

1 [Candlestick Point and Shipyard Phase 2 Redevelopment Project; Real Property Transfer and
2 Public Trust Exchange]

3
4 **Resolution approving and authorizing the execution, delivery and performance of (1) a**
5 **Real Property Transfer Agreement between the City and County of San Francisco and**
6 **the Redevelopment Agency of the City and County of San Francisco for Certain City**
7 **Property at Candlestick Point, and (2) a Title Settlement, Public Trust Exchange and**
8 **Boundary Line Agreement between the City and County of San Francisco (acting by**
9 **and through the Board of Supervisors and through the Port Commission), the**
10 **Redevelopment Agency of the City and County of San Francisco, the California State**
11 **Lands Commission and the California Department of Parks and Recreation, both**
12 **agreements being in furtherance of the Candlestick Point and Phase 2 of the Hunters**
13 **Point Shipyard Redevelopment Project.**

14
15 WHEREAS, Improving the quality of life of the residents of Bayview Hunters Point
16 ("BVHP"), is one of the City's highest priorities. Expediting the revitalization of BVHP will
17 provide long overdue improvements to the BVHP community that will also benefit the City as a
18 whole. Both the Hunters Point Shipyard and the Candlestick Activity Node, as defined in the
19 Bayview Hunters Point Redevelopment Plan (the "Candlestick Site," together with Phase 2 of
20 the Hunters Point Shipyard, the "Project Site"), are part of BVHP and together they make up
21 the largest area of under-used land in the City; and

22 WHEREAS, The Candlestick Site includes, among other things: (i) the Candlestick
23 Point State Recreation Area (the "CP State Recreation Area"), much of which is severely
24 under-improved, under-used and under-funded, and the restoration and improvement of which
25 has been a long-term goal of BVHP residents, the City and the State; and (ii) the City-owned

1 stadium, currently named Candlestick Park (the "Existing Stadium"), which is home to the
2 San Francisco 49ers and is nearing the end of its useful life; and

3 WHEREAS, For many years, the City and the Redevelopment Agency of the City and
4 County of San Francisco (the "Agency") have been working together to bring about the
5 revitalization of the Shipyard and the Candlestick Site, and in early 2007, the City's Board of
6 Supervisors and the Agency Commission endorsed a Conceptual Framework for the
7 integrated development of these two areas; and

8 WHEREAS, On June 3, 2008, the City's voters passed Proposition G, which:

9 (i) adopted overarching policies for the revitalization of the Project Site; (ii) authorized the
10 conveyance of the real property owned by the City at Candlestick Point under the jurisdiction
11 of the City's Recreation and Park Department ("RecPark") provided that there is a binding
12 commitment to replace the transferred property with other property of at least the same
13 acreage that will be improved and dedicated as public parks or open space in the Project Site
14 and further provided that the Board of Supervisors finds that the conveyance is consistent with
15 the policies contained in Proposition G; and (iii) urged the City, the Agency and all other
16 governmental agencies with jurisdiction to proceed expeditiously with revitalization of the
17 Project Site. Proposition G satisfied the requirement of City's Charter 4.113 that no City park
18 land may be sold for non-recreational purposes unless approved by a vote of the electors; and

19 WHEREAS, In 2009, the State legislature approved and the Governor signed and filed
20 with the Secretary of State Senate Bill Number 792 ("SB 792"), providing for the
21 reconfiguration of the CP State Recreation Area and improvement of the State's park lands, in
22 connection with the development of the Project Site. SB 792 permits the exchange of certain
23 public trust lands and the reconfiguration and improvement of CP State Recreation Area, in
24 furtherance of state public trust, park and redevelopment purposes; and

1 WHEREAS, The City's Planning Department and the Agency have undertaken a
2 planning and environmental review process for the Project (as defined below) and provided
3 for appropriate public hearings before the Planning Commission and the Agency Commission;
4 and

5 WHEREAS, There have been more than 230 public meetings, workshops and
6 presentations over the past three years on every aspect of the Project, including meetings
7 before the Agency Commission, the Planning Commission, the Board of Supervisors and
8 other City commissions and advisory and community groups; and

9 WHEREAS, The Planning Commission and the Agency Commission, respectively,
10 have certified the completion of a Final Environmental Impact Report for the Project (the
11 "EIR") in compliance with CEQA and the CEQA Guidelines; and

12 WHEREAS, The Planning Commission determined that the Project, and the various
13 actions being taken by the City and the Agency to approve and implement the Project, are
14 consistent with the General Plan and with the Eight Priority Policies of City Planning Code
15 Section 101.1, and made findings in connection therewith (the "General Plan Consistency
16 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File
17 No. 100572 and is incorporated into this Resolution by reference; and

18 WHEREAS, After years of planning and negotiations, and following certification the
19 EIR, the Agency entered a disposition and Development Agreement (the "DDA") with
20 CP Development Co., a Delaware limited partnership ("Developer"), for the redevelopment of
21 the Project Site (the "Project"). The Project, as further described in the DDA, includes up to
22 10,500 residential units, of which 32% will be offered at below market ~~affordable~~ rates,
23 ~~approximately 336~~ over 300 acres of new and improved public parks and open spaces, up to
24 885,000 square feet of regional and neighborhood-serving retail space, ~~up to 255,000 square~~
25 ~~feet of new and renovated replacement space for the Shipyard artists and a new arts center,~~

1 up to 2,650,000 square feet of commercial light industrial, research and development and
2 office space, a 150,000 square foot hotel, a 10,000-seat arena or other public performance
3 site, a 300-slip marina, a site in the Shipyard for a new stadium if the 49ers and the City timely
4 determine that the stadium is feasible, and up to 2,500,000 square feet of additional
5 commercial, light industrial, and research and development and office space if the stadium is
6 not built and land and supporting infrastructure for a new football stadium for the
7 San Francisco 49ers. If the 49ers do not choose to build a new stadium in the Project Site,
8 the Project includes a preferred non-stadium alternative, which would shift 1,625 housing units
9 from Candlestick Point to the stadium site, provide for an additional 500,000 square feet of
10 research and development space on the stadium site, and provide for approximately 326
11 acres of new and improved parks and open space. The Project is consistent with the
12 Conceptual Framework and Proposition G; and

13 WHEREAS, Concurrently with this Resolution, the Board of Supervisors is considering
14 a series of actions and approvals in furtherance of the Project, including the adoption of
15 amendments to the Hunters Point Shipyard Redevelopment Plan and the Bayview Hunters
16 Point Redevelopment Plan and various other actions to implement the Project. In accordance
17 with such actions, this Board adopted Resolution No. _____, concerning findings
18 pursuant to the California Environmental Quality Act (California Public Resources Code
19 sections 21000 et seq.), which resolution is on file with the Clerk of the Board of Supervisors
20 in File No. 100572 and is incorporated into this Resolution by reference; and

21 WHEREAS, To implement the Project, the Agency, the City and Developer have
22 negotiated, among other agreements: (i) an Agreement for the Transfer of Real Property,
23 dated as of June 3, 2010, by and between the City, acting by and through RecPark, and the
24 Agency (the "RecPark Land Transfer Agreement"), and (ii) a title settlement, public trust
25 exchange and boundary line agreement (the "Public Trust Exchange Agreement"; together

1 with the RecPark Land Transfer Agreement, the "City Land Agreements"), by and between
2 the Agency, the California State Lands Commission ("State Lands"), the City acting by and
3 through the Board of Supervisors and through the San Francisco Port Commission, and the
4 California Department of Parks and Recreation ("State Parks"). A copy of the RecPark Land
5 Transfer Agreement and the Public Trust Exchange Agreement are on file with the Clerk of
6 the Board under File No. 100660; and

7 WHEREAS, On June 17, 2010, the RecPark Commission recommended that the Board
8 of Supervisors approve the RecPark Land Transfer Agreement, and on June 8, 2010, the Port
9 Commission recommended that the Board of Supervisors approve the Public Trust Exchange
10 Agreement; and

11 WHEREAS, Under the RecPark Land Transfer Agreement, the City agrees to transfer
12 to the Agency at no cost the City's interest in the real property at Candlestick Point, including
13 the land currently leased to the San Francisco 49ers, and the Agency agrees to accept the
14 same on an "As-Is With All Faults" condition. The Agency agrees to use and dispose of this
15 property in furtherance of the Project and for no other purpose, and in accordance with the
16 requirements of Proposition G, including the requirement that the property currently under the
17 jurisdiction of RecPark (the "RecPark Property") not be transferred for development until there
18 is a binding commitment to create new public park or open space land areas at least equal in
19 size to the portion of the RecPark Property to be conveyed or used for non-recreational
20 purposes, as more particularly described in Proposition G; and

21 WHEREAS, Under the RecPark Land Transfer Agreement, the Agency covenants and
22 agrees to convey the RecPark Property to Developer as and when required under the DDA,
23 subject to satisfaction of the conditions of transfer set forth in the DDA, including the
24 requirements of Proposition G. With the foregoing covenant and agreement, the Board of
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1 Supervisors finds that the requirements set forth in Section 6 of Proposition G have been
2 satisfied; and

3 WHEREAS, Under the RecPark Land Transfer Agreement, the City has no obligation
4 to convey, and the Agency has no obligation to accept, all or any part of the property currently
5 leased to the 49ers before the 49ers lease terminates or expires and the 49ers vacate the
6 leased premises. Promptly following the 49ers departure, the City will convey the leased
7 premises to the Agency as contemplated by the RecPark Land Transfer Agreement; and

8 WHEREAS, Under the RecPark Land Transfer Agreement, the City agrees that it will
9 not amend the City's existing lease with the 49ers to extend the term beyond the current
10 outside termination date (May 2023) or terminate the 49ers lease and enter into a new lease
11 that extends beyond May 2023, unless the extension or new lease is approved by the Agency,
12 Developer, and State Parks; and

13 WHEREAS, There is no cash consideration paid by the Agency to the City for the
14 property transferred to the Agency under the RecPark Land Transfer Agreement. The
15 Agency's covenant and agreement to use the Property for the development of the Project is
16 valid and binding consideration for the City's conveyance of the Property. The Board of
17 Supervisors finds and agrees that the public interest or necessity demands, and will not be
18 inconvenienced by, the conveyance of the real property to the Agency as contemplated by the
19 RecPark Land Transfer Agreement. The City further finds and agrees that the City will
20 receive significant value from the development of the Project, including the many public and
21 community benefits and the parks and open spaces to be provided by the Project; and

22 WHEREAS, The purpose of this Public Trust Exchange Agreement is to settle certain
23 boundary and title disputes related to the common law public trust for commerce, navigation,
24 and fisheries ("Public Trust"), and to establish and reconfigure the location of lands subject to
25 the Public Trust and lands free of the Public Trust, through the conveyances, boundary line

1 agreements, and disclaimers provided for in the Public Trust Agreement, in furtherance of the
2 Project and the reconfiguration of CP State Recreation Area; and

3 WHEREAS, The Public Trust Exchange Agreement provides a mechanism for
4 implementing the Public Trust exchange permitted under SB 792, and contemplates that the
5 public trust exchange as described in the Public Trust Exchange Agreement (the "Public Trust
6 Exchange") will occur in phases upon the satisfaction of certain conditions and subject to the
7 approval of the State Lands Commission. The lands to be included in the Public Trust
8 Exchange lie within the eight separate areas, and the parties to the Public Trust Exchange
9 Agreement will effectuate the Public Trust Exchange through a series of conveyances of the
10 lands within those areas, as provided in the Public Trust Exchange Agreement; and

11 WHEREAS, Following the Public Trust Exchange, the entire waterfront within the
12 Project Site, as well as certain interior lands that have high Public Trust values, will be subject
13 to the Public Trust. The Agency (or, for certain streets, the City) will hold all of the Public
14 Trust lands outside of the CP State Recreation Area as trustee, in accordance with the
15 statutory grant in SB 792. The lands that will be removed from the Public Trust under the
16 Trust Exchange Agreement have been cut off from navigable waters, are no longer needed or
17 required for the promotion of the Public Trust, and constitute a relatively small portion of the
18 granted public trust lands within the City. The lands removed from the Public Trust, outside of
19 the CP State Recreation Area, will be conveyed to the Agency; and

20 WHEREAS, Consistent with the requirements of SB 792, the Public Trust Exchange
21 Agreement contains provisions to ensure that public access is provided to Public Trust lands
22 and that views of the Bay from certain Public Trust lands are protected; now, therefore, be it,
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25

1 RESOLVED, That the Board of Supervisors finds that the City Land Agreements are
2 consistent with the General Plan and with the Eight Priority Policies of City Planning Code
3 Section 101.1 for the reasons set forth in General Plan Consistency Determination, and, be it

4 FURTHER RESOLVED, That in order to effectuate the redevelopment of the Project
5 Site, and consistent with the requirements of Proposition G, the Board of Supervisors
6 approves the City Land Agreements, and authorizes the City's execution, delivery and
7 performance of the City Land Agreements substantially in the form in the Board's file; and, be
8 it

9 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
10 with respect to the City Land Agreements are hereby approved, confirmed and ratified; and,
11 be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor and the
13 City Administrator, together with any affected City department, to enter into any amendments
14 or modifications to the City Land Agreements that they determine, in consultation with the City
15 Attorney, are in the best interest of the City, do not materially decrease the benefits to or
16 materially increase the obligations or liabilities of the City, and are in compliance with all
17 applicable laws, including the City Charter.