

1 [Term Sheet Endorsement - CPMC Development Agreement]

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3 **Resolution endorsing a Term Sheet for revisions to a proposed development**
4 **agreement with California Pacific Medical Center (CPMC) for CPMC's Long Range**
5 **Development Plan, including new hospitals at the Cathedral Hill and St. Luke's**
6 **Campuses, with any final development agreement subject to the approval of the**
7 **Planning Commission, the Municipal Transportation Authority and the Board of**
8 **Supervisors.**

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10 WHEREAS, California Government Code Section 65864 et seq. authorizes any city,
11 county, or city and county to enter into an agreement for the development of real property
12 within the jurisdiction of the city, county, or city and county; and

13 WHEREAS, Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets
14 forth certain procedures for the processing and approval of development agreements in the
15 City and County of San Francisco (the "City"); and

16 WHEREAS, Sutter West Bay Hospitals, a California nonprofit public benefit corporation
17 doing business as California Pacific Medical Center ("CPMC"), is the owner of certain real
18 property associated with the CPMC Long Range Development Plan ("LRDP") located at
19 various locations in the City, generally referred to as the St. Luke's Campus, the Cathedral Hill
20 (Van Ness and Geary) Campus, the Davies Campus, the Pacific Campus and the California
21 Campus (the "Project Sites"); and

22 WHEREAS, On March 30, 2012, CPMC filed an application with the City's Planning
23 Department for approval of a development agreement relating to the Project Sites, and City
24 staff and CPMC negotiated a proposed development agreement, a copy of which, dated June
25 20, 2012, is on file with the Clerk of the Board in File No. 120366 (the "Development

1 Agreement"). CPMC also filed applications with the Department for certain development
2 proposals described in Exhibit B to the Development Agreement (together with the
3 Development Agreement, the "Project"). The Project includes the "Near Term Projects,"
4 which generally include new hospitals and medical office buildings at the St. Luke's Campus
5 and the Cathedral Hill Campus, and a new Neuroscience Institute building at the Davies
6 Campus, and certain "Long Term Projects" on the Davies Campus and the Pacific Campus;
7 and

8 WHEREAS, On April 26, 2012, by Motion No. 18588, the Planning Commission
9 certified as adequate, accurate and complete and as representing the independent judgment
10 of the Planning Commission, the CPMC LRDP Final Environmental Impact Report ("FEIR")
11 prepared pursuant to the California Environmental Quality Act ("CEQA") (California Public
12 Resources Code Section 21000 et seq.). A copy of Planning Commission Motion No. 18588
13 is on file with the Clerk of the Board of Supervisors in File No. 120357. Also on April 26, by
14 Resolutions Nos. 18590 and 18591, the Planning Commission recommended to the Board of
15 Supervisors amendments to the General Plan necessary for implementation of the Near Term
16 Projects. A copy of Planning Commission Resolution Nos. 18590 and 18591 are on file with
17 the Clerk of the Board of Supervisors in File Nos. 120458, 120459 and 120460; and

18 WHEREAS, On April 26, 2012, the Planning Commission adopted Motion No. 18602,
19 approving the Development Agreement substantially in the form presented to the Planning
20 Commission and recommending that the Board of Supervisors adopt an ordinance to approve
21 the Development Agreement; and

22 WHEREAS, On April 26, 2012, the Planning Commission also adopted Motion Nos.
23 18592 through 18601, approving the zoning maps, planning code amendments, general plan
24 consistency findings, transit demand management plans, and office development
25 authorizations (together with the Development Agreement and the General Plan

1 Amendments, the "Planning Approvals"), and recommended that the Board of Supervisors
2 adopt the applicable ordinances to approve the Project consistent with the Planning
3 Approvals; and

4 WHEREAS, An appeal of the Planning Commission's Motion 18588 certifying the FEIR
5 was filed with the Board of Supervisors on May 16, 2012, and the Board held duly noticed
6 public hearings on June 12, 2012, July 17, 2012 and March 12, 2013 to consider the appeal of
7 the FEIR certification; and

8 WHEREAS, On March 12, 2013, by Motion No. _____, the Board of Supervisors
9 rejected the appeal and affirmed the decision of the Planning Commission to certify the FEIR
10 and found the FEIR to be complete, adequate and objective and reflecting the independent
11 judgment of the City and in compliance with CEQA and the State CEQA Guidelines; and

12 WHEREAS, Following the Planning Commission's approval of the Development
13 Agreement, the Land Use Committee of the Board of Supervisors held public hearings on the
14 Development Agreement and the Planning Approvals on June 15, 2012, June 25, 2012, July
15 9, 2012 and July 16, 2012, , and thereafter CPMC, based upon its analysis and community
16 considerations and working with City staff proposed revisions to the Project; and

17 WHEREAS, The proposed revisions include an increase in size of the new hospital at
18 the St. Luke's Campus (from 80 beds to 120 beds) and a decrease in the size of the new
19 hospital at the Cathedral Hill Campus (from 555 beds to 274-304 beds), as more particularly
20 described in the revised project description submitted to the Planning Department on
21 February 25, 2013, as revised, a copy of which is on file with the Clerk of the Board of
22 Supervisors in File No. 130232 (the "Revised Project"), and CPMC has indicated its intent to
23 revise or amend, as necessary, any materials or applications to reflect the Revised Project;
24 and

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1 WHEREAS, In a memorandum to the Board of Supervisors dated March 5, 2013, the
2 Planning Department determined that the Revised Project, with a larger hospital at St. Luke's
3 and a smaller hospital at Cathedral Hill, is a modification of Alternative 3A analyzed in the
4 FEIR, and that no other changes are proposed at those or any other Campus, and that no
5 new significant effects or increases in the severity of previously identified significant effects
6 are expected to result from the Revised Project. A copy of this memorandum is on file with
7 the Clerk of the Board of Supervisors in File No. 130232; and

8 WHEREAS, In connection with the Revised Project, City staff and CPMC have
9 negotiated a term sheet, a copy of which is on file with the Clerk of the Board of Supervisors
10 in File No. 130232 (the "Term Sheet"), to reflect proposed changes to the Development
11 Agreement as a result of the Revised Project; now, therefore, be it

12 RESOLVED, That the Board of Supervisors endorses the Term Sheet and Revised
13 Project, and authorizes and urges City staff to negotiate changes to the Development
14 Agreement and related documents as and to the extent necessary to conform to the Term
15 Sheet and the Revised Project; and, be it

16 FURTHER RESOLVED, That City staff are urged to make the preparation and
17 completion of review of a revised Development Agreement and related documents, including
18 revisions to the Planning Approvals, among their highest priorities with a goal toward
19 completion of Planning Commission and Board of Supervisors consideration before the
20 Board's summer recess, and, be it

21 FURTHER RESOLVED, That upon completion of documentation of environmental
22 review as may be required under CEQA, City staff shall present to the Planning Commission
23 the revised Development Agreement and any related documents or approvals necessary for
24 the Revised Project, including new proposed Planning Code text and map amendments,
25 General Plan amendments, and conditional use authorizations as necessary, and shall

1 forward as appropriate the Planning Commission’s recommendations to the Board of
2 Supervisors, for consideration and action consistent with Chapter 56 and applicable law; and,
3 be it

4 FURTHER RESOLVED, That upon completion of negotiations and any required
5 additional environmental review required under CEQA, City staff shall present to the San
6 Francisco Municipal Transportation Agency (the “SFMTA”) the revised Development
7 Agreement for its review and consideration as to the matters under the SFMTA’s jurisdiction;
8 and, be it

9 FURTHER RESOLVED, Notwithstanding the Board’s endorsement of the Term Sheet,
10 the City retains absolute discretion in connection with consideration of the Revised Project to:
11 (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible
12 alternatives to avoid significant adverse impacts, (3) require the implementation of specific
13 measures to mitigate significant adverse environmental impacts, or (4) reject the project as
14 proposed if the benefits of the project do not outweigh otherwise unavoidable significant
15 adverse impacts.

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