SPACE



ENSURE PROVISION OF HEALTH CLINICS, SERVICE PROVIDERS, AND ART SPACES FOR A GROWING COMMUNITY



FUND REHABILITATION OF IMPORTANT NEIGHBORHOOD AND CITYWIDE RESOURCES



ENSURE PROVISION FOR GROWING COMMUNITY



BE AN INTERNATIONAL MODEL

CENTRAL SOMA

25
YEARS

22.5 M
SQUARE FEET

NEW DEVELOPMENT

\$89 PER
SQUARE FOOT

PUBLIC BENEFITS

5M
NEAR TERM

1.6 M
SQUARE FEET

OF DEVELOPMENT

\$90 PER
SQUARE FOOT

PUBLIC BENEFITS

TAILORED BENEFITS TO
SERVE THE IMMEDIATE
NEIGHBORHOOD,
ADDRESSING CRITICAL
AFFORDABLE HOUSING
NEEDS IN THE NEAR FUTURE

BUILDING OBLIGATIONS AND DISTRIBUTION

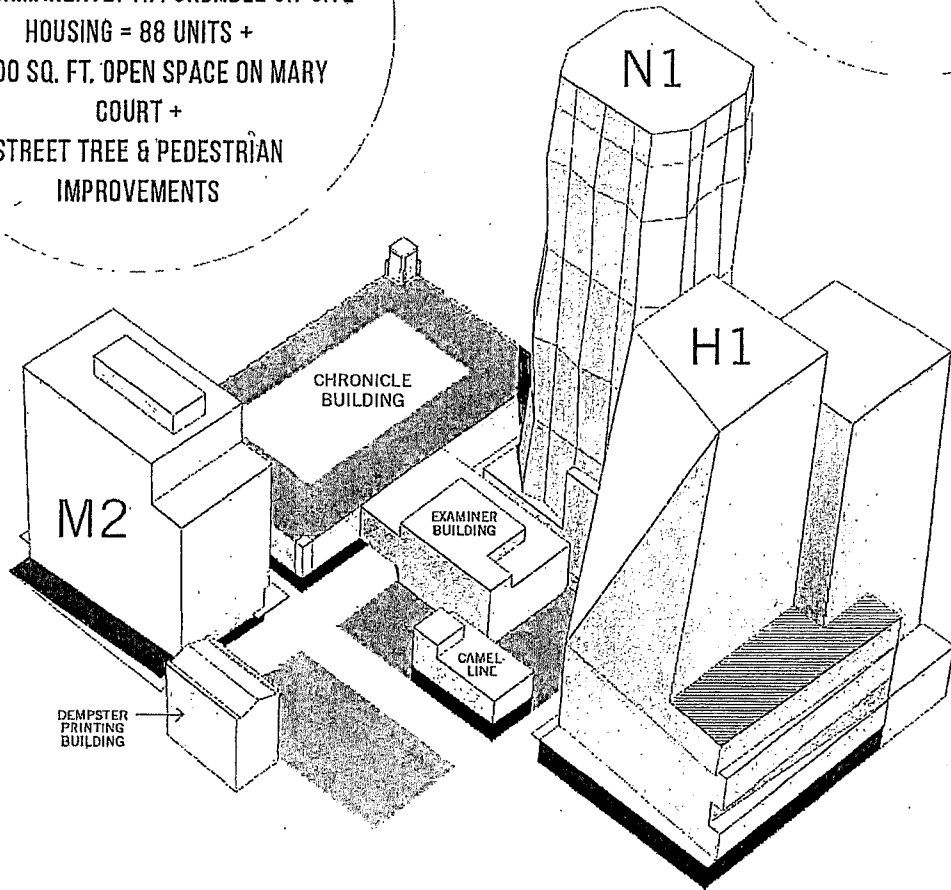
1092

M2
OBLIGATIONS
\$4,217,000+
 30% PERMANENTLY AFFORDABLE ON-SITE
 HOUSING = 88 UNITS +
 11,500 SQ. FT. OPEN SPACE ON MARY
 COURT +
 STREET TREE & PEDESTRIAN
 IMPROVEMENTS

N1
OBLIGATIONS
\$36,110,000+
 PEDESTRIAN IMPROVEMENTS ON
 FIFTH STREET + 23,000 SQ.
 FT. ROOFTOP OPEN SPACE

AFFORDABLE HOUSING
FIRST RECIPIENT OF FEES

H1
OBLIGATIONS
\$31,222,000+
 14,800 SQ. FT. OPEN SPACE MARY
 COURT + STREET TREE &
 PEDESTRIAN
 IMPROVEMENTS

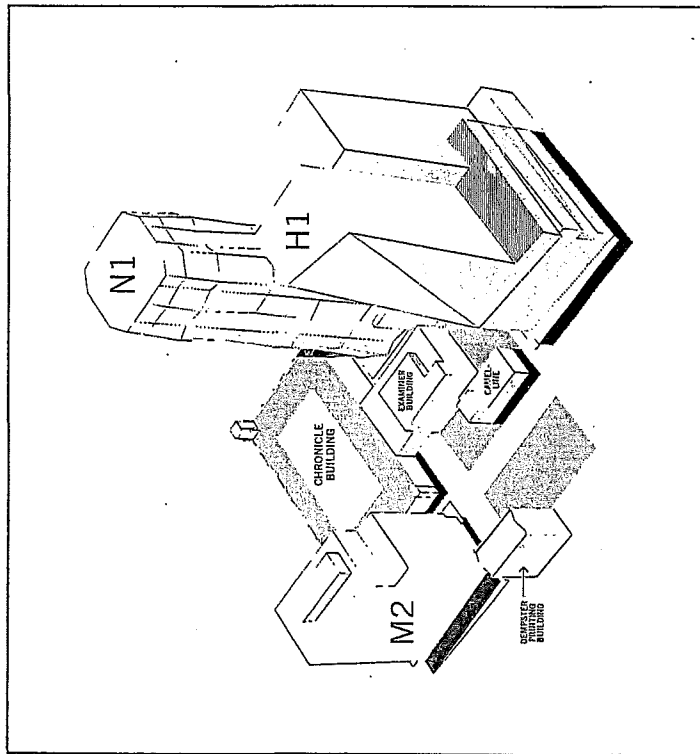




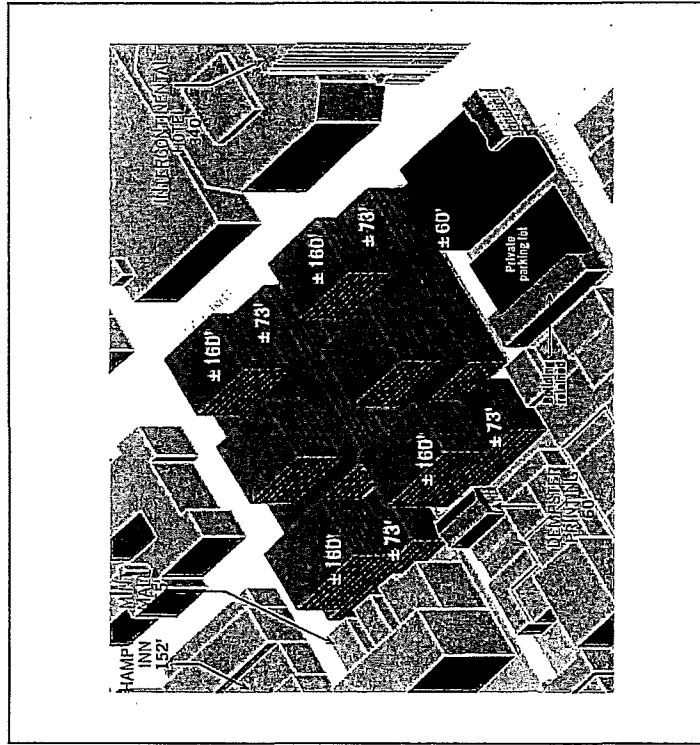
THANK YOU

CHRONICLE ROOFTOP

SCENARIO COMPARISON

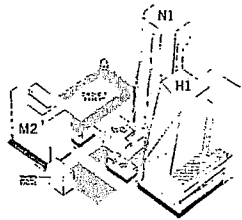
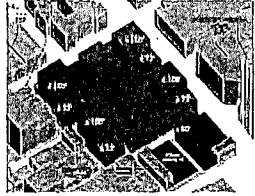


REVISED PROJECT WITH
DEVELOPMENT AGREEMENT



ASSUMED DEVELOPMENT
UNDER EXISTING ZONING

SCENARIO COMPARISON CHART

		REVISED PROJECT WITH DEVELOPMENT AGREEMENT 650,000 sq. ft. office, 152,000 sq. ft. retail, 850,000 sq. ft. residential		ASSUMED DEVELOPMENT UNDER EXISTING ZONING 790,000* sq. ft. office; & 60,000 sq. ft. commercial <i>*7.5 FAR assumes use of TDR</i>
Transit	\$ 8,883,058.00		\$ 11,832,700.00	
Jobs Housing Linkage	\$ 15,217,476.00		\$ 18,983,700.00	
Affordable Housing in-lieu fee	\$ 27,290,432.00		\$ 0.00	
Art Fee	\$ 5,441,134.00		\$ 0.00 (assumes on-site art instead of fee)	
Downtown Open Space fee	\$ 1,527,498.00		\$ 2,065,500.00	
Childcare Fee	\$ 760,606.00		\$ 1,028,500.00	
Schools Fee	\$ 2,641,726.00		\$ 330,650.00	
TOTAL BASE FEES	\$ 61,761,930.00		\$ 34,241,050.00	
5M Community Benefit Fee	\$ 11,795,210.00		\$ 0.00	
TOTAL FEES	\$ 73,557,140.00		\$ 34,241,050.00	

DIRECT PUBLIC BENEFITS		
On-Site Open Space	48,600 sq. ft. public open space; 26,100 sq. ft. ground level, 22,500 roof top	0 ground floor open space; 15,800 sq. ft. -roof top decks
Public Realm Improvements	Street trees, sidewalk widening, pedestrian safety improvements, midblock cross-walk, pedestrian only north Mary alley	Standard street and sidewalk improvements
Historic Building Retention	Preserves Chronicle, Dempster & Camelline Buildings - Contribution to the Old Mint	Preserves Dempster Building
New Market Rate Housing	631 units	0 units
Affordable Housing Totals	212 total units derived from: JHL + land dedication & in-lieu + on-site	75 units - JHL
Affordable Office	12,000 sq. ft. Dempster Building dedicated to non-profit arts & cultural uses	none

Amendment by Supervisor [unclear]
File 150788
Agenda Item #~~5~~4

11/9/15 Introduced
in Committee
(Accepted)

[Sidewalk Width]

[Insert at the end of DA Section 5.8]

If any City Agency with jurisdiction objects to a Subsequent Approval for any Building or any Improvement set forth in Section 1 of Exhibit G (including if the Improvement is part of a larger permit application) based upon the proposed width of a sidewalk, street or alley, then within five (5) business days of the objection being raised (whether raised formally or informally), representatives from Developer, MTA, DPW, Planning, and the objecting City Agency shall meet and confer in good faith to attempt to find a mutually satisfactory resolution to the objection that does not conflict with City policy, including the City's Better Streets Plan, its Transit First Policy, or any applicable streetscape plan, the Approvals or this Agreement. If the matter is not resolved within fourteen (14) days following the objection, then the Planning Director shall notify the members of the Board of Supervisors' Land Use Committee. The City Agencies and Developer agree to act in good faith to resolve the matter quickly and in a manner that does not conflict with City policy, the Approvals, this Agreement or applicable law. By entering into this Agreement, the City's Board of Supervisors has reviewed and approved the sidewalk, street and alley widths, as set forth in Exhibit G and the Design for Development, as consistent with the City's central policy objective to ensure street safety for all users while maintaining adequate clearances, including for fire apparatus vehicles.

11/9/15 Amendments by Supervisor Kim (Accepted)

[Development Agreement - 5M Project, LLC - Fifth and Mission Project]

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets, with various public benefits including a minimum percentage of affordable housing; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

NOTE: Additions are single-underline italics Times New Roman;
 deletions are ~~strike-through italics Times New Roman~~.
 Board amendment additions are double-underlined;
 Board amendment deletions are ~~strikethrough-normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Project Findings. The Board of Supervisors makes the following findings:

(a) California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.

1 (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth
2 certain procedures for the processing and approval of development agreements in the City
3 and County of San Francisco (the "City").

4 (c) 5M Project, LLC, a Delaware limited liability company ("Developer") owns and
5 operates the nearly 4-acre area generally between Mission, Fifth and Howard Streets
6 composed of 8 buildings and 7 surface parking lots on 22 parcels, containing approximately
7 317,700 gross square feet of existing office and commercial uses and approximately 219
8 parking spaces, including the historic Dempster Printing Building and Chronicle Building (the
9 "Project Site").

10 (d) Developer filed an application with the City's Planning Department for approval
11 of a development agreement relating to the Project Site (the "Development Agreement")
12 under Chapter 56. A copy of the Development Agreement is on file with the Clerk of the
13 Board in File No. _____. Developer also filed applications with the Department for
14 certain activities described in Exhibit B to the Development Agreement (together with the
15 Development Agreement, the "Project").

16 (e) The Project is a mixed use development that recognizes the transit-rich location
17 for housing and employment on the Project Site, including office, residential, retail, cultural,
18 educational, open space, parking and related uses. Specifically, the Project includes up to
19 807,600 gross square feet of office uses (including ground floor uses), up to 821,300 gross
20 square feet of residential uses (including both rental and ownership units), approximately
21 68,700 gross square feet of other active ground floor uses, and collectively up to 1,697,600
22 gross square feet of new construction and renovated existing building space, with
23 approximately ~~331,463~~ associated vehicle parking spaces in three subterranean levels,
24 approximately 429 Class 1 bicycle parking spaces, approximately 66 Class 2 bicycle parking
25

1 spaces, and approximately 59,500 square feet of public and private open space, all as more
2 particularly described in the Development Agreement.

3 (f) Concurrently with this Ordinance, the Board is taking a number of actions in
4 furtherance of the Project, as generally described in the Development Agreement, including
5 Exhibit I to the Development Agreement.

6 (g) The Project is anticipated to generate an annual average of approximately 1,200
7 construction jobs and, upon completion, approximately 3,150 net new permanent jobs and an
8 approximately \$12,100,000 annual increase in general fund revenues to the City. In addition
9 to the significant housing, jobs, urban revitalization, and economic benefits to the City from the
10 Project, the City has determined that development of the Project under the Development
11 Agreement will provide additional benefits to the public that could not be obtained through
12 application of existing City ordinances, regulations, and policies. Additional public benefits to
13 the City from the Project include: the creation of affordable housing units to equal to ~~thirty~~
14 three forty percent (4033%) of the total market rate housing units for the Project; a workforce
15 program; community benefits fees; the rehabilitation of the Chronicle and Dempster Printing
16 Buildings; and the retention of the Camelline Building, all as further described in the
17 Development Agreement. The Development Agreement will eliminate uncertainty in the City's
18 land use planning for the Project and secure orderly development of the Project Sites.

19 Section 2. CEQA Findings.

20 On _____, by Motion No. _____, the Planning Commission certified as
21 adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
22 Project pursuant to the California Environmental Quality Act (California Public Resources
23 Code Section 21000 et seq.) ("CEQA"). A copy of Planning Commission Motion No.

24 _____ is on file with the Clerk of the Board of Supervisors in File No. _____.

25 Also on _____, by Motion No. _____, the Planning Commission adopted findings,

1 including a statement of overriding considerations (the "CEQA Findings") and a Mitigation
2 Monitoring and Reporting Program ("MMRP"). Said Motion is on file with the Clerk of the
3 Board of Supervisors in File No. _____. On _____, the Board of Supervisors, in
4 Motion No. _____ affirmed the decisions of the Planning Commission to certify the
5 FEIR and rejected the appeal of the FEIR certification. Copies of the Planning Commission
6 No. _____ and Board of Supervisors Motion No. _____ are on file with the Clerk of the
7 Board of Supervisors in File No. _____. In accordance with the actions contemplated
8 herein, this Board has reviewed the FEIR and related documents, and adopts and
9 incorporates by reference as though fully set forth herein the CEQA Findings, including the
10 statement of overriding considerations, and the MMRP.

11 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

12 (a) The Board of Supervisors finds that the Development Agreement will serve the
13 public necessity, convenience and general welfare for the reasons set forth in Planning
14 Commission Resolution No. _____ and incorporates those reasons herein by reference.

15 (b) The Board of Supervisors finds that the Development Agreement is in conformity
16 with the General Plan, as proposed to be amended and when effective, and the eight priority
17 policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission
18 Resolution No. _____. The Board hereby adopts the findings set forth in Planning
19 Commission Resolution No. _____ and incorporates those findings herein by reference.

20 Section 4. Development Agreement.

21 (a) The Board of Supervisors approves all of the terms and conditions of the
22 Development Agreement, in substantially the form on file with the Clerk of the Board of
23 Supervisors in File No. _____.

24 (b) The Board of Supervisors approves and authorizes the execution, delivery and
25 performance by the City of the Development Agreement as follows: (i) the Director of

1 Planning and (other City officials listed thereon) are authorized to execute and deliver the
2 Development Agreement and consents thereto, and (ii) the Director of Planning and other
3 applicable City officials are authorized to take all actions reasonably necessary or prudent to
4 perform the City's obligations under the Development Agreement in accordance with the
5 terms of the Development Agreement. Without limiting the foregoing, the Director of the
6 Mayor's Office of Housing and Community Development is authorized to execute and perform
7 all City obligations under the Transfer Agreement attached to the Development Agreement for
8 the potential acquisition of certain real property located at 967 Mission Street, or, in the
9 alternative, to accept funds to be used for affordable housing as set forth in the Transfer
10 Agreement. The Director of Planning, at his or her discretion and in consultation with the City
11 Attorney, is authorized to enter into any additions, amendments or other modifications to the
12 Development Agreement that the Director of Planning determines are in the best interests of
13 the City and that do not materially increase the obligations or liabilities of the City or materially
14 decrease the benefits to the City as provided in the Development Agreement.

15 Section 5. Board Authorization and Appropriation.

16 By approving the Development Agreement, including its Exhibits, the Board of
17 Supervisors authorizes the Controller and City Departments to accept the funds paid by
18 Developer as set forth therein, to maintain separate accounts or subaccounts as
19 contemplated therein, and to appropriate and use the funds for the purposes described
20 therein. The Board expressly approves the use of the Impact Fees and Exactions for
21 affordable housing, art and other community benefits, as set forth in Exhibits D and H to the
22 Development Agreement, and waives or overrides any provision in Article 4 of the City
23 Planning Code and Article 10 of the City Administrative Code that would conflict with the uses
24 of these funds as described in the Development Agreement, including without limitation City
25 Planning Code Sections 411.6, 413.10, 415.5, 429.3, 429.5 and City Administrative Code

1 Section 10.100-29. The Board further authorizes the acquisition of the real property at 967
2 Mission Street in accordance with the Transfer Agreement.

3 Section 6. City Administrative Code Conformity.

4 The Development Agreement shall prevail in the event of any conflict between the
5 Development Agreement and City Administrative Code Chapters 14B and 56, and without
6 limiting the generality of the foregoing clause, for purposes of the Development Agreement
7 only, the provisions of City Administrative Code Chapters 14B and 56 are waived or its
8 provisions deemed satisfied as follows:

9 (a) The Project comprises nearly four acres and is the type of large multi-phase and/or
10 mixed-use development contemplated by the City Administrative Code and therefore is
11 hereby deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

12 (b) The provisions of Development Agreement Section 4.4 and the Workforce
13 Agreement attached to the Development Agreement as Exhibit F shall apply in lieu of the
14 provisions of City Administrative Code Chapter 14B, Section 14B.20 and Chapter 56,
15 Section 56.7(c).

16 (c) The provisions of the Development Agreement regarding any amendment or
17 termination, including those relating to "Material Change," shall apply in lieu of the provisions
18 of Chapter 56, Section 56.15.

19 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the
20 Memorandum of Understanding between Developer and the Mayor's Office of Economic and
21 Workforce Development for the reimbursement of City costs, a copy of which is on file with the
22 Clerk of the Board of Supervisors in File No. _____.

23 Section 7. Chapter 56 Waiver; Ratification.

24 (a) In connection with the Development Agreement, the Board of Supervisors finds
25 that the requirements of Chapter 56, as modified hereby, have been substantially complied

1 with and waives any procedural or other requirements of Chapter 56 if and to the extent that
2 they have not been strictly complied with.

3 (b) All actions taken by City officials in preparing and submitting the Development
4 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
5 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken
6 by City officials consistent with this Ordinance.

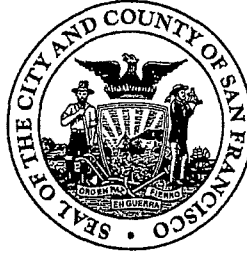
7 Section 8. Effective and Operative Date.

8 This ordinance shall become effective 30 days from the date of passage. This
9 Ordinance shall become operative only on (and no rights or duties are affected until) the later
10 of (a) 30 days from the date of its passage, or (b) the date that Ordinance _____,
11 Ordinance _____, and Ordinance _____ have become effective. Copies of said
12 Ordinances are on file with the Clerk of the Board of Supervisors in File No. _____.

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16
17 By: _____
18 Charles Sullivan
19 Deputy City Attorney
20 n:\financ\as2015\1400039\01032592.doc

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposals and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

- Date:** Monday, November 9, 2015
- Time:** 11:00 a.m.
- Location:** Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA
- Subject:** Fifth and Mission Project (5M Project)

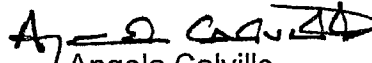
File No. 150787. Ordinance amending the Planning Code to add Section 249.74 to create the Fifth and Mission Special Use District; and amending Zoning Sectional Maps ZN001, SU001, and HT001 to reflect the Fifth and Mission Special Use District; and making environmental findings, including a statement of overriding considerations, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

File No. 150788. Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

File No. 150932. Ordinance amending the General Plan of the City and County of San Francisco by amending Map 1 of the Downtown Plan to reclassify Lot Nos. 005, 006, 008, 009, 012, and 098 in Assessor's Block No. 3725 as C-3-S (Downtown Support); amending Map 5 of the Downtown Plan to reclassify the height and bulk limits

in accordance with the Fifth and Mission Special Use District and Sectional Map HT001; amending Figures 2, 3, and 4 of the Downtown Plan to refer to the Fifth and Mission Special Use District, Planning Code, Section 249.74; amending Maps 4 and 5 of the Urban Design Element to refer to the Fifth and Mission Special Use District; amending Maps 2, 3, 5, and 7 of the South of Market Area Plan to remove Lot Nos. 005, 006, 008, 009, 012, and 098 in Assessor's Block No. 3725 from the boundaries of the South of Market Area Plan; and adopting findings, including environmental findings, Section 340, findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, November 6, 2015.


Angela Calvillo
Clerk of the Board

DATED: October 27, 2015
POSTED/PUBLISHED/MAILED: October 30, 2015



NOTIFICACIÓN DE AUDIENCIA PÚBLICA

JUNTA DE SUPERVISORES DE LA CIUDAD Y CONDADO DE SAN FRANCISCO COMITÉ SOBRE USO DE TIERRA Y TRANSPORTE

Fecha: Lunes, 9 de noviembre de 2015

Hora: 11:00 a.m.

Lugar: Cámara Legislativa, Alcaldía, Sala 250
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

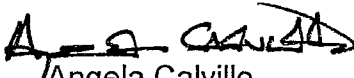
Asunto: Proyecto de la Quinta y Mission (Proyecto 5M)

Expediente Núm. 150787. Ordenanza que enmienda el Código de Planificación para agregar la Sección 249.74 para crear un el Distrito de Uso Especial de la Quinta y Mission; y enmendar los Mapas de Zonificación Regional ZN001, SU001, y HT001 para reflejar el Distrito de Uso Especial de la Quinta y Mission; y realizar hallazgos medioambientales, que incluye una declaración de consideraciones imperiosas, y conclusiones de coherencia con el Plan General, y ocho políticas prioritarias de la Sección 101.1 del Código de Planificación.

Expediente Núm. 150788. Ordenanza que aprueba el Acuerdo de Desarrollo entre la Ciudad y Condado de San Francisco y el Proyecto 5M, LLC, una sociedad de responsabilidad limitada de Delaware, para el Proyecto de la Quinta y Mission en el lugar de aproximadamente 4 acres que se encuentra en la Quinta Calle entre las Calles Mission y Howard; realizar conclusiones conforme con la Ley de Calidad Medioambiental de California, las conclusiones de conformidad con el Plan General de la Ciudad, y con las ocho políticas prioritarias de la Sección 101.1 del Código de Planificación (b); aprueba el uso de Tarifas de Impacto y Exacciones para viviendas asequibles y otros beneficios para la comunidad, como se establece en el Acuerdo de Desarrollo, y dispensa cualquier provisión contraria al Artículo 4 del Código de Planificación, al Artículo 10 del Código Administrativo; se autoriza la adquisición de bienes inmuebles en 967 de la calle Mission para viviendas asequibles; y confirma el cumplimiento o dispensación de ciertas provisiones de los Capítulos 14B y 56 del Código Administrativo, y ratifica ciertas acciones tomadas en relación con la misma.

Expediente Núm. 150932. Ordenanza que enmienda el Plan General de la Ciudad y Condado de San Francisco por medio de enmendar el Mapa 1 del Plan de Downtown que reclasifica los Lotes Núm. 005, 006, 008, 009, 012, y 098 en la Cuadra Núm. 3725 del Tasador como C-3-S (Apoyo a Downtown); enmienda el Mapa 5 del Plan de Downtown que reclasifica los límites de altura y tamaño de acuerdo con el Distrito de Uso Especial de la Quinta y Mission y el Mapa Regional HT001; enmienda

las figuras 2, 3, y 4 del Plan de Downtown para referirse al Distrito de Uso Especial de la Quinta y Mission, en la Sección 249.74 del Código de Planificación; enmienda los mapas 4 y 5 del Elemento de Diseño Urbano para referirse al Distrito de Uso Especial de la Quinta y Mission; enmienda los Mapas 2, 3, 5 y 7 del Plan de South of Market para quitar de los límites de los Lotes Núm. 005, 006, 008, 009, 012, y 098 en la cuadra Núm. 3725 del Tasador en South of Market; y adopta las conclusiones, que incluyen los hallazgos del medioambiente, la Sección 340, hallazgos, y conclusiones coherentes con el Plan General, y las ocho políticas prioritarias de la Sección 101.1 del Código de Planificación.


Angela Calvillo
Secretaria de la Junta

FECHADO: **27 de octubre de 2015**
PUBLICADO/ANUNCIADO/ENVIADO: **30 de octubre de 2015**



公聽會通知

三藩市市及縣市參事委員會
土地使用與交通運輸委員會

日期: 2015年11月9日星期一
時間: 早上11時
地點: 市政廳, 立法會議廳250室, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
議題: 5th街夾米慎街計劃 (5M 計劃)

檔案號碼 150787。 條例修訂規劃法規旨在增加第249.74條以創建5th街夾米慎街特別使用區; 並修訂區域劃剖面圖ZN001、SU001及HT001以反映5th夾米慎街特別使用區; 並作出環境裁斷, 包括凌駕性考量陳述, 以及作出與總體計劃, 及規劃法規第101.1條的八項優先政策相一致的裁斷。

檔案號碼 150788。 條例批准三藩市市及縣與5M計劃, LLC, 即Delaware有限責任公司之間有關5th街夾米慎街計劃的發展協議, 即位於約4英畝的米慎街夾Howard街之間的5th街處; 依據「加州環境質量法」(California Environmental Quality Act) 作出有關裁斷, 裁斷須符合市總體計劃, 以及規劃法規第101.1(b)條的八項優先政策; 批准使用可負擔住房及其它社區福利的影響費用及苛稅, 如發展協議上所規定, 並豁免規劃法規第4條或行政法規第10條上的任何衝突條文; 授權收購位於米慎街967號的可負擔住房類型的土地財產; 並確定遵從或豁免行政法規、第14B章及第56章的若干條文, 以及批准採取與之關聯的行動。

檔案號碼 150932。 條例修訂三藩市市及縣的總體計劃, 通過修訂市區計劃圖1, 重新分類評估街區號碼3725, 地段號碼 005、006、008、009、012及098, 即C-3-S (市區支持); 修訂市區計劃圖5, 旨在依據5th街夾米慎街特別使用區及剖面圖HT001, 重新分類高度及體積限制; 修訂市區計劃圖2、3及4, 請參閱5th街夾米慎街特別使用區, 規劃法規第249.74條; 修訂城市設計元素圖4和5, 請參閱5th夾米慎街特別使用區; 修訂市場南區計劃圖2、3、5及7, 旨在將評估街區號碼3725, 地段號碼005、006、008、009、012及098 從市場南區計劃的範疇內移除; 並通過裁斷, 包括環境裁斷、第340條裁斷, 以及與總體計劃及規劃法規第101.1條相一致的裁斷。


Angela Calvillo
市參事委員會書記

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Alisa Somera
 CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
 1 DR CARLTON B GOODLETT PL #244
 SAN FRANCISCO, CA 94102

EXM 2811229

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
 Ad Description AS - 11.09.15 Land Use - 5M Project

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/30/2015

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE MONDAY, NOVEMBER 9, 2015 - 11:00 AM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal on the FIFTH AND MISSION PROJECT (5M PROJECT) and said public hearing will be held as follows, at which time all interested parties may attend and be heard. File No. 150787. Ordinance amending the Planning Code to add Section 249.74 to create the Fifth and Mission Special Use District; and amending Zoning Sectional Maps ZN001, SU001, and HT001 to reflect the Fifth and Mission Special Use District; and making environmental findings, including a statement of overriding considerations, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. File No. 150788. Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 957 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken

in connection therewith. File No. 150932. Ordinance amending the General Plan of the City and County of San Francisco by amending Map 1 of the Downtown Plan to reclassify Lot Nos. 005, 006, 008, 009, 012, and 098 in Assessor's Block No. 3725 as C-3-S (Downtown Support); amending Map 5 of the Downtown Plan to reclassify the height and bulk limits in accordance with the Fifth and Mission Special Use District and Sectional Map HT001; amending Figures 2, 3, and 4 of the Downtown Plan to refer to the Fifth and Mission Special Use District, Planning Code, Section 249.74; amending Maps 4 and 5 of the Urban Design Element to refer to the Fifth and Mission Special Use District; amending Maps 2, 3, 5, and 7 of the South of Market Area Plan to remove Lot Nos. 005, 006, 008, 009, 012, and 098 in Assessor's Block No. 3725 from the boundaries of the South of Market Area Plan; and adopting findings, including environmental findings, Section 340, findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, November 8, 2015. - Angela Calvillo, Clerk of the Board



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BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee
Board of Supervisors

DATE: July 29, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150788

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment

____ Recommendation Attached

Chairperson, Small Business Commission

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

July 29, 2015

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On July 21, 2015, Mayor Lee introduced the following legislation:

File No. 150788

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A Ausberry".

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator

Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the City Controller

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee, Board of Supervisors

DATE: July 29, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following substitute legislation, introduced by Mayor Lee on June 21, 2015:

File No. 150788

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
Ted Egan, Chief Economist

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

July 29, 2015

File No. 150788

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On July 21, 2015, Mayor Lee introduced the following legislation:

File No. 150788

Ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the Fifth and Mission Project at the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the use of Impact Fees and Exactions for affordable housing and other community benefits, as set forth in the Development Agreement, and waiving any conflicting provision in Planning Code, Article 4 or Administrative Code, Article 10; authorizing the acquisition of real property at 967 Mission Street for affordable housing; and confirming compliance with or waiving certain provisions of Administrative Code, Chapters 14B and 56, and ratifying certain actions taken in connection therewith.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A. Ausberry".

By: Andrea Ausberry, Assistant Clerk
Land Use & Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED EDWIN M. LEE
BOARD OF SUPERVISORS
SAN FRANCISCO MAYOR

2015 JUL 21 PM 2:16

TO: Angela Calvillo, Clerk of the Board of Supervisors *ALB*
FROM: *EW* Mayor Edwin M. Lee *ML*
RE: Development Agreement – Fifth and Mission Project
DATE: July 21, 2015

Attached for introduction to the Board of Supervisors is an ordinance approving a Development Agreement between the City and County of San Francisco and 5M Project, LLC, a Delaware limited liability company, for the approximately 4-acre site located at Fifth Street between Mission and Howard Streets; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith.

I respectfully request that this item be calendared in Land Use Committee on October 19th, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

All Public Correspondence

related to the

Fifth and Mission Project (5M Project)
(File Nos. 150787, 150788, and 150932)

can be found in File No. 150787