

File No. 091460

Committee Item No. 5

Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 2/3/10

Board of Supervisors Meeting

Date 2/29/10

Cmte Board

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Completed by: Gail Johnson

Date 1/29/10

Completed by: [Signature]

Date 2/4/10

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

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1 [Authorizing the execution of an option to purchase interests in the properties located at 1600
2 and 1670 Owens Street, San Francisco and acquire related design and construction plans.]

3 Ordinance approving City's execution of option agreement for purchase of (i) real
4 property located at 1600 Owens Street, San Francisco, California for purpose of
5 construction of new laboratory building for use by the City's Office of the Chief Medical
6 Examiner and the Forensic Science Division, (ii) tenancy-in-common interest in the
7 land and existing parking structure located at 1670 Owens Street San Francisco,
8 California, (iii) rights to use existing permitted base building design and construction
9 documents in connection with City's proposed construction of new laboratory building
10 at 1600 Owens Street, and (iv) acquisition of rights and assumption of obligations
11 under certain existing design and development contracts related to such proposed
12 laboratory building construction; exempting acquisition by City of existing permitted
13 base building design and construction documents and related design or construction
14 contracts from Chapter 6 of City's Administrative Code; adopting findings under the
15 California Environmental Quality Act and findings pursuant to the City Planning Code
16 Section 101.1; and ratifying previous actions taken in connection therewith.

17
18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Findings. The Board of Supervisors of the City and County of
20 San Francisco hereby finds and declares as follows:

21 A. Defendants, jurors, prosecutors, defense attorneys, and judges rely on the
22 highest expectations for scientific evidence in the determination of guilt or innocence.

23 B. The Office of the Chief Medical Examiner (OCME) investigates sudden,
24 unexpected and violent deaths and provides forensic laboratory studies in toxicology,
25

1 chemistry, histology, and evidence processing to the City and to both state and federal law
2 enforcement agencies.

3 C. The Office of the Chief Medical Examiner needs to be able to provide reliable
4 and credible science to the justice system and to the families of such unexpected and violent
5 deaths.

6 D. The Office of the Chief Medical Examiner is currently located in essentially the
7 same facilities at the Hall of Justice at 850 Bryant Street since the 1950's.

8 E. The San Francisco Police Department (SFPD) Investigations Bureau, Forensic
9 Science Division (FSD) comprises the Criminalistics Laboratory, Crime Scene Investigation,
10 Computer Forensics Unit, ID/Records section, Photographic Unit, and Polygraph Unit, and
11 provide essential analysis of evidence to the justice system in the City.

12 F. The SFPD Forensic Services Division is currently located in two separate
13 locations (at the Hall of Justice and Building 606 in the Hunters' Point Naval Shipyard) both of
14 which are also outdated and inefficient facilities. In addition, the bifurcation of the SFPD
15 Forensic Services Division between the Hall of Justice and Building 606 in the Hunters' Point
16 Naval Shipyard inhibits the effective management of personnel and processes, essential to
17 sustaining the all-important evidence chain of custody.

18 G. DNA testing has a proven track record of determining both guilt and innocence
19 of crime suspects.

20 H. The Office of Chief Medical Examiner and the SFPD Forensics Sciences
21 Division work closely on unexplained deaths in the City.

22 I. Both the Office of Chief Medical Examiner and the SFPD Forensics Sciences
23 Division require highly specialized facilities with higher floor-weight requirements, special
24 ventilation and filtration, hazardous materials storage and disposal, provision of specialty
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1 gases (hydrogen, helium, etc), higher slab to slab heights, emergency power, and specialized
2 loading and delivery, among other items, in order to maintain their accreditations.

3 J. A new, fully accredited facility will significantly improve the capacity of the
4 forensic science services to provide reliable and timely evidence.

5 K. The Board supports providing the justice system with the highest standards for
6 prompt and reliable scientific evidence.

7 L. A combined Office of Chief Medical Examiner and the SFPD Forensics Sciences
8 Division facility will not only save on duplicated requirements but produce better efficiency in
9 service to the public.

10 M. The Real Estate Division has identified a (1) fully entitled site of approximately
11 72,199 sq. ft. of land, commonly known and numbered as 1600 Owens Street and also
12 identified as Assessors Block 8709 / Lot 20 together with all rights and privileges incidental or
13 appurtenant to the land (the "1600 Owens Land") for the construction of a new centrally
14 located laboratory building (the "Forensics Science Center") to house both the Office of the
15 Chief Medical Examiner and the Forensic Science Division in close to proximity to the Hall of
16 Justice and (2) a twenty and seventeen one hundredths percent (20.17 %) tenancy-in-
17 common interest (the "Parking Garage TIC") in the land and existing parking structure located
18 at 1670 Owens Street and also identified as Assessor's Block 8709/Lot 22 (the "Parking
19 Garage"). The Parking Garage is a 6-level (including the roof level), approximately 252,170
20 sq. ft. structure consisting of approximately 803 total parking spaces on approximately 86,260
21 sq. ft. of land, San Francisco. The proposed Forensic Science Center project meets the
22 specific needs of both the Office of the Chief Medical Examiner and the Forensic Science
23 Division with only minor modification.

24 N. ARE-SAN FRANCISCO NO.15, LLC, a Delaware limited liability company
25 ("ARE"), which currently owns the 1600 Owens Land and the Parking Garage, has expended

1 substantial efforts, costs, and time to obtain project approvals and has worked, and continues
2 to work, with architects, engineers, a contractor, and other consultants to make the minor
3 modifications to the plans required by the Office of the Chief Medical Examiner and the
4 Forensic Division to expedite the delivery of the Forensics Science Center project and save
5 the City money. In connection with such efforts, ARE has caused the preparation by Studios
6 Architecture of "warm shell" building plans and construction documents dated April 4, 2008
7 and Addendums 1 through 6 (collectively, the "Building Plans") with respect to the proposed
8 construction of the Forensics Science Center project and has entered into contracts or similar
9 arrangements for design and/or consulting services with Studios Architecture, DPR
10 Construction, and other consultants and engineers (collectively, the "Development
11 Contracts").

12 O. In connection with the proposed development of the Forensic Science Center
13 project, City's Department of Public Works retained Crime Lab Design to prepare preliminary
14 fixtures and interior improvements plans designed for the specialized needs of the Office of
15 Chief Medical Examiner and the SFPD Forensics Sciences Division. Those fixtures and
16 interior improvements plans are based upon the Building Plans and will have little, if any,
17 value if the City elects to not purchase the Property.

18 P. The Real Estate Division believes that buying a fully entitled site will not only
19 save substantially time in the development of such a facility but, because of the downturn in
20 the construction industry, may save the City monies in the cost of construction.

21 Q. The Board intends to seek voter approval of a general obligation bond to provide
22 funding for the acquisition of land and to enable construction of a new Forensic Science
23 Center.

24 R. The City, as optionee, and ARE, as optionor, have executed a Term Sheet
25 dated December 11, 2009 (the "Term Sheet"), a copy of which is on file with the Clerk of the

1 Board, for an option to purchase the following assets: (1) the 1600 Owens Land, (2) a
2 tenancy-in-common interest in the adjacent parking garage at 1670 Owens Street, and (3) an
3 assignment to City, to be accompanied by a release of ARE or its assignee, with respect to all
4 of ARE's rights and obligations to or arising under the Building Plans and the Design
5 Contracts (collectively, the "Option Property").

6 S. Under the Term Sheet, the City's obligation to consummate the purchase of the
7 Option Property is conditioned upon (1) voter approval of such a general obligation bond or
8 similar issuance of debt in an amount sufficient to pay the purchase price for the Property (the
9 "Purchase Price") and construct the new Forensic Science Center, (2) prior approval of the
10 exercise of the purchase option and payment of the Purchase Price pursuant to the option
11 agreement by the Mayor and the Board, and (3) the satisfaction of other closing conditions
12 specified in the Term Sheet on or before May 31, 2011.

13 T. On 1/7/2010, the Department of City Planning adopted and issued
14 a General Plan Consistency Finding, a copy of which is on file with the Clerk of the Board,
15 wherein the Department of City Planning found that the acquisition of the Property, and the
16 execution and performance of the proposed purchase agreement with respect to the Property
17 are consistent with the City's General Plan and with the Eight Priority Policies under Planning
18 Code Section 101.1.

19 U. The 1600 Owens Street Land is also known as Parcel 4 of Blocks 41-43 in the
20 Mission Bay South Redevelopment Plan Area. The Redevelopment Agency Commission by
21 Resolution No. 199-2000 and Resolution No. 163-2005, adopted CEQA Findings and
22 approved a Major Phase and a Revised Major Phase submission for Blocks 41-43, finding the
23 proposed Major Phase development and Revised Major Phase development as within the
24 scope of impacts analyzed in the FSEIR. The Redevelopment Agency Commission by
25 Resolution No. 149-2006 approved a combined basic concept and schematic design for a

1 proposed project containing laboratory, office, retail and ancillary uses, finding the basic
2 concept and schematic design within the scope of the project analyzed in the FSEIR.
3 Redevelopment Agency Commission Resolutions No. 199-2000, No. 163-2005 and No. 149-
4 2006 are on file with the Clerk of the Board in File No. and incorporated in this Ordinance by
5 this reference. The Forensic Science Center will consist of laboratory, office and ancillary
6 uses consistent with the uses approved for the 1600 Owens Street Land site and the uses
7 analyzed in the FSEIR and is therefore within the scope of the project analyzed in the FSEIR.

8 Section 2. Approval of the proposed Option Agreement. The Board hereby
9 approves the terms and conditions of the Term Sheet for an option to purchase the Property
10 and directs and authorizes the Director of Property (or her designee) to take all actions
11 reasonably necessary or prudent to enter into an option to purchase agreement ("Option
12 Agreement") with respect to the purchase of the Property substantially on the terms and
13 conditions contained in the Term Sheet and in a form approved by the City Attorney..

14 Section 3. Authority to Take Actions to Facilitate the Execution of an Option
15 Agreement. The Mayor, the City Attorney, the Director of Property, the Director of Public
16 Finance, and other officers of the City and their duly authorized deputies and agents are
17 hereby authorized and directed, jointly and severally, to take such actions and to negotiate,
18 execute and deliver option payments to secure an Option Agreement as they may deem
19 necessary or desirable to facilitate the purchase of the Property and to prepare for the
20 issuance of general obligation debt or other similar financing to pay the Purchase Price.

21 Section 4. Authority to Take Actions to Facilitate the Execution of Contracts with the
22 Studios Architecture, DPR Construction, or either of them; Exemption from Chapter 6 of the
23 City's Administrative Code. The Mayor, the City Attorney, the Director of Property, the City
24 Administrator, the Director of Public Finance, the Director of Public Works, and other officers
25 of the City and their agents are hereby authorized and directed to take such actions and to

1 negotiate, execute, and deliver such contracts, assignments, releases, or other instruments as
2 they may deem necessary or desirable and in the best interests of the City to allow the
3 development and construction of the Forensic Science Center project, including contracts,
4 assignments, releases, or other instruments necessary, in the opinion of any such authorized
5 City agent, in consultation with the City Attorney, to allow City's use of the Building Plans, to
6 assume and acquire ARE's or its assignee's obligations and rights under the Development
7 Contracts, to provide for the release of ARE or its assignee of any obligations under or with
8 respect to the Building Plans and the Development Contracts, and to provide for the
9 construction of Forensic Science Center project. The Board hereby finds that any such
10 contract, assignment, release, or other instrument is exempt from the competitive
11 requirements of Chapter 6 of the City's Administrative Code, including Sections 6.40, 6.41,
12 and 6.68(A) through 6.68(E).

13 Section 5. Adoption of Findings of Department of City Planning.

14 (a) The Board hereby adopts and incorporates herein by reference the findings of
15 the Department of City Planning in the General Plan Consistency Finding that the proposed
16 Property is in conformity with the Master Plan and is consistent with the Eight Priority Policies
17 of Planning Code Section 101.1.

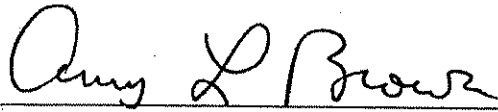
18 (b) The Board has reviewed and considered the CEQA Findings and statement of
19 overriding considerations that it previously adopted, and reviewed and considered the above
20 referenced CEQA Findings of the Redevelopment Agency Commission and hereby adopts
21 these additional CEQA Findings as its own. The Board additionally finds that implementation
22 of the Forensic Science Center in Mission Bay (i) does not require major revisions in the
23 FSEIR due to the involvement of new significant environmental effects or a substantial
24 increase in the severity of previously identified significant effects, (ii) no substantial changes
25 have occurred with respect to the circumstances under which the project analyzed in the

1 FSEIR will be undertaken that would require major revisions to the FSEIR due to the
2 involvement of new significant environmental effects, or a substantial increase in the severity
3 of effects identified in the FSEIR, and (iii) no new information of substantial importance to the
4 project analyzed in the FSEIR has become available which would indicate that (A) the
5 Forensic Science Center will have significant effects not discussed in the FSEIR; (B)
6 significant environmental effects will be substantially more severe; (C) mitigation measures or
7 alternatives found not feasible which would reduce one or more significant effects have
8 become feasible; or (D) mitigation measures or alternatives which are considerably different
9 from those in the FSEIR will substantially reduce one or more significant effects on the
10 environment.

11 Section 6. Authorizing the Director of Property. The Board authorizes the Director of
12 Property to execute, on behalf of the City, any documents which the Director of Property, in
13 consultation with the City Attorney, believes are in the best interests of City and further the
14 intent of this Ordinance.

15 Section 7. Ratification of Prior Actions. All actions authorized and directed by this
16 Ordinance and heretofore taken are hereby ratified, approved, and confirmed by this Board.

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18 RECOMMENDED:

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20 _____
21 Director of Property

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23 _____
24 City Administrator


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San Francisco Police Department
Chief of Police



Director of Public Works

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

By: 

Richard Handel
Deputy City Attorney

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11/11/11

LEGISLATIVE DIGEST

[Authorizing the execution of an option to purchase interests in the properties located at 1600 and 1670 Owens Street, San Francisco and acquire related design and construction plans.]

Ordinance approving City's execution of option agreement for purchase of (i) real property located at 1600 Owens Street, San Francisco, California for purpose of construction of new laboratory building for use by the City's Office of the Chief Medical Examiner and the Forensic Science Division, (ii) tenancy-in-common interest in the land and existing parking structure located at 1670 Owens Street San Francisco, California, (iii) rights to use existing permitted base building design and construction documents in connection with City's proposed construction of new laboratory building at 1600 Owens Street, and (iv) acquisition of rights and assumption of obligations under certain existing design and development contracts related to such proposed laboratory building construction; exempting acquisition by City of existing permitted base building design and construction documents and related design or construction contracts from Chapter 6 of City's Administrative Code; adopting findings under the California Environmental Quality Act and findings pursuant to the City Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

Existing Law

Pursuant to the proposed ordinance, the Board would approve the execution by the City of an option agreement for the purchase of the land located at 1600 Owens Street, San Francisco, California, a tenancy-in-common interest in an existing parking garage located at 1670 Owens Street, rights to use existing permitted base building design and construction documents in connection with City's proposed construction of the new forensic science center on the 1600 Owens Street property, and the acquisition of rights and assumption of obligations under certain existing design and development contracts related to the new forensic science center. The Board will also adopt findings under the California Environmental Quality Act and findings pursuant to the City Planning Code Section 101.1 and ratify previous actions taken in connection with the development of the new forensic science center project.

Amendments to Current Law

Chapter 6 of the City's Administrative Code sets forth the contracting policies and procedures for contracts for public works or improvements, including the procurement of professional design, consulting and construction management services for public work projects. The proposed ordinance, if adopted, will result in an exemption from the competitive requirements of Chapter 6 of the City's Administrative Code with respect to existing and proposed design and construction contracts relating to the proposed new forensic science center to be built on the 1600 Owens Street property.

Item # 5
File 09-1460
 (continued from January 27, 2010)

Department(s):
 Real Estate Division, Department of Public Works,
 Police Department, Fire Department

EXECUTIVE SUMMARY

Legislative Objectives

- Ordinance approving an Option Agreement between the City and ARE-San Francisco No. 15, LLC (ARE), for up to \$1,100,000, to purchase (a) vacant land at 1600 Owens Street, (b) a tenancy-in-common interest in an adjacent parking garage, and (c) rights to two existing contracts to design and build a new Forensic Sciences Center, requiring the Board of Supervisors to waive the City's Administrative Code competitive bidding requirements.

Fiscal Impacts

- The proposed \$1,100,000 Option Agreement would be paid with (a) \$100,000 in General Funds appropriated in the FY 2009-2010 Budget (File 09-0779), and (b) up to \$1,000,000 future appropriations, subject to Board of Supervisors approval. All Option Agreement payments would be applied towards the purchase price of the 1600 Owens Street property, such that the effective cost of the Option Agreement would be zero.

Key Points

- An ordinance calling for a special election on June 8, 2010 to submit a proposition to San Francisco voters to issue \$652,070,000 in Earthquake Safety and Emergency Response General Obligation Bonds is currently pending before the Board of Supervisors (File 09-1458), which would provide \$238,600,000 for the subject new Forensic Sciences Center. Should the voters disapprove the proposed General Obligation Bonds on June 8, 2010, the City will forfeit \$100,000 in Option Agreement Payments.
- The Real Estate Division initially planned to purchase a completed Forensic Sciences Center from ARE. However, ARE, after contracting for design services and general construction contractor services, decided not to proceed with construction of the building. The Real Estate Division is now requesting that the City functionally replace ARE as the developer of the Forensic Sciences Center by purchasing the (a) vacant land, and (b) ARE's rights to two existing design and general construction contracts.
- Because these two previously awarded contracts for design and general construction contractor services, estimated to cost \$30,110,000, were not awarded according to the City's required competitive bidding process, the proposed ordinance would waive the City's Administrative Code competitive bidding requirements. These two contracts would still be subject to the City's LBE subcontracting requirements and other needed contracts would be subject to the City's competitive bidding requirements.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Chapter 6 of the City's Administrative Code establishes competitive bidding requirements for public works projects. The proposed ordinance would waive such competitive bidding requirements for two existing contracts for design and general construction contractor services for the City's proposed new Forensic Science Center, because such contracts were previously awarded by ARE-San Francisco No. 15, LLC, the property owner at 1600 Owens Street.

Background

An ordinance calling for a special election on June 8, 2010 for the purpose of submitting to the voters a proposition to issue \$652,070,000 in Earthquake Safety and Emergency Response General Obligation Bonds, is currently pending before the Board of Supervisors (File 09-1458). Such a bond issuance would provide \$238,600,000 for the construction of a new Forensic Sciences Center at 1600 Owens Street in Mission Bay. The new Center, which contains a total of 250,000 square feet and has ten stories, would serve as the new facility for both the Forensic Services Division of the San Francisco Police Department and the Office of the Chief Medical Examiner. Currently, the Forensic Division is divided into two locations: (a) the City-owned Hall of Justice at 850 Bryant Street, which, according to Mr. John Updike, Assistant Director of Real Estate at RED, is seismically unsound, and (b) a leased facility at Hunter's Point Naval Shipyard (Building 606), which must be vacated when the Hunter's Point Shipyard is redeveloped. The Office of the Chief Medical Examiner is currently located in the Hall of Justice.

The Real Estate Division previously planned to purchase a completed Forensic Sciences Center building from a real estate developer, and the current owner of 1600 Owens Street, ARE-San Francisco No. 15, LLC (ARE). However, ARE, after acquiring the property, contracting with Studios Architecture for design services and DPR Construction for general construction contractor services, decided not to proceed with construction of the building. The Real Estate Division is now requesting that the City functionally replace ARE as the developer of the Forensic Sciences Center by purchasing the (a) vacant land, (b) design plans, and (c) ARE's rights to its existing contracts for design and general construction contractor services.

The proposed new Forensic Sciences Center Project, a ten-story, 250,000 square foot building to be located at 1600 Owens Street in the Mission Bay neighborhood, is currently estimated to cost \$238,600,000, as shown below in Table 1 below:

Table 1: Estimated Costs for the Forensic Sciences Center Project

“Development Package” Cost	\$40,845,000
Closing Costs Related to the Purchase of the Vacant Land at 1600 Owens Street	1,845,000
Architecture and Engineering	14,430,000
Construction Management Services	14,900,000
Geotechnical Surveys and Other Environmental Work	630,000
City Staff Costs and Regulatory Agency Approvals	9,150,000
Construction	156,800,000
Total	\$238,600,000

As part of the overall \$238,600,000 General Obligation Bond funds provided for the new Forensic Sciences Center, the City would purchase a “development package”, at a cost of \$40,845,000, from ARE-San Francisco No. 15, LLC (ARE), the current owner of 1600 Owens Street, which includes the following: (a) 72,199 square feet of vacant land at 1600 Owens Street, (b) a 20.17 percent tenancy-in-common interest¹ in an adjacent parking garage, (c) existing building plans for the construction of a new Forensic Sciences Center at 1600 Owens Street, and (d) the right to execute two existing contracts to build a new Forensic Sciences Center which were previously awarded and negotiated by ARE.

The attached memorandum from Mr. Updike (Attachment I), states that purchasing the proposed construction-ready “development package” represents the most cost-effective option for the City to create a consolidated modern forensic laboratory because (a) the subject land currently has many of the permits necessary for constructing the proposed building and (b) the project has already completed the environmental review required by the California Environmental Quality Act, such that purchasing the proposed “development package” would allow the City to avoid the costs of delays associated with permitting and environmental review at a different location. The Budget Analyst notes that a cost benefit analysis has not been completed which includes specific cost savings estimates which would be realized by the City as a result of the new Forensic Sciences Center being constructed under the proposed “development package” approach as compared to both (a) leasing space for a new Forensic Sciences Center and (b) designing and constructing a new Forensic Sciences Center through the usual City public works construction required competitive bidding procedures. Although, as shown in Attachment II, Mr. Updike provided a summary analysis of options for the City to obtain a new Forensic Sciences Center, that analysis did not include the estimated cost savings which would result from utilizing the proposed “development package” approach.

Construction of the proposed new Forensic Sciences Center is estimated to begin in April of 2011 and be completed in approximately two years, or by June of 2013.

¹ A tenancy-in-common interest is a method of owning a portion of real property without legally subdividing such real property into independent parcels.

DETAILS OF PROPOSED LEGISLATION

The Real Estate Division is requesting approval of the proposed ordinance which would (a) authorize the purchase, at a price of up to \$1,100,000, of an Option Agreement with ARE to provide the City with the exclusive option to purchase the “development package” no later than May 31, 2011, and (b) waive the City’s competitive bidding requirements established in Chapter 6 of the Administrative Code for two existing contracts for design and general construction contractor services, because the “development package” includes the right to execute two existing contracts which were previously awarded by ARE.

The proposed Option Agreement initially provides for the City’s exclusive option to purchase the “development package” until July 31, 2010, with up to two extensions at the option of the City, as shown in Table 2 below.

Table 2: Option Periods and Cost

	<u>Option Period End Date</u>	<u>Cost</u>
Base Option Period	July 31, 2010	\$100,000
First Extension of Option Period	December 31, 2010	500,000
Second Extension of Option Period	May 31, 2011	500,000
Total of Up To:		\$1,100,000

According to Mr. Updike, the initial \$100,000 cost of the Option Agreement would come from General Fund monies previously appropriated by the Board of Supervisors for the Real Estate Division on July 28, 2009 (File 09-0997). Mr. Updike advised that the remaining up to \$1,000,000 total cost for the First and Second Option Periods would be funded from future General Fund appropriations, to be requested by the Real Estate Division in separate future supplemental appropriation requests, subject to Board of Supervisors appropriation approval. According to the terms of the proposed Option Agreement, all Option Agreement payments made by the City to ARE would be applied as a credit towards the purchase of the \$40,845,000 (see Table 1 above) “development package”, such that the cost of the proposed Option Agreement would be effectively eliminated. If the San Francisco electorate rejects the proposed issuance of General Obligation Bonds at a special election proposed to be held on June 8, 2010, the City will forfeit the first option payment of \$100,000 as shown on Table 2 above.

According to Mr. Updike, such an Option Agreement is necessary because (a) the Real Estate Division considers the “development package” approach to construct a new Forensics Sciences Center as the most cost-effective option for the City, (although, as noted above, a cost-benefit analysis which estimates the specific cost savings achieved by the “development package” approach has not been completed), and (b) the owner could otherwise sell the 1600 Owens Street property prior to the special election proposed to be held on June 8, 2010. Therefore, the Real Estate Division is now requesting approval of the proposed ordinance which would provide the City with the exclusive option to purchase the “development package”.

FISCAL IMPACTS

The proposed \$1,100,000 Option Agreement, between the City and ARE-San Francisco No. 15, LLC, would be paid from (a) \$100,000 in General Fund monies previously appropriated by the Board of Supervisors for the Real Estate Division in the FY 2009-2010 Annual Appropriation Ordinance (File 09-0779), and (b) additional future appropriations totaling up to \$1,000,000, subject to Board of Supervisors approval, should the City elect to extend the Option Period in which the City can exercise the purchase option.

All Option Agreement payments would be applied towards the purchase price of the optioned property, such that as long as the City purchases 1600 Owens Street, the effective cost of the payments made under the Option Agreement would be zero. However, should the voters disapprove the proposed issuance of General Obligation Bonds on June 8, 2010, the City will forfeit the first option payment of \$100,000 as shown in Table 2 above.

POLICY CONSIDERATIONS

The proposed legislation would waive the City's competitive bidding requirements for the existing design and general construction contractor services included in the "development package" for the proposed new Forensics Sciences Center.

As discussed above, the proposed "development package" to be purchased from ARE includes (a) 78,199 square feet of vacant land at 1600 Owens Street, (b) a tenancy-in-common interest in an adjacent parking garage, (c) existing building plans for the construction of a new Forensic Sciences Center at 1600 Owens Street, and (d) the right to execute two existing contracts between (a) ARE and Studios Architecture for design services, and (b) ARE and DPR Construction for general construction contractor services.

However, because these two existing contracts were not awarded according to the City's competitive bidding process required for City funded public works projects, the proposed ordinance would waive those requirements for the two existing contracts which were originally awarded by ARE. Those two contracts would still be subject to the Local Business Enterprise subcontracting requirements established by Chapter 14B of the Administrative Code, and any subsequent award of contracts to subcontractors would be subject to the City's competitive bidding requirements.

Mr. Updike estimates that \$30,110,000 of work would be performed under the two existing contracts for which the City's usual competitive bidding requirements of the City would be waived.

The Budget Analyst notes that the City would not be obligated to use ARE's existing contract with DPR Construction for general construction contractor services, and could award a new general construction contractor contract, including special consideration for those contractors with experience in building laboratory space or other relevant qualifications, subsequent to the

competitive bidding process required by Chapter 6 of the Administrative Code. However, according to Mr. Updike, use of competitive bidding at this time would result in increased construction costs to the City as a result of delays which would be caused by the competitive bidding procedures.

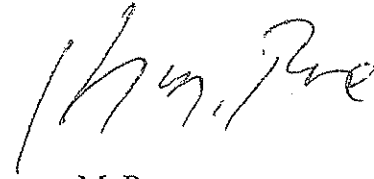
This item was previously considered by the Budget and Finance Committee at its meeting of January 27, 2010, and was continued by the Committee until February 3, 2010, in order for the appropriate City departments to provide additional information regarding the new Forensic Sciences Center Project.

The Budget and Finance Committee requested (a) any previously completed cost-benefit analyses showing detailed calculations of estimated savings with regard to using the "development package" approach to construct the new Forensic Sciences Center as compared to leasing space or building a new facility through the City's usual competitive bidding process, (b) information regarding the competitive process which the San Francisco Redevelopment Agency required ARE – San Francisco No. 15, LLC to utilize in awarding the two existing contracts with DPR Construction and Studio Architecture, (c) details of how the cost of the Forensic Sciences Center Project has changed over time, and (d) the documentation to support any increased amount which would be needed for the proposed General Obligation bond issuance to fund the construction of the new Forensic Sciences Center, should the Board of Supervisors not approve the waiver of the City's competitive bidding requirements, under Chapter 6 of the Administrative Code, for the two existing contracts previously approved by ARE.

Mr. Updike stated that the information requested by the Budget and Finance Committee would be presented during the Committee's meeting of February 3, 2010.

RECOMMENDATION

Because the proposed ordinance would waive the City's competitive bidding requirements for two contracts previously awarded by ARE-San Francisco No. 15, LLC for design and general construction contractor services related to the proposed new Forensic Sciences Center, approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Avalos
Supervisor Mirkarimi
Supervisor Elsbernd
President Chiu
Supervisor Alioto-Pier
Supervisor Campos
Supervisor Chu
Supervisor Daly
Supervisor Dufty
Supervisor Mar
Supervisor Maxwell
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner



Amy L. Brown
Director of Real Estate

MEMORANDUM

DATE: January 21, 2010

TO: Nathan Cruz, Budget Analyst
Office of the Budget & Legislative Analyst

FROM: John Updike
Assistant Director, Real Estate

SUBJECT: 1600 Owens Street Development & ESER G. O. Bond Initiative

You requested additional information to supplement your report to the Budget and Finance Committee on the subject topics. Two areas required additional detail.

1. 1600 Owens Project Delivery Advantages

There are many advantages of a consolidated agreement for the purchase of not only developable land, but also entitlements, design & construction documents, and securing the use of the design team and the general contractor in one agreement. Entitled land, ready for construction, adds value to the buyer (the City) in reduced processing time for any remaining permits (some permits have already been secured, some infrastructure work on site has already been completed), and in the savings of having CEQA clearance. With this proposal, the time for the team to complete construction drawings is substantially reduced.

The subcontractor selection process remains subject not only to standard City Public Works bidding requirements, but also to those of the Mission Bay South Redevelopment Plan, insuring significant San Francisco resident subcontracting and job production.

2. Changes in Square Footage from Existing Locations

The Forensic Services Division and Office of the Chief Medical Examiner will see substantial increases in net and gross square footage from existing locations, by occupying the proposed facility at 1600 Owens. The drivers for this increase are:

- Office and lab space in existing locations are sub-standard in terms of size, and will not meet anticipated accreditation standards.
- Forecasted staff growth through at least 2020 must be met, requiring additional space.
- The workload in these two fields is surging, due to demands of the criminal justice system, legislative initiatives at local, state and federal levels, and increased jury expectations.

The functions relocating to the new Police Headquarters at 3rd and Mission Rock from Hall of Justice reflect a modest increase in space from existing. This is mainly due to the fact that prior staff growth at the Hall of Justice hasn't been met by an increase in the footprint of the Police Department at the Hall of Justice, so a pent-up demand is being met through this design. Additionally, forecasted staff growth is being accommodated. The Southern District Station footprint is actually lighter in the new facility than exists at the Hall of Justice. That is a reflection of a more efficient design, as well as changes over time in how police services are delivered to the community.

It should be noted that two nationally recognized firms were selected by the City to perform programming studies for the uses to be located at either 1600 Owens or 3rd and Mission Rock, and the program presented here reflects their recommendations, based on national standards and accreditation requirements where applicable.

C: Amy L. Brown, Director of Real Estate
Charles Higuera, DPW-BOA Project Manager
Brian Strong, Director of Capital Planning

The City (Real Estate Division, Department of Public Works, Capital Planning, among others) considered several alternatives for an OCME/SFPD Forensics' requirement. These alternatives were both long term and short term. The following summarizes that analysis:

Option 1) Renovating the Hall of Justice.

Renovating the Hall of Justice meant spending funds on a building the City needs to replace. It also would cause operational issues for the users and unnecessary costs for temporary operations during construction. In addition, it leaves the OCME and a portion of the FSD in a non super seismic building.

Option 2) Leasing and then customizing existing Lab space both in the San Francisco and in South San Francisco.

Leasing and customizing space (including the lower priced space found in South San Francisco) would require a substantial capital investment in a leased property and a substantial up front cost and annual costs to the General Fund.

Option 3) A lease with a COP purchase (General Fund).

Obtaining an option to purchase using Certificate of Participation funding was also considered but deemed not economically feasible due to the annual costs to the general fund.

Option 4) Building on City owned land.

Building on City owned land was also considered. However, because of the use, delivery of such a Lab intensive building was estimated to be no earlier than October 2016 and potentially substantially later.

Option 5) Purchasing land with existing zoning appropriate for the OCME/FSD uses.

Mission Bay offered land zoned for the OCME/FSD use. Several sites (and buildings) in Mission Bay were investigated. 1600 Owens offered

- (a) full entitlements
- (b) close to "construction ready" plans, permits and approvals
- (c) and a desirable central location

Buying a fully entitled and close to construction ready site allows the City to take advantage of the depressed construction industry pricing that DPW consultants estimate

to be between 5% and 20% from 2008 on the actual hard costs of construction - the largest cost of the project. In addition, based on current economic conditions, the Real Estate Division was able to negotiate a 26% discount to the Seller's asking prices and is confident that those negotiated purchase prices will be confirmed by a MAI appraisal.

Thus, 1600 Owens Street with its associated parking was deemed the most prudent alternative.



Amy L. Brown
Director of Real Estate



OPTION TERM SHEET

Purchase of fee interest in 1600 Owens Land and
Tenancy-in-common interest in 1670 Owens Parking Garage
December 11, 2009

This Option Term Sheet ("Term Sheet") is intended to summarize the basic economic terms and conditions for a proposed Option to Purchase Agreement (the "Option Agreement") between the City & County of San Francisco, a California municipal corporation ("City"), and ARE-SAN FRANCISCO NO.15, LLC, a Delaware limited liability company ("ARE"), or its assignee, (either ARE or its assignee, "Seller") with respect to City's purchase of the property described below using proposed voter-approved general obligation bonds.

1) Option Property:

a) The entire real property commonly known as 1600 Owens Street consisting of approximately 72,199 sq. ft. of land and also identified as Assessors Block 8709 / Lot 20, together with all rights and privileges incidental or appurtenant to such real property (the "1600 Owens Land"), and all of Seller's right, title, and interest in and to any all entitlements, approvals, licenses, and permits, along with the existing permitted base building construction documents (The "1600 Owens Entitlements") for a 10-story, 232,000 rentable sq. ft., 249,000 gross sq. ft. laboratory building (The "1600 Owens Building").

The City acknowledges that the 1600 Owens Land is located in the Mission Bay South Redevelopment Plan Area and as such, the land, entitlements, and proposed construction is subject to a number of agreements and instruments regarding the development of the land and development and financing of the infrastructure to support the development of the land (the "Mission Bay Restrictions"). City acknowledges that among other items, the Mission Bay Restrictions require payment of ad valorem taxes, potential Community Facility District ("CFD") and other taxes and fees as if City were an entity not exempt from such taxation.

b) A Twenty and Seventeen Hundredths percent (20.17%) tenancy-in-common interest (the "Parking Garage TIC") in the land and existing parking

Option Term Sheet

1600 Owens Land and Tenancy-in-common interest in 1670 Owens Parking Garage

December 11, 2009

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structure located at 1670 Owens Street and also identified as Assessor's Block 8709/Lot 22 (the "Parking Garage"). The Parking Garage is a six (6)-level (including the roof level), approximately 252,170 sq. ft. structure consisting of approximately 803 total parking spaces on approximately 86,260 sq. ft. of land.

c) An assignment of all of Seller's rights, title, and interest in the "warm shell" building plans and construction documents dated April 4, 2008 and Addendums 1 through 6 (collectively, the "Building Plans") and prepared by Studios Architecture with respect to the 1600 Owens Building. In addition, an assignment of all of Seller's rights, title, and interest in any contracts (acceptable to City) (the "Development Contracts") with Studios Architecture, any consultants, engineers and/or DPR Construction with respect to the design or development of the 1600 Owens Building, its construction, and/or such Building Plans. Such assignments shall be accompanied by a full release and discharge of Seller by Studios Architecture, DPR Construction, and any such engineers or consultants of any of Seller's obligations with respect to the Building Plans and such assignments.

Together (1a), (1b), and (1c)) the "Property"

2) Option Term and Payments: Within thirty (30) days of the Effective Date (defined as a fully executed, exchanged, and approved agreement), City shall pay Seller the sum of One Hundred Thousand Dollars (\$100,000) for an option to purchase the property, exercisable by Buyer at any time after the Effective Date and expiring on July 31, 2010. To extend the term of the option to purchase for an additional five (5)-month period (through December 31, 2010), City shall make an additional payment of Five Hundred Thousand Dollars (\$500,000). City may extend the option term for close of escrow until May 31, 2011 if (a) the voters approve a general obligation bond or other similar financing vehicle in an amount not less than the purchase price prior to December 31, 2010 and (b) by making an additional \$500,000 option payment prior to December 31, 2010.

3) Purchase Price: The purchase price shall be based on the following formula:

- (i) Thirty-One Million One Hundred Twenty-Five Thousand Dollars (\$31,125,000) (approximately \$125 per buildable sq. ft.) for the 1600 Owens Land and Entitlements,
- (ii) plus Nine Million Seven Hundred Twenty Thousand Dollars (\$9,720,000) (approximately Sixty Thousand Dollars (\$60,000) per stall) for the Parking Garage TIC,
- (iii) less a credit for all option payments paid by City
- (iv) less a credit for typical transfer taxes if waived

collectively (the "Purchase Price"), payable to Seller in cash or other immediately available funds upon close of escrow.

4) Closing: The purchase and sale of the Property will be consummated (the "Closing") through an escrow with a title company selected by Seller from City's list of approved title companies. Closing will occur prior to the expiration of the last option period (May 31, 2011).

5) Building Plans and Development Contracts: A material part of the consideration for City's purchase is the rights to use of the Building Plans and its assumption of Seller's rights and obligations under the Development Contracts. On At Closing Seller shall transfer and assign to City all of its right, title, and interest in the Building Plans and the Development Contracts acceptable to City, including all associated drawings, contracts, reports, and related documents.

6) Title: Seller will convey fee simple title to the 1600 Owens Land and the 1600 Owens Building, together with all rights, privileges, easements, and appurtenances thereto, by grant deed to City, or its nominee, free and clear of all liens, encumbrances and other title exceptions including leases (recorded or unrecorded) and other contracts, whether or not of record, except solely for (i) a lien for real property taxes and assessments not yet due or payable, (ii) the Mission Bay Restrictions, and (iii) other exceptions as are approved by City at its sole discretion and will not affect the value or City's intended use of the Property (the "Permitted Title Exceptions").

Seller will convey the Parking Garage TIC, together with all rights, privileges, easements and appurtenances thereto, by grant deed to City, or its nominee, free and clear of all liens, encumbrances and other title exceptions including leases (recorded or unrecorded) and other contracts, whether or not of record, except solely for (i) a lien for real property taxes and assessments not yet due or payable, (ii) the Mission Bay Restrictions and (iii) other exceptions as are approved by City in its sole discretion and will not affect the value or City's intended use of the Property (the "Parking Garage Permitted Title Exceptions").

City, or its nominee, will receive at the close of escrow (i) title insurance from a title company approved by City, insuring good and marketable title in City, or its nominee, with respect to the 1600 Owens Land, the 1600 Owens Building, and the Parking Garage TIC (collectively, the "Option Real Property") under an ALTA owner's form extended coverage policy in the amount of the Purchase Price, subject only to the Permitted Title Exceptions and the Parking Garage Permitted Title Exceptions and containing such endorsements as City may request, and (ii) a current ALTA survey of the Property in accordance with the requirements of City and the title company.

7) Conditions: Notwithstanding City's obligations to make the option payments in accordance with the terms and conditions of the Option Agreement, City's obligation

Option Term Sheet

1600 Owens Land and Tenancy-in-common interest in 1670 Owens Parking Garage

December 11, 2009

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to purchase the Property will be subject to the satisfaction of the following conditions, as determined by City at its sole and absolute discretion.

(a) Commitment of Funding. Voter approval of a bond issuance for the project of not less than Three Hundred Million Dollars (\$300,000,000) for the purchase of the Property and the construction and completion of the project.

(b) Review of Title Matters. City's review and approval, within fifteen (15) days after the receipt of the later of (i) a current preliminary title report with respect to the Option Real Property, (ii) an ALTA survey with respect to the Option Real Property and (iii) all matters affecting title to the Option Real Property, including copies of all documents referred to such preliminary title report. City's purchase of the Property shall be subject to City's and Title Company's review and acceptance of a Seller-provided current ALTA survey prepared by a surveyor acceptable to City and any and all other documents relating to title.

(c) Review of Construction Documents. City's review and approval, within forty-five (45) days after receipt of the Building Plans and all other documents related to the construction of the project.

(e) Review of Environmental Condition. City's review and approval, within ninety (90) days after receipt of all reports in ARE and its assignee's (if any) possession relating to the environmental condition of the Property. In addition, at City's option, City may commission an additional environmental report(s) by a licensed engineering or environmental firm selected by City that shows to City's sole satisfaction there are no unacceptable environmental hazards on or about the Land or the Project and that neither the Property (including soil and groundwater conditions), nor any property in the vicinity of the Property, have been contaminated or are threatened to be contaminated with any hazardous material. City and its agents shall be allowed full access to the property to perform any and all testing desired by City (as provided below in Paragraph 9, Delivery of Documents).

(f) Review of Other Matters. City's review and approval, within forty-five (45) days after the mutual execution and delivery of this Term Sheet, of all other matters relating to the Option Real Property and its intended use, including receipt of a formal MAI appraisal, investigation of the Option Real Property's current zoning and use designation, and review of all reports and records in ARE and its assignee's (if any) possession or available possession (as provided below in Paragraph 9, Delivery of Documents).

(g) CEQA Compliance. City's compliance with all applicable laws, including, without limitation, the California Environmental Quality Act (CEQA), prior to approval by any City Commission, and/or by City's Board of Supervisors. City shall retain the absolute discretion before any action under the Option Agreement

or otherwise in connection with the project contemplated by this Term Sheet or the Option Agreement by the Board of Supervisors or any other City Commission, as applicable, to (i) request modification to the form of the transaction documents as may be necessary to mitigate significant impacts, (ii) balance the benefits against any significant environmental impacts prior to taking final action or (iii) determine not to proceed with the transactions contemplated or the project pursuant to this Term Sheet or the Option Agreement; provided, however, City may not take any action which would be binding on Seller or the Property if Closing does not occur.

8) City's Board of Supervisors' Approval. The option to purchase contemplated by the Option Agreement shall be subject to approval by City's Board of Supervisors and Mayor, at their respective sole and absolute discretion, within ninety (90) days after the mutual execution and delivery of this Term Sheet.

9) Delivery of Documents; Right of Entry: No later than five (5) days after the mutual execution of this Term Sheet, Seller will deliver to City copies of all material documents pertaining to the condition or development of the Property, including any environmental reports, studies or inspections, environmental regulatory agency permits, soils reports, surveys, engineering reports, building permits, notices of any statute or code violation pertaining to the Property for the previous five (5) years and documents pertaining to the resolution thereof, and any all other documents that are of material significance to the Property. Seller will also provide to Buyer promptly upon receipt by Seller with any updates or supplements to the foregoing as information becomes available. In the event that ARE assigns its rights under this Term Sheet or the Option Agreement to an assignee, ARE shall promptly provide such assignee with all copies of any of the foregoing documents or information in its possession promptly upon such assignment or, in the event it gains possession of any of the foregoing thereafter, promptly after it gains such possession. Seller will also provide City and its agents, contractors, employees, and authorized representatives with access to the Property, from time to time, upon not less than twenty-four (24) hours' advance, oral or written notice, to inspect the condition of all aspects of the Property, including, without limitation, the making of such environmental assessments, soils borings, test wells, and other investigations as City may deem proper; provided, however, that invasive testing shall be subject to Seller's reasonable approval of all parts of City's work plan. City will be responsible at its expense for performing or arranging any investigations of the Property it elects, at its sole discretion, to undertake. City will be responsible at its expense for repairing damage, if any, to the Property made as part of City's investigation of the Property.

10) Property Representation. Seller shall represent the following to City as part of the Option Agreement and subsequent purchase agreement entered into between City and Seller with respect to the purchase by City of the Property:

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1600 Owens Land and Tenancy-in-common interest in 1670 Owens Parking Garage

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(a) To Seller's actual knowledge, there are not now and, at the time of the Closing, will be no violations of any applicable state, federal, or local laws, ordinances, or regulations applicable to the Option Real Property.

(b) To Seller's actual knowledge, there are not now and, at the time of the Closing, will be no known hazardous materials at, on or in the Option Real Property, except those disclosed in the reports delivered by Seller to City.

(c) To Seller's actual knowledge, Seller has delivered to City all of the relevant material documents and information pertaining to the condition of the Option Real Property and the construction of the completed or proposed improvements thereon.

(d) To Seller's actual knowledge, no document or instrument furnished or to be furnished by the Seller to the City contains or will contain any untrue statement or will omit a material fact which would make such document or instrument misleading.

(e) To Seller's actual knowledge, (i) there are no easements or rights of way which are not of record with respect to the Option Real Property, (ii) there are no disputes with regard to the location of the Option Real Property's boundaries nor any claims or actions involving the location of any boundary, and (iii) there are no encroachments onto the 1600 Owens Land, and the 1600 Owens Building does not encroach onto any neighboring land, except as may be disclosed in the title report(s) and survey top be provided by Seller pursuant to the Option Agreement.

(f) To Seller's actual knowledge, there are not now and, at the time of the Closing, will be no material physical defects with respect to the Option Real Property, except those disclosed in the reports delivered by Seller to City pursuant to the Option Agreement.

(g) Seller is the legal and equitable owner of the Property, with full right to convey the same, and Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property. There is no litigation pending or threatened against Seller or any basis therefore.

(h) With the exception of Mission Bay bond indebtedness (including CFDs) and the Mission Bay Restrictions, there are not now and, at the time of Closing, there will be no outstanding written or oral contracts made by Seller for any of the Property that have not been fully paid for and Seller shall cause to be discharged all mechanics', materialmen's, or other liens arising from any labor or materials furnished to or with respect to the Property prior to the time of Closing.

Option Term Sheet

1600 Owens Land and Tenancy-in-common interest in 1670 Owens Parking Garage

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Seller shall agree to indemnify City up to Five Million Dollars (\$5,000,000) for losses suffered by City after Closing resulting from any breach of any of Seller's representations or warranties and such indemnification provisions shall survive for 12 months beyond the Closing.

11) Closing Costs: City will pay at Closing all title insurance premiums and recording fees arising out of City's purchase of the Property and one-half the typical escrow costs. City shall receive a credit at escrow, for the typical Seller obligation for the real property transfer taxes. Real property taxes, insurance, and other normal operating expenses, if any, will be prorated as of the close of escrow. Seller shall pay at Closing all survey costs and other typical seller costs arising out of City's purchase of the Property and one-half the typical escrow costs

12) Commission and Real Estate Fees: Seller shall be responsible for, and City will have no responsibility for, payment of any real estate commission or fee, and Seller shall indemnify, defend, and hold City harmless from any and all claims, liabilities costs, and expenses (including, without limitation, attorneys' fees) arising from any broker's commission or finder's fees. City shall represent and warrant that City has not dealt with any brokers who could be entitled to a Commission or fee in connection with this transaction and shall indemnify Seller against any such claims.

13) Assignment by Seller: Seller may assign its interests, rights, and obligations pursuant to this Term Sheet, the Option Agreement, and any purchase agreement or other instruments entered into between Seller and City pursuant to or in connection with the transactions contemplated by this Term Sheet, the Option Agreement, or any such purchase agreement, provided that, contemporaneously with such assignment, Seller transfers to such assignee all of Seller's right, title, and interest in the Property.

City and Seller understand and agree that this Term Sheet is not intended to be, and shall not become, contractually binding on either City or Seller and no legal obligation shall exist unless and until City and Seller have negotiated, executed, and delivered a mutually acceptable and authorized Option Agreement. In addition, Seller acknowledges and agrees that under City's Charter, no department, commission, officer, or employee of City has authority to commit City to the transactions contemplated by this letter unless and until appropriate legislation of City's Board of Supervisors has been duly enacted and approved by the Mayor, each at their respective sole and absolute discretion, approving the Option Agreement and the transactions contemplated thereby and appropriating all necessary funds, in compliance with all applicable laws. The Director of Property, on behalf of City, and Seller will attempt in good faith to use the above terms and conditions as the initial base to negotiate and enter into an Option Agreement in form and content acceptable to each party, at each party's respective sole and absolute discretion.

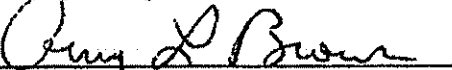
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Option Term Sheet
1600 Owens Land and Tenancy-in-common interest in 1670 Owens Parking Garage
December 11, 2009
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AGREED, ACCEPTED, AND
RECEIPT ACKNOWLEDGED:

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Amy L. Brown
Director of Real Estate

SELLER:

ARE-SAN FRANCISCO NO.15, LLC
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.
a Delaware limited partnership, managing member

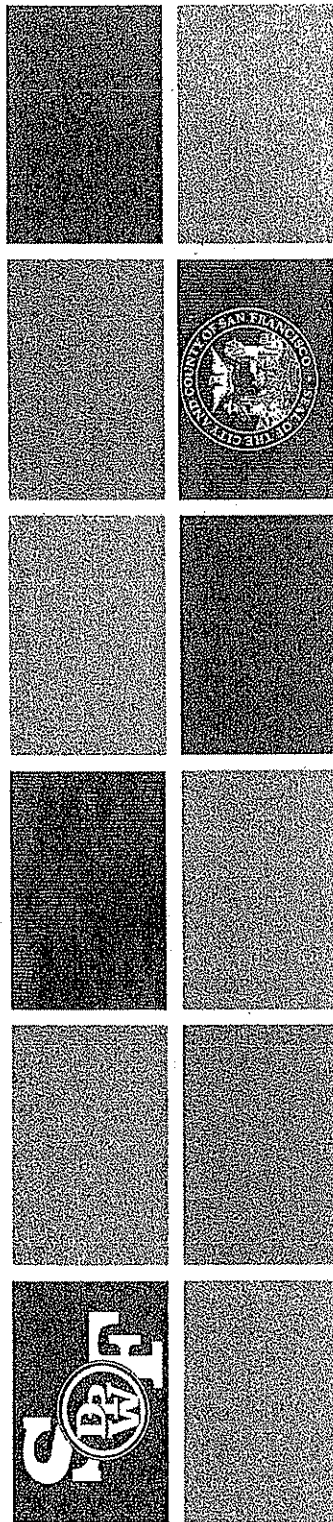
By: ARE-QRS CORP.,
a Maryland corporation, general partner

By:
Its:
Dated: 

**City and County of San Francisco
Department of Public Works**

**Legislation Regarding 1600
Owens St Purchase**

February 2010





- In 2000, Alexandria engaged design (Studios) and construction (DPR) firms to develop property for lab building

- Studios

- San Francisco-based firm
- has laboratory expertise, extensive familiarity with site
- hired in accord with SFRA guidelines, and includes 20% MBE and 8.25% WBE participation
- completed design if building core and shell

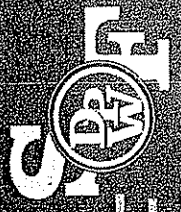
- DPR

- San Francisco presence since 1996 (50-person office)
- has laboratory expertise, extensive familiarity with site
- hired through an RFP process
- has been providing pre-construction services (value engineering, constructability review) working with Studios

Proposed Legislation - A/E

- Waive Section 6.40 requirement for competitive procurement of professional services
 - Significant work already done to date
 - Liability and/or cost associated with changing Architect of Record
 - Cost of change est'd at \$1.9 - \$2.9M (exclusive of delay costs)
 - Current firm best qualified to perform work (Ch 6 process is qualifications based)

- Waive Section 6.68C-E requirement for competitive procurement of Integrated Project Delivery services
 - Cost of change est'd at \$5.4M (inclusive of delay costs, more than \$500K/month)
 - More than 90% of construction work (\$128M) will be competitively sourced in accord with Chapters 6/14B requirements
 - Current firm well qualified to perform work



Additional Information – A/E

- Design work
 - Current scope includes only 70% of building interior; the balance of 30% (~\$2.3M) would be competitively sourced
 - For the 70%, opportunity exists in increase LBE participation of A/E team
 - Current team has worked with city departments and consultant to understand and account for complex operational and accreditation requirements

- Construction Management/GC work
 - Through negotiations can limit city cost to 8% of construction value (\$11.2M)
 - For comparable building (Public Safety Building), no LBE firms submitted bids
 - For this solicitation, due to contract size, 10% bid preference would not apply
 - Complexity of work narrows field of firms that could qualify



Summary

- Requiring competitive process for A/E and CM/GC is generally good policy and practice, but in this specialized and unusual circumstance:
 - Will cost the city an estimated \$7.3 - \$8.3M
 - Will delay the project ~9 months
 - Is unlikely to result in any offsetting savings
 - Is unlikely to result in increased LBE participation



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Gavin Newsom
RE: Earthquake Safety and Emergency Response General Obligation Bond resolution
DATE: December 15, 2009

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is an Ordinance approving City's execution of an option agreement providing for the purchase and payment of option consideration for (i) real property located at 1600 Owens Street, San Francisco, California to construct a new Forensic Science Center for use by the City's Office of the Chief Medical Examiner and the Forensic Science Division of the San Francisco Police Department, (ii) a tenancy-in-common interest in the land and existing parking structure located at 1670 Owens Street San Francisco, California, (iii) rights to use existing permitted base building design and construction documents in connection with City's proposed construction of new laboratory building at 1600 Owens Street, and (iv) acquisition of rights and assumption of obligations under certain existing design and development contracts related to such proposed laboratory building construction; exempting acquisition by City of existing permitted base building design and construction documents and related design or construction contracts from Chapter 6 of City's Administrative Code; adopting findings under the California Environmental Quality Act and findings pursuant to the City Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

I request that this item be heard in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

091460 /



SAN FRANCISCO PLANNING DEPARTMENT

January 7, 2010

Mr. Charles Higuera
Department of Public Works
30 Van Ness Avenue, Suite 4100
San Francisco, CA 94102

Re: Case No. 2010.0001R
1600-1670 Owens Street (AB 8709 lot 020)
Proposed purchase the property at 1600 -1670 Owens Street in Mission Bay for use by the Office of the Chief Medical Examiner and the Forensic Science Division of the San Francisco Police Department.

Dear Mr. Higuera,

The Department received your request on 10/23/2008 for a General Plan Referral as required by Section 4.105 of the San Francisco Charter, and Section 2A.53 of the San Francisco Administrative Code. The Project is the proposed purchase the property at 1600-1670 Owens Street in Mission Bay for use by the Office of the Chief Medical Examiner and the Forensic Science Division of the San Francisco Police Department.

Project Description

The project is pursuant to the Medical Examiner achieving accreditation by the American Board of Forensic Toxicology, as required by California Senate Bill 1623; and the necessity of the San Francisco Police Department's Forensic Science Division to vacate the portion of its operations now located at Building 606 in the Hunters Point Naval Shipyard and the efficiency of consolidating its operations in a single location. The property at 1600-70 Owens Street provides the opportunity to consolidate the Forensic Science Division's operations – now housed both at Building 606 in Hunters Point and at the Hall of Justice – in a single location.

This project would include acquisition and the construction of a new facility of approximately 260,000 square feet, sufficient to co-locate the Office of Chief Medical Examiner and the police Forensic Services Division. These city agencies are respectively involved with the investigation of deaths and crime incidents, and frequently coordinate and collaborate on cross-over cases.

Together, the Medical Examiner and the Forensic Science Division would occupy floors 1 through 6 – approximately 150,000 s.f. – of the 10-story building under a purchase agreement.

www.sfplanning.org

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edits.doc

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No. 2008.1214R

1600 Owens Street (AB 8709 Lot 020)

Proposed Lease to purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science Division

The proposed purchase action would be, on balance, in conformity with the General Plan, as described in a Case Report (Attachment 1).

The project is located in Mission Bay South Redevelopment Area. Prior to this action, the City and County of San Francisco took several actions related to the Redevelopment Area. They include:

1. San Francisco Planning Commission by Resolution No. 14696 certified the Final Subsequent Environmental Impact Report for the Mission Bay North and South Redevelopment Plans ("FSEIR"). On October 19, 1998
2. The Planning Commission Adopted CEQA Findings for the Mission Bay North and South Redevelopment Plans in Planning Case No. 1996.771EMTZR, by Planning Commission Res. 14697 on 9/17/1998.
3. The Planning Commission found the Redevelopment Plan for the Mission Bay North and South Redevelopment Plans in conformity with the General Plan, as revised, and consistent with Planning Code Section 101.1, in Planning Case No. 1996.771EMTZR, by Planning Commission Res. 14699 and Res. 14702 on 9/17/1998.
4. The Board of Supervisors approved and adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project on November 2, 1998 by Ordinance No. 335-98.

The Redevelopment Agency Commission by Resolution No. 199-2000, Resolution No. 163-2005 and Resolution No. 149-2006 approved a Major Phase, Revised Major Phase and Basic Concept and Schematic Design, respectively, for development of Blocks 43-44 in Mission Bay, which area includes 1600 and 1670 Owens Street. The Redevelopment Agency has determined that the proposed Forensic Science Center at 1600-1670 Owens Street is a permitted use at this location in the Mission Bay South Redevelopment Area. See SFRA letter, Attachment 3.

Environmental Review

The Department has determined that the Forensic Sciences Center proposed at 1600 -1670 Owens Street, also known as Parcel 3 and 4 of Blocks 41-43 in the Mission Bay South Redevelopment Plan Area is consistent with previous CEQA Actions. Namely, the Redevelopment Agency Commission by Resolution No. 199-2000 and Resolution No. 163-2005, adopted CEQA Findings and approved a Major Phase and a Revised Major Phase submission for Blocks 41-43, finding the proposed Major Phase development and Revised Major Phase development as within the scope of impacts analyzed in the FSEIR. The Redevelopment Agency Commission by Resolution No. 149-2006 approved a combined basic concept and schematic design for a proposed project containing laboratory, office, retail and ancillary uses, finding the basic concept and schematic design within the scope of the project analyzed in the FSEIR. The Planning Department by this reference incorporates these prior findings and adopts these findings as its own.

Case No. 2008.1214R

1600 Owens Street (AB 8709 Lot 020)

Proposed Lease to purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science Division

Planning Code Section 101.1 Policies

The proposed purchase action for the Forensic Science Center has been reviewed for consistency with the Eight Priority Policies of the Planning Code Section 101.1 and the findings are included as Attachment 2.

The proposed ESER Bond is, on balance, in conformity with the General Plan.

If you have any questions, please feel to contact me at 558-6411, or have your staff call Adam Varat of my staff at 558-6405. Thank you.

Sincerely,



John Rahaim
Director of Planning

cc: Charles Higuera, Department of Public Works
Elaine Warren, City Attorney
Stephen Shotland, Planning Department
Adam Varat, Planning Department

Attachments:

1. General Plan Case Report
2. Eight Priority Policies Findings – Planning Code Section 101.1
3. Mission Bay consistency findings

E:\Citywide\General Plan\General Plan Referrals\2008\2008.1214R 1600 Owens Street Purchase.doc

Case No. 2008.1214R
1600 Owens Street (AB 8709 Lot 020)
Proposed Lease to purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science
Division

**Attachment 1
Case Report**

Case No. 2010.0001R
1600 Owens Street (AB 8709 Lot 020)
Proposed Purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science
Division

Staff reviewer: Adam Varat
Date: 1/07/2010

General Plan Policy Findings

Note: General Plan Objectives are in **BOLD CAPS**, and Policies are in **bold font**,
General Plan text is in regular font, and staff comments are in *italic font*.

COMMUNITY FACILITIES ELEMENT

OBJECTIVE 9

**ASSURE THAT INSTITUTIONAL USES ARE LOCATED IN A MANNER THAT WILL
ENHANCE THEIR EFFICIENT AND EFFECTIVE USE.**

California Senate Bill 1623 requires that the Medical Examiner achieve accreditation by the American Board of Forensic Toxicology. A move from its current location at the Hall of Justice to a site with the physical amenities of 1600 Owens Street is necessary to receive such accreditation. The San Francisco Police Department's Forensic Science Division must vacate the portion of its operation that is now housed in Building 606 in the Hunters Point Naval Shipyard. The property at 1600 Owens Street accommodates this necessary relocation and allows Forensic Science Division to consolidate its operations at both Building 606 and at the Hall of Justice into a single location.

The Project is XX in conformity _____ not in conformity with the General Plan

Case No. 2008.1214R
1600 Owens Street (AB 8709 Lot 020)
Proposed Lease to purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science
Division

Attachment 2
Planning Code Section 101.1(b) Priority Policies Findings

Case No. 2010.0001R
1600 Owens Street (AB 8709 Lot 020)
Proposed purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science
Division

The following Priority Policies are hereby established. They shall be included in the preamble to the General Plan and shall be the basis upon which inconsistencies in the General Plan are resolved:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;
The Project is not in conflict with this policy.
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;
The Project is not in conflict with this policy.
3. That the City's supply of affordable housing be preserved and enhanced;
The Project is not in conflict with this policy.
4. That commuter traffic not impede Muni transit services or overburden our streets or neighborhood parking;
The Project is not in conflict with this policy.
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 is not in conflict with this policy.
6. That the City achieve the greatest possible preparedness to protect against injury and the loss of life in an earthquake.
The Project is not in conflict with this policy.
7. That landmarks and historic buildings be preserved; and
The Project is not in conflict with this policy.
8. That our parks and open space and their access to sunlight and vistas be protected from development.

Case No. 2008.1214R

1600 Owens Street (AB 8709 Lot 020)

Proposed Lease to purchase of Property for Office of the Medical Examiner and the SFPD Forensic Science Division

The Project is not in conflict with this policy.

San Francisco
Redevelopment Agency

One South Van Ness Avenue
San Francisco, CA 94103

415.749.2400



GAVIN NEWSOM, Mayor

Ramon E. Romero, President
Rick Swig, Vice President
London Breed
Linda A. Cheu
Francee Covington
Leroy King
Darshan Singh

Fred Blackwell, Executive Director

December 22, 2009

126-66.09-150

Charles A. Higuera, AIA, Project Manager
DPW/PMB
30 Van Ness Street, 4th Floor
San Francisco, CA 94102

Re: REVISED Consistency Findings for the acquisition of the property and the developments rights to construct a new facility at 1600 Owens in Mission Bay South Redevelopment Area (Parcel 4 of Blocks 41-43), and the purchase of a tenancy-in-common interest in the 1670 Owens parking garage (Parcel 3 of Blocks 41-43), to allow for the relocation of the Office of Chief Medical Examiner and the Forensic Sciences Division of the San Francisco Police Department

This letter replaces the original consistency findings prepared for this project, dated December 16, 2009.

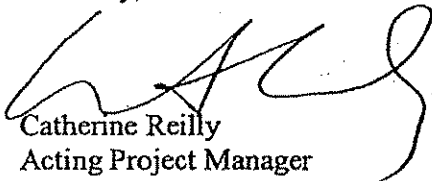
The City and County of San Francisco is proposing to acquire the property and the developments rights to construct a new facility at Parcel 4 of Blocks 41-43 in Mission Bay South to allow for the relocation of the Office of Chief Medical Examiner and Forensic Sciences Division of the San Francisco Police Department to the site. These city agencies are respectively involved with the investigation of deaths and crime incidents, and frequently coordinate and collaborate on cross-over cases. Parking spaces for the building would be located in the existing parking garage located on Parcel 3 of Blocks 41-43 through the purchase of a tenancy-in-common interest in the garage.

The development of Parcel 4 of Blocks 41-43 would be subject to the Mission Bay South Redevelopment Plan, the Mission Bay South Design for Development, and all other supporting documents, and would have to comply with the mitigation measures contained in the 1998 Mission Bay Subsequent Environmental Impact Report.

Parcel 4 of Blocks 41-43 is within the Commercial Industrial land use district of the Redevelopment Area, as described in the Mission Bay South Redevelopment Plan. In this land use category, "manufacturing" uses, including "medical research and biotechnical research facilities" and "experimental laboratories" are permitted as a principle use, as listed under Section 302.3(A). Based on the description of the proposed uses related to the Office of Chief Medical Examiner and the Forensic Sciences Division, the uses are consistent with a "manufacturing" use and are an allowable use under the Mission Bay South Redevelopment Plan.

In addition, the Option Term Sheet, dated December 11, 2009, for the purchase of 1600 Owens and a portion of 1670 Owens by the City and County of San Francisco specifically states that: the "City acknowledges that among the other items, the Mission Bay Restrictions require payment of ad valorem taxes, potential Community Facility District ("CFD") and other taxes and fees as if the City were an entity not exempt from such taxation." Since the City has agreed to pay taxes as though it were not a tax exempt entity, the purchase of the property by the City would not affect the ability of the San Francisco Redevelopment Agency or the Master Developer, FOCIL-MB, LLC, to implement the Redevelopment Plan, including construction of affordable housing and infrastructure, through the use of funds collected from property and special taxes.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Reilly', written over the typed name and title.

Catherine Reilly
Acting Project Manager

PLANNING COMMISSION
MOTION NO. 17332

Project Subject to:

- Inclusionary Housing (Sec 315)
- Childcare Requirement (Sec 314)
- Park Fund (Sec 139)
- Public Art (Sec 149)
- Public Open Space (Sec 138)
- Jobs Housing Linkage Program (Sec 313)
- Transit Impact Development Fee
- First Source Hiring
- Other: _____

Case No.: 2006.1216B
Address: 1600 Owens Street
Assessor's Block & Lot: 8709/010
aka Mission Bay South,
Blocks 41-43, Parcel 4

Hearing Date: November 2, 2006

SAN FRANCISCO PLANNING COMMISSION

MOTION NO. 17332

ADOPTING FINDINGS PURSUANT TO PLANNING COMMISSION RESOLUTION 14702 RELATING TO DESIGN APPROVAL FOR A TEN-STORY, 160-FOOT TALL OFFICE BUILDING APPROXIMATELY 245,500 GROSS SQUARE FEET, ALSO CONTAINING APPROXIMATELY 5,086 SQUARE FEET OF GROUND FLOOR RETAIL SPACE AND UP TO 420 OFF-STREET PARKING SPACES LOCATED OFF-SITE ON PARCEL 4, AND TO PROJECT AUTHORIZATION UNDER THE 2006-2007 ANNUAL OFFICE LIMITATION PROGRAM PURSUANT TO RESOLUTION 14702 AND TO SECTIONS 321 AND 322 OF THE PLANNING CODE, FOR A DEVELOPMENT CONTAINING UP TO 228,000 SQUARE FEET (GROSS FLOOR AREA) OFFICE SPACE, LOCATED AT 1600 OWENS STREET, ON ASSESSOR'S BLOCK 8709, LOT 010, AKA MISSION BAY SOUTH BLOCKS 41-43, PARCEL 5, IN THE MISSION BAY SOUTH REDEVELOPMENT AREA, A COMMERCIAL-INDUSTRIAL-RETAIL ZONING DISTRICT, AND AN HZ-7 HEIGHT DISTRICT.

Preamble

On September 17, 1998, by Resolution No. 14702, the Planning Commission (hereinafter "Commission") determined that the Mission Bay South Redevelopment Plan ("MBS Plan") provides for a type, intensity, and location of development that is consistent with the overall goals, objectives, and policies of the General Plan, as well as the Eight Priority Policies of Section 101.1(b) of the Planning Code ("Code").

Under that Resolution, the Commission also determined that the office development contemplated in the MBS Plan in particular promotes the public welfare, convenience and necessity, and therefore, that the determination required pursuant to Section 321 *et seq.* of the Code for office development shall be deemed to have been made for all specific office development projects undertaken pursuant to the MBS plan.

Further, the Commission considered under Resolution 14702 the guidelines set forth in Section 321(b)(3)(A)-(G) and determined that the apportionment of office space over the anticipated 30-year build-out of the South Plan Area will remain within the limits set by Section 321, and will maintain a balance among economic growth, housing, transportation, and public services, pursuant to terms of the MBS Plan and Plan Documents, which provide for the appropriate construction and provision of housing, roadways, transit, and all other necessary public services in accordance with the Infrastructure Plan (as defined in the MBS Plan Documents).

In its consideration of Resolution 14702, the Commission reviewed the design guidelines of the MBS Plan Area, as set forth in the MBS Design for Development Document ("D for D") and determined that the standards and guidelines in the D for D will ensure the design quality of any

proposed office development. The Commission resolved to review and approve the designs of specific office developments in the Plan Area using the D for D guidelines and standards, when such proposals would be subject to the provisions of Section 321 *et seq.*, to confirm that said development is consistent with the findings set forth in Resolution 14702.

The Commission further resolved that, upon confirming that a specific development is consistent with the findings set forth in Resolution 14702, the Commission would issue a project authorization for that development.

The development of office space is an element of the MBS Plan, which, among other things, provides for: "Strengthening the economic base of the Plan Area and the community by strengthening retail and other commercial functions in the Plan Area through the addition of approximately 335,000 leasable square feet of retail space ... and about 5,953,600 leasable square feet of mixed office, research and development and light manufacturing uses"

Recitals

1. Application: On September 29, 2006, Ms. Terezia Nemeth of Alexandria Real Estate, (hereinafter "Project Sponsor") filed Application No. 2006.1216B with the City and County of San Francisco Planning Department ("Department") for design approval and project authorization pursuant to Resolution 14702 and Planning Code Section 321, for construction of 228,000 square feet of office space at 1600 Owens Street, as further described below ("Project").
2. Project Site/Present Use: The site is located in the Mission Bay South Project Area, in a Commercial-Industrial-Retail Zoning District, and an HZ-7 Height District. Parcel 010 in Assessor's Block 8709, also known as MBS Parcel 4 IN Blocks 41-43, is about 1.66 acres in area, and is bounded to the north by Owens Street, to the west by "A" Street, to the south by Mission Bay Parcel 4, and to the east by Mission Bay Parcel 6. Parcel 6 is the site of a future parking garage that will fulfill the parking requirements for the buildings proposed on Parcels 4. and 5. Adjacent Parcel 4 is currently pending a proposal to construct a new, approximately 160,600 gross-square-foot laboratory/office building that is six stories and approximately 89 feet in height.
3. Project Description: The proposal is to construct a new six-story building, with approximately 245,500 gross square feet, and approximately 160 feet high. Authorization is requested for up to 228,000 square feet of office, with approximately 5,086 square feet of ground floor retail, and up to 420 off-street parking spaces located on Parcel 6.
The project is proposed to be flexible and meet the needs for modern tenants, and can be occupied by office or bio-science users.
4. On November 2, 2006, the Commission, at a regularly scheduled meeting, conducted a duly noticed public hearing on Application No. 2006.1216B, at which time the Commission reviewed and discussed the findings prepared for its review by the staff of the Planning Department.
5. In evaluating the Project's Application, the Commission has reviewed and considered the Summary and Draft Motion, and other materials pertaining to this Project in the Department's case files, has reviewed and heard testimony and received materials from interested parties during the public hearing on the Project.

MOVED, That the Commission hereby approves the project design and authorizes the office space

allocation pursuant to Section 321 *et seq.* as requested by Case 2006.1216B, subject to these findings and the conditions contained in Exhibit A, attached hereto and incorporated herein by reference, based on the following findings:

Findings

Having reviewed all the materials identified in the Preamble and Recitals above, and having heard oral testimony and arguments, this Commission finds, concludes and determines as follows:

1. The above Preamble and Recitals are accurate and also constitute findings of this Commission.
2. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing the MBS Plan pursuant to and in accordance with Community Redevelopment Law of the State of California.
3. Environmental Review: The Agency and the Planning Department, together acting as co-lead agencies for conducting environmental review for the Plan, and other permits, approvals and related and collateral actions (the "Project"), prepared and certified a Final Subsequent Environmental Impact Report (the "FSEIR"). The Agency certified the FSEIR for the Project on September 17, 1998 by Resolution No. 182-98. Also on September 17, 1998 by Resolution No. 183-98, the Agency adopted environmental findings (and a statement of overriding considerations, that the unavoidable negative impacts of the Project are acceptable because the economic, social, legal, technological and other benefits of the Project outweigh the negative impacts on the environment) pursuant to the California Environmental Quality Act ("CEQA") and State Guidelines in connection with the approval of the MBS Plan and other Project approvals. The Planning Commission certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and by Resolution No. 854-98 adopting environmental findings (and a statement of overriding considerations).

Pursuant to the California Public Resources Code (PRC) Section 21090 and Section 15180 of the State CEQA Guidelines, all public and private activities or undertakings pursuant to or in furtherance of a redevelopment plan constitute a single project, and the FSEIR on the Redevelopment Plan shall be treated as a program EIR with no subsequent EIRs required for individual components of the Redevelopment Plan because events specified in PRC Section 21166 and State CEQA Guidelines Sections 15162 or 15163 have not occurred. Specifically, no substantial changes in the Project, no substantial changes in the circumstances under which the Project is being undertaken, and no new information has become available that would cause new significant environmental impacts. Also, no mitigation measures or alternatives previously found to be infeasible have been found to be feasible, and no different mitigation measures or alternatives that would substantially reduce one or more significant effects of the Project have been identified. The project Authorization for Case 2006.1216, 1600 Owens Street, MBS Blocks 41-43 ("Implementing Action"), is an undertaking pursuant to and in furtherance of the Plan pursuant to CEQA Guidelines Section 15180.

The Planning Commission, based upon its review of the FSEIR, hereby finds that: (1) the Implementing Action does not incorporate modifications into the Project analyzed in the FSEIR and will not require important revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously-identified significant effects; (2) no substantial changes have occurred with respect to the circumstances upon which

the Project analyzed in the FSEIR was undertaken which would require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of effects identified in the FSEIR; (3) no new information of substantial importance to the Project analyzed in the FSEIR has become available which would indicate (a) the Implementing Action will have significant effects not discussed in the FSEIR; (b) significant environmental effects will be substantially more severe, (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FSEIR will substantially reduce one or more significant effects on the environment; (4) the Implementing Action is within the scope of the Project described and analyzed in the FSEIR; and (5) no new environmental documentation is required.

4. Section 321- Available Allocation: Consistent with Section 304.11 of the MBS Redevelopment Plan and Planning Code Sections 320 through 325, approval of the office development of MBS Blocks 41-31 would not exceed the annual limitation contained in Planning Code Section 321.

At present, the unassigned large office allocation (for projects equal to or greater than 50,000 square feet in area) is 2,535,467 square feet, which includes the annual addition of 875,000 square feet on October 17, 2006. Upon authorization of the subject project for 228,000 square feet, and upon approval of the adjacent, companion project at 1500 Owens Street for 158,500 square feet, 2,148,967 square feet would be available for allocation to pending and future office projects this year.

Further, the sponsors of these two projects have obtained ownership of Lot 10 in Block 8709, Mission Bay, and are proposing a new structure for that site. There is a previously approved allocation, Case 2002.030, for 80,922 square feet that would revert to the available allocation upon approval of that future project.

5. Section 321- Approval Criteria: Pursuant to Resolution 14702, the Commission is charged with determining whether the Project conforms to applicable standards in the D for D Document, which supersedes the criteria set forth in Section 321 and other provisions of the Code except as provided in the MBS Plan. The proposed Project meets the MBS Redevelopment Plan and the D for D Document standards and guidelines as described below in findings 6 and 7, respectively:

6. Mission Bay South Design for Development Standards

The Mission Bay South (MBS) Design for Development Document is a companion document to the Mission Bay South Redevelopment Plan. It contains Design Standards and Design Guidelines, which apply to all development within the MBS Plan Area. With the adoption of the MBS Redevelopment Plan and the Design for Development Document (D for D), those documents supersede the San Francisco Planning Code in its entirety, except as otherwise provided in the MBS Redevelopment Plan.

In MBS plans for the development of buildings are preceded by the approval of a Major Phase, which generally covers one or several MBS blocks and in which such items as the general appearance, site planning (program of uses, estimated: range of development density, parking, loading, square footage of each use and schedule for development, utilities, transit, vehicular, pedestrian and bicycle circulation, open space, private and public) and streetscape are considered. Any major phase should also meet the MBS Redevelopment Plan and D for D standards and guidelines.

The proposed Project meets the MBS Redevelopment Plan and D for D Document standards and guidelines as described below.

A. Land Use

1600 Owens Street (Blocks 41-43, Parcel 4), as shown in Attachment 3 of the MBS Redevelopment Plan, "Redevelopment Land Use Map", is within a designated Commercial Industrial District. Plans for development of 1600 Owens indicate that the intended use would be medical research and biotechnical research facility ("life science")/ office and retail, which are permitted uses in that District (Section 302.4 of the MBS Redevelopment Plan).

B. Height

According to Map 4 of the MBS D for D, 1600 Owens is within Height Zone HZ-7, which has the following development controls:

- Base Height 90 feet (Coverage < 85% of the total area of HZ-7)
- Tower Height: 160 feet (Coverage < 15% of the total area of HZ-7)
- Max. Number of towers: 4 for the entire HZ-7 area
- Location: 60% of the frontage of buildings within 100' of freeway on Blocks 40-43 shall not exceed the height of the freeway.
- Mechanical Equipment Exempt from the Height limitation. The exemption is limited to the top 36 feet (20 feet for a mechanical penthouse, 16 for top of a ventilator stack) of such features where the height limit is more than 65 feet.

The base building height would be 79'; the sum of the footprint of all the buildings (existing and proposed) within the base height within HZ-7 does not exceed 85% of the total area of HZ-7. The maximum building height would be 159.5'; 1600 Owens is the first tower to be proposed within HZ-7. The total freeway frontage for Blocks 41-43 is 1,272'; according to the Major Phase application for said Blocks, the combined building length proposed within 100' of the freeway would be 509' which implies that at least 60% of all the buildings in Blocks 41-43 would not be higher than the freeway. Mechanical equipment and exhaust stacks would be located on the roof and screened from view, the maximum height of the proposed screen would be 25'

C. Bulk

Bulk controls in HZ-7 apply above 90 feet as follows:

- Maximum Plan Length: 200 feet
- Maximum Floor Plate: 20,000 square feet

The plans for 1600 Owens indicate 199' as the maximum plan length and 19,941 square feet as the average floor plate.

D. Coverage and Streetwall

In Commercial Industrial Districts, the D for D Document sets forth the following requirements:

- Coverage: Not applicable
- Streetwall:
 - Minimum Length: Minimum 70%¹ of block frontage length along primary streets required (Owens Street is considered a primary street).
 - Minimum Height 15 feet
 - Maximum Height Height not to exceed 90 feet
 - Corner Zone Conditions: Not applicable (1600 Owens is not at the intersection of two primary streets.)
 - Required Stepbacks Not applicable
 - Pedestrian Walkways: Not applicable
 - Projections Architectural projections over a street, alley, park or plaza shall provide a minimum of 8 feet of vertical clearance over the sidewalk or other surface above which they are situated. Projections include purely architectural or decorative character with a vertical dimension of 2'6", and bay windows, balconies and similar features. The projection is limited to no more than 3' over streets, alleys, and public open spaces.

The sum of building frontages along Owens (existing and proposed buildings= 824.00') does not exceed 70% of the cumulative length of all the parcels comprising Blocks 41-43 (approximately 1254'). The minimum and maximum streetwall height would be 78.75'. Parcel 4 is not at the intersection of two primary streets.

The proposed building design, as modified, complies with requirements for Projections.

E. Sunlight and Shadow

Shadow analysis is not required unless, as part of a specific project application, the project applicant seeks a variance from the standards determining the shape and location of buildings.

No variance is necessary as part of this application, so no shadow analysis is required.

F. Wind Analysis

The MBS D for D Document indicates that wind review will be required for all projects that include buildings over 100' in height.

¹ Block frontage refers to the total measurement from street-to-street, with no exceptions for pedestrian walkways.

A wind analysis has been prepared; it identifies two areas that failed the distress criterion which will be mitigated: the southwest edge along the pedestrian mews between 1500 and 1600 Owens will be improved by the addition of an 8' suspended canopy and the northeast edge along the proposed corner park in Lot A, which will be improved by a dense planting of canopy trees.

G. View Corridors

View corridors follow street alignments and are based on the following principles: to preserve orientation and visual linkages to the Bay, as well as vistas to hills, the Bay Bridge and downtown skyline; to preserve orientation and visual linkages that provide a sense of place within Mission Bay. No building or portion thereof shall block a view corridor.

The development of 1600 Owens would not block any view corridors as defined above. The northeast elevation (along Owens) of the proposed building would act as the terminus of one view corridor extending along Gene Friend Way within the UCSF Mission Bay Campus. As such, special attention has been paid to provide visual interest through building mass, articulation, colors and details and the designation of the ground floor for active uses.

H. Parking

The number of off-street parking spaces required and/or allowed for uses within MBS, as indicated in the MBS D for D, are:

- Office: Maximum and minimum, 1.8 space for each 1,000 square feet of gross floor area.
- Retail: Maximum, one space for every 500 square feet of gross floor area for 20,000 square feet.
- Life Science: Maximum and minimum two spaces for every 1,000 square feet of gross floor area for up to 1,734,000 square feet, provided that any structure occupied for administrative functions shall be subject to the 1,000 square feet of gross floor area standard.
- Bicycle Parking: One secure bicycle parking space must be provided for every 20 vehicular parking spaces or fraction thereof.

Based on the gross square footage indicated on the application for Planning Code Section 321 (b) determination for development of 1600 Owens, the maximum number of parking spaces allowed would be: Retail (5,086 square feet) 10 parking spaces and Office/Biotechnology (227,568 square feet) 455 parking spaces, for a total of 465 vehicular parking spaces. Parking for a total of 420 vehicles and for at least 21 bicycles would be provided in the adjacent parking structure on Parcel 6 (as indicated in the Revised Major Phase Application dated August 9, 2005).

I. Loading

The number of loading spaces required and/or allowed for uses within MBS, provided per gross square feet, as indicated in the MBS D for D are the following:

- Retail: One space for retail uses between 10,001 and 60,000 square feet.
- Commercial: One space for commercial uses between 100,001 and 200,000 square feet.
- Dimensions: At least 10 feet wide, 35 feet long and 14 feet high.

Based on the indicated ratio, the total number of loading spaces would be two. Plans for the development of 1600 Owens indicate two loading spaces satisfying the dimensional requirements indicated in the D for D Document.

7. Mission Bay South Design for Development Design Guidelines

The Applicable Design Guidelines are: **Commercial Industrial and Retail Guidelines.**

1. Block Development

A. View Corridors

"View corridors are defined by the Mission Bay street grid. No building or portion thereof shall block a view corridor established by that grid of streets and dedicated right-of-ways".

The proposed development of 1600 Owens does not block any view corridors as defined above. The northeast elevation (along Owens) of the proposed building would act as the terminus of one view corridor extending along Gene Friend Way within the UCSF Mission Bay Campus. As such, special attention has been paid to provide visual interest through building mass, articulation, colors and details and the designation of the ground floor for active uses.

B. Open Spaces

"Encourage the development of publicly-accessible open spaces at ground level. Where feasible, design these open spaces in relation to local-serving retail such as cafes and to the public open space network".

The proposed development of 1600 Owens contemplates the development of private open spaces to be made available to the public during daylight hours. Private open space could be coordinated with the construction of a park on a separate parcel, Lot A; tree clusters shade paved walks that pass areas planted with ground cover vegetation, designed to provide landscape amenities and support a campus like environment. Public seating would be accommodated on the hardscape area of the future park to be developed in Lot A, adjacent to the commercial space on the ground floor, as shown on plans.

C. Pedestrian Walkways

"Walkways are encouraged to enhance the pedestrian experience in the Commercial Industrial area". "Walkways to mid-block open spaces or courtyard are encouraged".

The Major Phase for Blocks 41-43 contemplates the development of several walkways to interconnect the proposed buildings and supporting structures; the proposed pedestrian walkways include one between Parcels 4 and 5. Plans for development of 1600 Owens include the construction of the walkway for which paving and planting materials have been selected to make the pedestrian experience gentle and intimate;

there is a secondary building entrance located along said walkway, which interconnects to another pedestrian walkway between Parcels 5 and 6.

2. Street Frontage

A. Streetwall

"Commercial areas in San Francisco are noted for streets with buildings at the property line where there is little or no space between the buildings. This historical pattern of development gives San Francisco its intense urban quality and should be a model for Mission Bay development. Commercial Industrial Buildings shall be continuous at the property line on streets, except for occasional breaks in the streetwall".

"Setbacks up to 10 feet from the property line are allowed within a continuous streetwall".

"Variations from the streetwall are allowed to create open space, pedestrian circulation space, mid-block lanes and landscaping areas".

The design of the ground floor streetwall of 1600 Owens is recessed to form a continuous 5' deep arcade, parallel to the Owens. This arcade would wrap around the frontage of the building along the pedestrian walkway and the future park. The ground floor frontages along Owens, the pedestrian walkway and the future park in Lot A would be dedicated to retail uses, which would be highlighted through the use of continuous floor to ceiling glazing and the location of entrances to the commercial locales. These moves would reinforce the urban quality sought by the guidelines.

B. Streetwall Height

"Within high density commercial areas of San Francisco such as downtown and South of Market, a typical ratio of street width to streetwall height is approximately 1: 1.25".

"The building-street relationship in Mission Bay Commercial Industrial areas should reflect this city pattern".

The width of Owens is 68' and the proposed building height, at its base would be, approximately, 82' (including the parapet). The proposed building mass consists of two volumes: a five-story rectangular base, and a five-story curving glazed tower which is setback from the northwest and southeast elevations. These setbacks reinforce the perception, from street level, of the base as a dominant mass; therefore, the proposed ratio of street width to streetwall height is approximately 1: 1.25.

C. Pedestrian Scale 2

"Office and other commercial buildings are encouraged to be active and to incorporate visually interesting details and/or decoration into the design of the building base".

The plans for the proposed development of 1600 Owens provide for an active ground floor which contains building entrances and approximately 5, 100 square feet of retail space located along Owens and extending approximately 100', with a likely overflow

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- 2 Pedestrian scale is considered in the design guidelines for Commercial Industrial/Retail districts in Street Frontage and in Building Height and Form. In order to avoid repetition, this section addresses only the types of uses proposed at ground level, along the public sidewalks. Specific architectural details are described in Building Height and Form.

area, along the southeast elevation (facing the future park), and approximately 30' along the pedestrian walkway that separates 1500 from 1600 Owens. At ground level the façade would be recessed approximately 5' to form a continuous arcade. Plans for the building indicate the main building entrance to be at the end of the arcade facing the future park and a secondary building entrance along the pedestrian walkway. Both entrances would be highlighted with canopies. Under the arcade and along other exposed portions of the facades (except at the service yard and the portions of the ground floor adjoining the freeway) the ground floor would be wrapped with a completely glazed skin.

D. Curb Cuts

"In order to preserve the continuity and quality of the pedestrian environment, curb cuts for parking and service uses are strongly discouraged along Third Street".

The proposed building does not face Third Street yet its design would minimize the amount of curb cuts along Owens (which has a street frontage is approximately 1254'). The Major Phase for Blocks 41-43 contemplates two curb on Owens for vehicular access and egress to the parking structures proposed for Parcels 3 and 6; each curb cut would be approximately 40' wide. No curb cuts are proposed for Parcel 4 (1600 Owens).

E. Freeway Zone

"Mission Bay buildings near to the 280 Freeway (height zone HZ-7) should take into account their importance in establishing a design character for the area, as seen from surrounding neighborhoods and from a highly traveled regional access route, and in contributing to a dramatic and attractive arrival sequence for the City of San Francisco. Issues of building placement, massing, façade materials and height are all important in this consideration."

"Open Space/Panorama- In the northern portion of height zone HZ-7, Block 43 has particular restrictions designed to preserve a portion of the downtown panorama. On Block 43, in addition to the freeway edge, all portions of buildings within the special height area adjacent to Owens Field, as defined on the Height Zone Map, are limited to a height, including any projections above the building height, equal to the average height of the freeway barriers adjacent to the Block with the exception of a maximum 90' base building and /or tower located toward the southeast corner of the Block, which is outside the special height area".

The, northwest, southwest and southeast elevations of the proposed building face Freeway 280, while the southwest and southeast elevations would be visible from Potrero Hill. These proximity and vicinity determine the building placement, massing and façade materials to respond to the need of establishing the design character of the area.

The structure is composed of two primary elements: a five-story curving tower wrapped in clear glass/silver aluminum curtain wall, balanced on a five-story rectangular base clad in factory finished composite metal panels. The massing steps back from the elevated freeway in conformance with the approved Major Phase for Blocks 41-43 and also according to the height requirement of the D for D. The building is oriented perpendicular to Owens and the upper portion is located approximately 150' east of the freeway, which would create an appropriate breathing space for the tower.

Other important features which contribute to a dramatic and attractive arrival sequence for the City of San Francisco and which would establish a design character for the area are: on the southeast corner a five-story bay featuring sloped glazing and horizontal metal shades, which relates the building base to the tower element in terms of texture and form; terracotta colored metal sunscreens and an architecturally-detailed exterior egress stairs that slices the tout glazed surface of the tower.

3. Building Height and Form

A. Height Locations

"The predominant commercial height zone in Mission Bay allows buildings to a maximum of 90 feet high. Buildings up to 160 feet high may be constructed within a percentage of the developable area of each height zone as indicated in the Design Standards".

Development of 1600 Owens would combine a building base not exceed a height of 90', which is the predominant height in height zone HZ-7. The design standards for that zone allow the constructions of 4 buildings that would reach a height of 160'; the upper portion of 1600 Owens is the only tower so far to be proposed in HZ-7. The proposed tower would contribute to frame and enhance views to downtown San Francisco when approaching the City along Freeway 280.

B. Skyline Character

"Skyline character is a significant component of the overall urban composition that is San Francisco and the guidelines encourage development which will complement the existing city pattern and result in new, attractive view element as seen from vantage points".

The building massing of 1600 Owens would be consistent with the existing city pattern of low buildings along the freeways and gradual tapering of heights as the building sites get further away from it. Furthermore, the proposed treatment of the tower facades, which turn around to face the freeway, forming a continuous and elegant curve, the screening of rooftop equipment, and the completion of the roof of the building base with a "green roof" would contribute with attractive view elements through massing, colors and textures as seen from nearby Potrero Hill and Freeway 280.

C. Building Base

"For pedestrians, the character of the building base is important in establishing a comfortable scale and environment and should be designed to achieve this". "Variety at street level for pedestrian scale can be achieved through the use of design features such as stairs, entries, expressed structural elements, arcades, projections, rusticated materials and landscaping".

The character of the building base, where it abuts the public sidewalk, the park to be developed in Lot A and the pedestrian walkway, would be defined by variety and visual interest achieved through a 5' deep arcade which reveals structural elements and a completely glazed skin along all building sides, except at the service yard and the southwest elevation, at ground level. The design of the ground floor contemplates building entrances highlighted with sculptural canopies, landscaping and paving, which is proposed to unify the exterior and the interior of the building through the use of pavers

in a pattern that will be repeated in the building lobby and in the approaches to the two building entrances. Other visual features that would contribute defining the building base and which would contribute to the establishment of a comfortable scale and environment is the five-story bay featuring sloped glazing and horizontal metal shades at the southeast corner of the building.

D. Roofscape

"Recognizing that Mission Bay building roofs may be visible from higher surrounding locations, they should be designed consistent with the distinctive architecture of the building". "Roofs should use non-reflective, low intensity colors". "Mechanical equipment should be organized and designed as a component of the roofscape and not appear to be a leftover or add-on element. Mechanical equipment should be screened as provided in the Design Standards".

The plans for the roof of the proposed development indicate that the cooling towers and lab exhausts fans would be located on the roof and organized and screened from view. The mechanical equipment enclosure is proposed to complement the overall exterior expression of the building through the use of a 20' high, profiled metal enclosure, painted green to match the panels of the building base.

4. **Architectural Details**

A. Visual Interest

"To mitigate the scale of development and create pedestrian friendly environment, building massing should be modulated and articulated to create interest and visual variety".

The building design is conceived as two 5-story volumes with distinctive appearances. The base is a cube clad in factory finished composite metal panels that at selected locations reveals the building structure and a taut surface of aluminum and vision and spandrel glass hiding the edges of the floor slabs. Windows are organized in a syncopated pattern and, in conjunction with the metal panels provide a taut surface.

The upper volume is proposed as a semi-cylinder, setback from the southwest, northwest and southeast elevations, however, a slight portion of the semi-cylinder projects over the latter. This semi-cylinder is wrapped in clear glass/silver aluminum curtain wall.

Both volumes would be integrated through the interception of planes characteristic of each one of them, (for instance, the northwest elevation is proposed to carry the green metal panels of the building base to the roof level; the southeast and northeast elevations show the glass curtain wall that wraps the upper semi-cylinder dropping below the parapet line. Similarly, the southeast corner a five-story bay featuring sloped glazing and horizontal metal shades, relates the building base to the tower element in terms of texture and form) or through the sculptural, architecturally detailed egress stairs that slice the taut glazed surface of the semi-cylinder and the top floor of the building base. Other elements that contribute to provide unity to the overall design are: louvered panels covering the air handling units of each floor and terracotta-colored sunscreens.

Articulation of the facades would be achieved through the elimination of metal panels that reveal the building structure and glass skin in selected locations and by folding the

plane of the curved section of the semi-cylindrical volume, to create a bay window type of feature.

B. Color and Materials

"Extreme contrast in materials, colors, shapes and other characteristics which will cause buildings to stand out in excess of their public importance should be avoided".

The building design proposes a harmonious palette of colors: those provided by the green colored metal panels and the colors of the reflections of the sky and neighboring buildings provided by the glass curtain wall. Given that the predominant colors would be associated with the main building volumes, contrasting colors are applied to distinct elements characteristic of both the base and the tower: sunshades and canopies, which are proposed as terracotta colored. Recesses, projections and folding of planes would create shadow lines that would enrich the chromatic contribution of this building.

8. Childcare: Pursuant to Planning Code Section 314, the Project would result in the addition of approximately 228,000 square feet of office space subject to Section 314 of the Planning Code.
9. Public Art Concept: The project sponsor will work with Agency staff to define the public art installation, which should (1) be located where public benefit and enjoyment is maximized, (2) have placement that is appropriate to the scale and nature of the artwork being considered and (3) will complement and enhance the architecture or the space where it is located.
10. The Commission, after carefully balancing the competing public and private interests, hereby finds that authorization of the requested Conditional Uses would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearing, and all other written materials submitted by all parties, the Commission hereby APPROVES the project authorization and design requested via Case 2006.1216B, subject to the following conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this project authorization to the Board of Appeals within fifteen days after the date of this Motion No. 17332. The effective date of this Motion shall be the date of this Motion if not appealed (after the fifteen-day period has expired) OR the date of the decision of the Board of Appeals if appealed. For further information, please contact the Board of Appeals in person at 1660 Mission Street, Room 3036, or by telephone at (415) 575-6880.

I hereby certify that the Planning Commission adopted the foregoing Motion on November 2, 2006.

Linda Avery
Commission Secretary

AYES: Commissioners Alexander, Antonini, Lee, Moore, Olague and Sugaya

NAYES: None

ABSENT: None

ADOPTED: November 2, 2006

EXHIBIT A

CONDITIONS OF APPROVAL

1. Wherever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Proposed Building or underlying property.
2. The authorization herein is for an office allocation pursuant to Planning Code Section 321 *et seq.* and to Motion 14702 for assignment of up to 228,000 square feet of office area and for design approval of a new building generally as described in Application No. 2006.1216B and in the text of Planning Commission Motion No. _____. Said building shall be in substantial conformity with the plans and documents dated October 17, 2006, and labeled Exhibit B. Final plans shall be reviewed and approved by the Staff of the Department prior to the issuance of the site or building permit.
3. A site permit or building permit for the Proposed Building authorized herein shall be obtained within eighteen months of the date of this action, and construction, once commenced, shall be thenceforth pursued diligently to completion. This authorization may be extended at the discretion of the Zoning Administrator only where the failure to issue a permit by the Department of Building Inspection to construct the proposed building is caused by a delay by a City, state or federal agency or by any appeal of the issuance of such a permits(s). Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within 18 months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development.
4. The office space previously allocated in Case 2002.030, approved for 80,922 square feet, shall revert to the available allocation upon approval of this project.
5. The Project Sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this Motion every six months from the date of this approval through the issuance of the first temporary certificate of occupancy. Thereafter, the submittal of the report shall be on an annual basis. This requirement shall lapse when the Zoning Administrator determines that all the conditions of approval have been satisfied or that the report is no longer required for other reasons.
6. Development of the Site may precede the installation of off-site infrastructure in the area. The Infrastructure for the proposed building as described in Application 2006.1216B shall be reviewed by the Redevelopment Agency.
7. Five secure bicycle storage spaces shall be provided at this site, and 15 secure bicycle spaces to serve this building shall be provided in the adjacent parking structure.
8. The project Sponsor shall continue to work with Department and Agency staff in refining certain aspects of the architectural design, finishes and detailing.
9. Prior to the issuance of any new or amended building permit for the construction The Applicant shall cause this "Exhibit A" to be recorded against the title of the Subject Property as a Notice of Special Restrictions under the City Planning Code.

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held: Members, SF Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: ARE-San Francisco No. 15, LLC, a Delaware limited liability company.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
(1) None. Contractor is a single member limited liability company. Note that Contractor is an indirectly wholly-owned subsidiary of Alexandria Real Estate Equities, Inc., a publicly traded REIT (NYSE: ARE). ARE's current board of directors include John Atkins, Richard Jennings, Richard Klein, Joel Marcus, James Richardson, Martin Simonetti, and Alan Walton. (2) None. ARE's CEO is Joel Marcus and Dean Shigenaga is the CFO. Its public filings are available for review at www.labspace.com . (3) N/A. As noted above, Contractor is an indirectly wholly-owned subsidiary of Alexandria Real Estate Equities, Inc.. (4) None. (5) None.	
Contractor address: ARE-San Francisco No. 15, LLC c/o Alexandria Real Estate Equities, Inc. 385 E. Colorado Blvd., Suite 299 Pasadena, CA 91101	
Date that contract was approved:	Amount of contract: \$40,845,000
Describe the nature of the contract that was approved: Option to Purchase Real Property at 1600 & 1670 Owens St.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: 0
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed