

LEGISLATIVE DIGEST

[Development Agreement - EQX Jackson SQ Holdco LLC - 530 Sansome Mixed Use Tower and Fire Station 13 Development Project - 530 Sansome Street, 425 Washington Street, 439-445 Washington Street, and 447 Battery Street]

Ordinance approving a Development Agreement between the City and County of San Francisco and EQX Jackson SQ Holdco LLC for the development of a project on certain real property known as 425 Washington Street, 439-445 Washington Street, 530 Sansome Street, and 447 Battery Street, and generally bounded by Sansome Street to the west, Washington Street to the north, Battery Street to the east, and Merchant Street to the south; approving certain impact fees and accepting and appropriating a \$4,310,710 additional affordable housing payment; confirming compliance with or waiving certain provisions of the Administrative Code, Planning Code, Public Works Code, Labor and Employment Code, and Health Code; ratifying past actions and authorizing future actions in furtherance of this Ordinance, as defined herein; adopting findings under the California Environmental Quality Act; making findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and making findings of public necessity, convenience, and general welfare under Planning Code, Section 302.

Background Information

California Government Code sections 65864 et seq. (the "Development Agreement Statute") and San Francisco Administrative Code Chapter 56 ("Chapter 56") authorize the City to enter into a development agreement regarding the development of real property. There are no amendments to existing law.

Amendments to Current Law

EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("Developer") has proposed a mixed-use development project ("Project") for real property comprised of 425 Washington Street, 439-445 Washington Street, 530 Sansome Street, and 447 Battery Street and bounded by Sansome Street to the west, Washington Street to the north, Battery Street to the east, and Merchant Street to the south (collectively, the "Project Site"). Developer currently owns 425 Washington Street and 439-445 Washington Street (together, the "Developer Property") and City currently owns 530 Sansome Street. The Developer also has the right to acquire or cause 447 Battery Street to be transferred to City.

The Project includes demolishing the existing buildings on the Project Site, building a mixed-use high-rise building up to 41-stories tall with three below-grade levels and approximately 10,135 square feet of event space, between approximately 372,035 and 417,230 square feet of office space, and between approximately 127,710 and 188,820 square feet of hotel space

that would accommodate between approximately 100 and 200 guest rooms on the Developer Property and 530 Sansome Street (the "Tower"), a new three-story fire station with one below-grade level on 447 Battery Street (the "New Fire Station"), and improving Merchant Street between Sansome Street and Battery Street (comprised of approximately 9,580 square feet) with non-standard streetscape improvements built and maintained by Developer at its sole cost.

City staff has negotiated a development agreement with Developer for a term of 8 years. Under the development agreement, Developer will attain the vested right to develop the Project in return for specified community benefits, including the New Fire Station, the Merchant Street Improvements, a \$4,310,710 additional affordable housing payment, and workforce commitments made by Developer. Approval of the ordinance would adopt certain environmental findings, allow City staff to enter into the development agreement, and waive specified provisions of the Administrative Code, Planning Code, Public Works Code, Labor and Employment Code, and Health Code for the Project.

By separate legislation, the Board is considering a number of other actions in furtherance of the Project, including the creation of a special use district and amendments to the City's Planning Code, Height Map and Zoning Map, rescinding the Planning Code Chapter 10 landmark designation for the current building on 447 Battery Street, approving a major encroachment permit for the installation and maintenance of the Merchant Street Improvements, and approving an amended and restated conditional property exchange agreement for the exchange of 530 Sansome Street for 447 Battery Street.

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