

LEGISLATIVE DIGEST

[Development Agreement - Sutter West Bay Hospitals - California Pacific Medical Center]

Ordinance: 1) approving a Development Agreement between the City and County of San Francisco and Sutter West Bay Hospitals, for certain real property associated with the California Pacific Medical Center Long Range Development Plan located at various locations in the City and County of San Francisco and generally referred to as the St. Luke's Campus, Cathedral Hill (Van Ness and Geary) Campus, Davies Campus, Pacific Campus, and California Campus; 2) making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and 3) waiving certain provisions of Administrative Code Chapter 56, and ratifying certain actions taken in connection therewith.

Existing Law

California Government Code section 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.

Amendments to Current Law

This ordinance approves a development agreement between the City and County of San Francisco and Sutter West Bay Hospitals in accordance with the Development Agreement Statute and Chapter 56. The development agreement would provide CPMC the vested right to develop the projects sites as described in the development agreement. There are no proposed amendments to Chapter 56.

Background Information

California Pacific Medical Center (“CPMC”) currently operates four acute care medical centers in San Francisco: the California Campus, the Pacific Campus, the St. Luke’s Campus, and the Davies Campus. As part of its program to meet state seismic readiness deadlines, CPMC’s Long Range Development Plan (“LRDP”) proposes a five campus system with three acute care hospitals – at Davies, St. Luke’s, and a new hospital at the proposed Cathedral Hill Campus – providing approximately 903 licensed beds and three full-service emergency departments (one at each of the acute care hospitals). Under the LRDP, upon completion of the proposed Cathedral Hill Hospital, the acute care services at the California and Pacific campuses will be transferred to the Cathedral Hill Hospital. The Pacific Campus’s existing acute care hospital would undergo renovation and reuse as an ambulatory care center.

CPMC would sell the California Campus after the transfer of acute care and non-acute care services to the Cathedral Hill and/or the Pacific Campus. More details regarding the LRDP, including plans and renderings, can be found on the Planning Department's website at cpmc.sfplanning.org.

Under the proposed development agreement, CPMC would have the right to construct several of the buildings contemplated under the LRDP: a hospital and medical office building at Cathedral Hill, a hospital and medical office building at St. Luke's, and a medical office building at Davies.

The proposed Cathedral Hill Hospital would be a 555-bed, 265 feet tall, 15-story, approximately 875,378 gross square foot acute care hospital with related hospital space, and 513 parking spaces on three underground levels. The proposed Cathedral Hill medical office building, across Van Ness Avenue, would be nine stories tall, approximately 130 feet in height, and will contain approximately 261,691 gross square feet of floor area and 542 off-street parking spaces on seven underground levels.

If CPMC builds the Cathedral Hill Hospital, it is required under the proposed development agreement to complete the new St. Luke's Hospital before completing the Cathedral Hill Hospital. The new St. Luke's Hospital would be a 80-bed, 99 feet tall, 5-story, approximately 146,410 gross square foot hospital, sited on an existing surface parking lot and over a portion of the to-be-vacated San Jose Avenue. After the new hospital is constructed, the existing hospital will be demolished and CPMC may construct a new 104,008 gross square foot, 5-story and approximately 100 foot tall medical office building, with approximately 220 underground parking spaces.

At the Davies Campus, CPMC would construct a new, four story, 46,000 gross square foot medical office building (aka "the Neuroscience Institute") at the southwest corner of Duboce Avenue and Noe Street.

By separate legislation, the Board is considering a number of actions in furtherance of projects located at the Cathedral Hill and St. Luke's Campuses, including the approval of amendments to the City's General Plan, Planning Code and Zoning Map.

The development agreement has a term of 10 years and provides for public benefits including, but not limited to, benefits related to housing, implementation of healthcare, the continued operation of St. Luke's hospital for a period of 20 years, workforce development, and funding for transportation and streetscape improvements.