

AMENDED IN COMMITTEE  
1/15/14

FILE NO. 131193

RESOLUTION NO.

[Sale of Transferable Development Rights - War Memorial Complex - 301 and 401 Van Ness Avenue]

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**Resolution authorizing the Director of Property to sell up to 1,100,000 gross square feet of transferable development rights (TDR) from the War Memorial Complex, 301 and 401 Van Ness Avenue, San Francisco, at fair market value, and to execute and record Certificates of Transfer and to take such additional actions as may be necessary to effectuate one or more TDR transfers in accordance with Planning Code, Section 128.**

WHEREAS, On April 27, 2003, the Board of Supervisors approved Ordinance No. 77-04 which, among other things, amended San Francisco Planning Code Section 128 to provide that a lot zoned P (public) may be a Transfer Lot for purposes of conveying Transferable Development Rights (“TDR”), provided that certain criteria outlined in Section 128(a)(4) are satisfied, and as further amended in Ordinance No. 87-07, approved by the Board of Supervisors on April 27, 2007; and,

WHEREAS, On May 10, 2007, the War Memorial Board of Trustees adopted Resolution No. 07-26, authorizing the City’s Director of Property to negotiate and enter into contracts for the sale of TDR from the War Memorial Complex, with the net proceeds from any such sales deposited to a segregated, interest bearing account established by the City’s Controller as a trust asset specifically for the War Memorial Complex; and,

WHEREAS, The Director of Property proposes to transfer up to 1,100,000 gross square feet of TDR from the War Memorial Complex (Assessor’s Block 0786A, Lot 001) at 301 and 401 Van Ness Avenue (the “Property”) to finance the rehabilitation and restoration of the Property in accordance with the Secretary of the Interior Standards; and,

WHEREAS, Under the terms of Planning Code Section 128, the transfer of TDR from the Property to an eligible transferee or an eligible Development Lot requires certain

1 administrative actions by Director of Property, including, but not limited to, the recording of a  
2 Certificate of Transfer against the Property that states the amount of TDR available for  
3 transfer, and that the transfer of TDR permanently reduces the development potential of the  
4 Property by the amount of TDR transferred; and,

5 WHEREAS, The proposed TDR transfer would involve soliciting interested buyers,  
6 negotiating applicable TDR Transfer Agreements (the “Agreements”), and establishing a  
7 market value transfer price of the TDR; and,

8 WHEREAS, It is in the interest of the City to sell TDR from the Property to effectuate  
9 rehabilitation and restoration of the War Memorial Complex; now, therefore, be it

10 RESOLVED, That, provided that the criteria and requirements of Planning Code  
11 Section 128 with respect to transfer of TDR are met, the Board of Supervisors authorizes the  
12 Director of Property to execute and record the Certificate of Transfer and to negotiate and  
13 execute Agreements and to take such other actions as reasonably required under Planning  
14 Code Section 128 to effectuate the transfer of up to 1,100,000 gross square feet of TDR from  
15 the Property to buyers on a rolling basis, upon satisfaction of the following conditions: (i) buyer  
16 has executed an Agreement (or Agreements), in form acceptable to the Director of Property  
17 and City Attorney, acquiring TDR at no less than \$25 per square foot; and (ii) the Agreements  
18 are acceptable to the Managing Director of the War Memorial; and, (iii) the Director of  
19 Property shall submit enabling legislation to the Board of Supervisors to reauthorize such TDR  
20 sales immediately upon reaching sales of 550,000 gross square feet (such legislation to  
21 adjust the minimum sales price of TDRs as necessary); and, be it

22 FURTHER RESOLVED, All funds from the sale of TDRs from the Property shall be  
23 placed into the segregated account established by the Controller as a trust asset to be used  
24 solely for the rehabilitation and restoration of the War Memorial Complex, (which may include  
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1 payment of debt service in furtherance of said rehabilitation and restoration of the War  
2 Memorial Complex) in accordance with the Secretary of the Interior Standards; and, be it

3 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,  
4 in the name and of behalf of the City and County, to execute and deliver the title to TDR to the  
5 buyer upon the closing of escrow in accordance with the terms and conditions of the  
6 applicable Agreement(s) as negotiated, and to take any all steps (including, but not limited to,  
7 the execution and delivery of any and all certificates, agreements, notices, consents, escrow  
8 instructions, closing documents and other instruments or documents) as the Director of  
9 Property deems necessary or appropriate, in consultation with the City Attorney, to  
10 consummate the sale of the TDR, or to otherwise effectuate the purpose and intent of this  
11 Resolution, such determination to be conclusively evidenced by the execution and delivery by  
12 the Director of Property of any such documents; and, be it

13 FURTHER RESOLVED, That the Director of Property will report to the Capital Planning  
14 Committee and the Board of Supervisors' Budget & Finance Committee at the end of each  
15 quarter to report and update the results of sales of City owned TDR, and, should no sales take  
16 place in the previous quarter, this reporting requirement will hereby be waived.

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18 RECOMMENDED:

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21 John Updike  
22 Director of Property

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24 \_\_\_\_\_  
25 Elizabeth Murray, Managing Director  
War Memorial