

FILE NO. 001266

RESOLUTION NO. 860-00

1 [Agreement to Convey a Portion of Jessie Street in Connection with YBC Plan Amendment]
2 APPROVING AND AUTHORIZING AN AGREEMENT WITH THE REDEVELOPMENT
3 AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE SALE AND
4 EXCHANGE OF REAL PROPERTY CONSISTING OF A PORTION OF JESSIE STREET
5 BETWEEN FOURTH AND FIFTH STREETS, FOR A PURCHASE PRICE OF \$3,100,000
6 AND PROVIDING FOR THE CONVEYANCE OF REALIGNED PORTIONS OF JESSIE
7 STREET, FOR THE PURPOSE OF ENABLING THE AGENCY TO RECONVEY SUCH
8 PROPERTY TO OR FOR THE BENEFIT OF EMPORIUM DEVELOPMENT, L.L.C., (A
9 CALIFORNIA LIMITED LIABILITY COMPANY CONTROLLED BY FOREST CITY
10 ENTERPRISES) FOR THE DEVELOPMENT OF A MIXED USE PROJECT IN THE
11 EMPORIUM SITE AREA, IN FURTHERANCE OF THE IMPLEMENTATION OF AN
12 AMENDMENT TO THE REDEVELOPMENT PLAN FOR YERBA BUENA CENTER;
13 CONDITIONALLY APPROVING THE DEDICATION OF NEW JESSIE STREETS WEST AND
14 EAST AND AUTHORIZING OTHER OFFICIAL ACTIONS IN CONNECTION THEREWITH;
15 ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY
16 ACT; ADOPTING FINDINGS THAT THE CONVEYANCE IS CONSISTENT WITH THE
17 CITY'S GENERAL PLAN AND EIGHT PRIORITY POLICIES OF CITY PLANNING CODE
18 SECTION 101.1; ADOPTING FINDINGS PURSUANT TO SECTION 33433 OF THE
19 CALIFORNIA COMMUNITY REDEVELOPMENT LAW; AND AUTHORIZING THE
20 DIRECTOR OF PROPERTY TO EXECUTE DOCUMENTS, MAKE CERTAIN
21 MODIFICATIONS AND TAKE CERTAIN ACTIONS IN FURTHERANCE OF THIS
22 RESOLUTION.

23 WHEREAS, In accordance with the Community Redevelopment Law of California
24 (Health & Safety Code Sections 33000 et seq.), this Board of Supervisors has approved an
25 amendment to the Redevelopment Plan for the Yerba Buena Center Redevelopment Project

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1 Area by Ordinance No. 236-00 adopted on October 13, 2000 (the
2 "Redevelopment Plan Amendment"); and,

3 WHEREAS, The Redevelopment Plan Amendment expands the Yerba Buena Center
4 Project Area to add land consisting of a portion of the block bounded by Market, Fourth,
5 Mission and Fifth Streets (including the site of the old Emporium building and related buildings
6 and a portion of Jessie Street), and a portion of Mission Street between Fourth and Fifth
7 Streets, including Assessor's Block 3705, Lots 9, 10, 12, 13, 14, 15, 17, 18, 33, 38 and 43,
8 containing a total of approximately 295,000 square feet of land area, as more particularly
9 described in the Redevelopment Plan Amendment (the "Emporium Site Area"); and,

10 WHEREAS, The Redevelopment Plan Amendment provides for the redevelopment,
11 rehabilitation and revitalization of the Emporium Site Area, including the development of a
12 mixed use project containing a major department store, retail, entertainment, office, hotel, and
13 possibly future residential uses (the "Project"); and,

14 WHEREAS, The Redevelopment Plan Amendment requires the vacation and
15 conveyance of a portion of Jessie Street between Fourth and Fifth Streets (the "Jessie Street
16 Property") and the realignment of Jessie Street in order to implement the redevelopment of
17 the Emporium Site Area; and,

18 WHEREAS, In order to facilitate the implementation of the Redevelopment Plan
19 Amendment, the Redevelopment Agency of the City and County of San Francisco (the
20 "Redevelopment Agency") and Emporium Development, L.L.C., a California limited liability
21 company (the "Developer") are entering into or have entered into an Owner Participation
22 Agreement/ Disposition and Development Agreement (the "OPA/DDA"), regarding the
23 redevelopment of the Project Site; and,

24 WHEREAS, The OPA/DDA provides or will provide for the conveyance by the
25 Redevelopment Agency of the Jessie Street Property to the Developer upon the satisfaction

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1 of certain conditions, including payment by the Developer of the purchase price of \$3,100,000
2 for the Jessie Street Property and submittal by the Developer to the Redevelopment Agency
3 of evidence of the financing for construction of the Project and of the procurement of required
4 permits to begin construction and the delivery of an irrevocable offer to dedicate Jessie Street
5 West and Jessie Street East; and,

6 WHEREAS, The Redevelopment Agency and Federated Department Stores (or its
7 affiliate), the owner of the underlying fee to most of the Project site, are concurrently entering
8 into or have concurrently entered into an agreement (the "FTHE Agreement") to facilitate the
9 implementation of the Redevelopment Plan Amendment; and,

10 WHEREAS, The Redevelopment Agency wishes to acquire the Jessie Street Property
11 from the City and to reconvey the Jessie Street Property to or for the benefit of the Developer
12 in furtherance of the purposes and implementation of the OPA/DDA and the Redevelopment
13 Plan Amendment; and,

14 WHEREAS, Section 33220 of the Health and Safety Code authorizes, among other
15 things, the City to sell or convey City-owned property within a redevelopment project area to
16 the Redevelopment Agency for the purpose of aiding and cooperating in the undertaking and
17 construction of redevelopment projects; and,

18 WHEREAS, A copy of (i) the proposed Agreement for the Sale and Exchange of Real
19 Estate (the "Sale Agreement") between the City, as seller, and the Redevelopment Agency,
20 as buyer[, (ii) the OPA/DDA between the Agency and Developer, and (iii) a report (including a
21 summary of the OPA/DDA and an appraisal report of the Jessie Street Property) prepared
22 pursuant to Section 33433 of the Health and Safety Code] are all on file with the Clerk of the
23 Board of Supervisors in File No. 001266; and

24 WHEREAS, The Sale Agreement provides for a purchase price of \$3,100,000, with ten
25 percent payable upon execution of the Sale Agreement and the balance payable upon

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1 closing, and further provides for the irrevocable dedication to the City of the realigned portions
2 of Jessie Street to Mission Street, known as Jessie Street West and Jessie Street East, and
3 the conveyance of Jessie Street West and Jessie Street East to the City once those street
4 areas are constructed by the Developer and the City Engineer has issued a Notice of
5 Completion for such construction of the street areas; and,

6 WHEREAS, In DPW Order No. 172,516, dated August 23, 2000, on file
7 with the Clerk of the Board of Supervisors in File No. 001266, the City Engineer
8 certified and the Director of the Department of Public Works recommended, subject to
9 specified reservations, acceptance of the aforementioned irrevocable offer of dedication and
10 the map showing the area to be dedicated for right-of-way purposes; and,

11 WHEREAS, The Director of Property has determined, based on an independent MAI
12 appraisal, a copy of which is on file with the Clerk of the Board of Supervisors in File No.
13 001266, that the purchase price reflects the fair market value of the Jessie Street
14 Property; and,

15 WHEREAS, In Resolution No. 812-00, a copy of which is on file with the Clerk
16 of the Board of Supervisors in File No. 001265, this Board of Supervisors affirmed
17 the Planning Commission's and Redevelopment Commission's certification of the Final
18 Supplemental Environmental Impact Report for the Yerba Buena Redevelopment Project Area
19 Expansion/Emporium Site Development (SCH. No. 98072072) (the "FSEIR") as adequate and
20 complete pursuant to the California Environmental Quality Act ("CEQA"), the State CEQA
21 Guidelines, and Chapter 31 of the San Francisco Administrative Code. In such Resolution,
22 this Board also adopted findings in connection with the FSEIR, including an Addendum
23 thereto, and its actions related to the Yerba Buena Redevelopment Project Area Expansion,
24 including the Sale Agreement and other actions contemplated herein, and adopted a
25 mitigation monitoring and reporting program; and,

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1 WHEREAS, The Planning Commission, by Resolution No. 15947 adopted on
2 Aug. 17, 2000, a copy of which is on file with the Clerk in File No. 001266, found
3 that the Project, which includes the conveyance of the Jessie Street Property contemplated by
4 the Sale Agreement, is consistent with the City's General Plan, as amended, and with the
5 eight Priority Policies of City Planning Code Section 101.1; now, therefore, be it

6 RESOLVED, That this Board hereby incorporates by reference as if fully set forth
7 herein Resolution No. 812-00, a copy of which is on file with the Clerk of the Board
8 of Supervisors in File No. 001265, including such Resolution's findings and mitigation
9 program, and relies on such Resolution as the CEQA basis for the actions proposed in this
10 legislation; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record
12 before it, including but not limited to the Report on the Plan Amendment, the reports and
13 analyses of expert real estate economics consultants prepared in connection with the
14 adoption of the Redevelopment Plan Amendment, and other materials on file with the Clerk of
15 the Board of Supervisors in File No. 001257 when the Board of Supervisors adopted
16 Ordinance No. 236-00 approving the Redevelopment Plan Amendment, that the
17 redevelopment of the Emporium Site Area in accordance with the Redevelopment Plan
18 Amendment, the OPA/DDA, and related documents affords numerous public benefits for the
19 City and County and its residents, and that such public benefits include, without limitation, the
20 revitalization of the Emporium Site Area, which is currently blighted, and the elimination of the
21 blighting influences, the creation of jobs, including employment opportunities for qualified
22 economically disadvantaged individuals, and the generation of new City and local revenues
23 from the Project, and the preservation of historic resources; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby finds, based on the
25 record before it, including but not limited to the Report on the Plan Amendment, the reports

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1 and analyses of expert real estate economics consultants prepared in connection with the
2 adoption of the Redevelopment Plan Amendment, and other materials on file with the Clerk of
3 the Board of Supervisors in File No. 001257. when the Board of Supervisors adopted
4 Ordinance No. 236-00 approving the Redevelopment Plan Amendment, that the
5 Sale Agreement, which is part of the implementation of the redevelopment project, is
6 consistent with the General Plan, as amended, and with the eight Priority Policies of Planning
7 Code Section 101.1, for the same reasons as set forth in Planning Commission Resolution
8 No. 15947, and hereby incorporates such findings by reference as though fully set
9 forth in this resolution; and, be it

10 FURTHER RESOLVED, That in accordance with the recommendations of the City
11 Engineer, the Director of Property and the Director of Public Works, the Board of Supervisors
12 hereby approves the Sale Agreement and the transactions contemplated thereby and
13 authorizes and urges the Director of Property to execute the Sale Agreement, in the name
14 and on behalf of the City, in substantially the form of such agreement presented to this Board;
15 and, be it

16 FURTHER RESOLVED, That in accordance with the terms of the Sale Agreement, in
17 consideration of the conveyance of the Jessie Street Property the Redevelopment Agency
18 shall (i) pay, or cause the Developer to pay, to the City a purchase price of \$3,100,000, ten
19 percent of which shall be payable following execution and delivery of the Sale Agreement and
20 the OPA/DDA and the balance of which shall be payable upon the closing of the conveyance
21 of the Jessie Street Property to the Redevelopment Agency, and (ii) cause the irrevocable
22 dedication and conveyance in fee, to the City of the new Jessie Streets East and West; and,
23 be it

24 FURTHER RESOLVED, That the expenses of the Real Estate Department, estimated
25 to be \$15,000 in this transaction, and the fees of the City Attorney's Office if any, in excess of

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1 the costs which the Developer is responsible for paying under the OPA/DDA, shall be
2 deducted from the cash deposit as provided in the Sale Agreement, and the balance of the
3 sale proceeds to the City shall be deposited to the Department of Public Works Real Property
4 Fund; and, be it

5 FURTHER RESOLVED, That, in order to aid and cooperate with the Redevelopment
6 Agency in undertaking redevelopment projects as authorized by Section 33220 of the
7 Community Redevelopment Law, the City will convey the Jessie Street Property directly to the
8 Redevelopment Agency to allow the Redevelopment Agency to reconvey the Jessie Street
9 Property for redevelopment purposes under the OPA/DDA, that the public interest or
10 necessity demands, or will not be inconvenienced by, the sale of the Jessie Street Property
11 pursuant to the Sale Agreement; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby finds, based on the
13 record before it, including but not limited to the Report on the Plan Amendment, the reports
14 and analyses of expert real estate economics consultants prepared in connection with the
15 adoption of the Redevelopment Plan Amendment, and other materials on file with the Clerk of
16 the Board of Supervisors in File No. 001257. when the Board of Supervisors adopted
17 Ordinance No. 236-00 approving the Redevelopment Plan Amendment, and in
18 accordance with Section 33433 of the California Community Redevelopment Law that the sale
19 of the Jessie Street Property pursuant to the Sale Agreement (including without limitation, the
20 Redevelopment Agency's subsequent conveyance of the Jessie Street Property to or for the
21 benefit of the Developer) will assist in the elimination of blight and is consistent with the
22 implementation plan adopted for the Emporium Site Area pursuant to Section 33490 of the
23 California Community Redevelopment law and that the consideration for the Jessie Street
24 Property is not less than the fair market value at its highest and best use in accordance with
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1 the Redevelopment Plan Amendment, all for the reasons set forth in the report on file with the
2 Clerk of the Board in File No. 001257; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors does hereby conditionally
4 accept on behalf of the City and County of San Francisco that certain irrevocable offer of
5 dedication by the Developer and Federated Department Stores of Jessie Street West and
6 Jessie Street East as those streets are referenced to and described in the Sale Agreement
7 subject to (i) the terms and conditions set forth in DPW Order No. 172,516 and the
/25/00 "Jessie Street Dedication Plat"
rt 8 map entitled ~~Map~~ / (the "Map"), including without limitation, the completion of
9 the street improvements to City standards, and (ii) the Board of Supervisors' subsequent
10 adoption of an ordinance accepting such streets for maintenance purposes. Copies of DPW
11 Order No. 172,516 and the Map are on file with the Clerk of the Board in File No.
12 001266; and, be it

13 FURTHER RESOLVED, That notwithstanding whether the Board of Supervisors has
14 adopted an ordinance accepting such streets for maintenance purposes, the Board of
15 Supervisors hereby authorizes the Director of Public Works to accept a grant deed for Jessie
16 Street West and Jessie Street East and to execute any other necessary documents to acquire
17 fee title to Jessie Street West and Jessie Street East within ten (10) days following the City
18 Engineer's issuance of a Notice of Completion for the Jessie Street West and Jessie Street
19 East right-of-way improvements; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs other
21 official actions deemed appropriate by the Director of Public Works in connection with the
22 conditional acceptance of the offer of dedication, including the recordation of this Resolution
23 and the accompanying Map in the Official Records of the City and County of San Francisco;
24 and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
2 Property to enter into any additions, amendments or other modifications to the Sale
3 Agreement (including, without limitation, the attached exhibits) that the Director of Property
4 determines are in the best interests of the City, do not decrease the sales price for the Jessie
5 Street Property or otherwise materially increase the obligations or liabilities of the City, and
6 are necessary or advisable to complete the transaction contemplated in the Sale Agreement
7 and effectuate the purpose and intent of this resolution, such determination to be conclusively
8 evidenced by the execution and delivery by the Director of Property of the Sale Agreement
9 and any amendments thereto; and, be it

10 FURTHER RESOLVED, That the Director of Property and the Director of Public Works,
11 as the case may be, is hereby authorized and urged, in the name and on behalf of the City
12 and County, to execute and deliver the deed to the Jessie Street Property to the
13 Redevelopment Agency upon the closing in accordance with the terms and conditions of the
14 Sale Agreement, and to take any and all steps (including, but not limited to, the execution and
15 delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing
16 documents and other instruments or documents) as the Director of Property or the Director of
17 Public Works (as applicable) deems necessary or appropriate in order to consummate the
18 conveyance of the Jessie Street Property pursuant to the Sale Agreement, or to otherwise
19 effectuate the purpose and intent of this resolution, such determination to be conclusively
20 evidenced by the execution and delivery by the Director of Property or the Director of Public
21 Works (as applicable) of any such documents; and, be it

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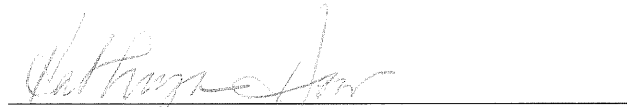
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1 FURTHER RESOLVED, That the approval under this resolution shall take effect upon
2 the effective date of the amendments to the General Plan approved under Board of
3 Supervisors Ordinance No. 229-00, adopted on October 13, 2000.

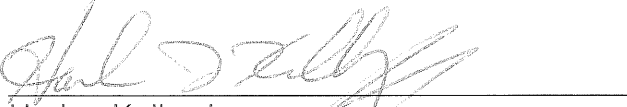
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5 RECOMMENDED:

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9 Anthony J. DeLucchi
Director of Property

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12 Kathryn How
13 Acting City Engineer

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15 Harlan Kelly, Jr.
16 Acting Director of Public Works

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BOARD OF SUPERVISORS



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 001266

Date Passed:

Resolution approving and authorizing an agreement with the Redevelopment Agency of the City and County of San Francisco for the sale and exchange of real property consisting of a portion of Jessie Street between Fourth and Fifth Streets, for a purchase price of \$3,100,000 and providing for the conveyance of realigned portions of Jessie Street, for the purpose of enabling the Agency to reconvey such property to or for the benefit of Emporium Development, L.L.C., (a subsidiary of Forest City) for the development of a mixed use project in the Emporium Site Area, in furtherance of the implementation of an amendment to the Redevelopment Plan for Yerba Buena Center; conditionally approving the dedication of new Jessie Streets West and East and authorizing other official actions in connection therewith; adopting findings pursuant to the California Environmental Quality Act; adopting findings that the conveyance is consistent with the city's General Plan and Eight Priority Policies of city Planning Code Section 101.1; adopting findings pursuant to Section 33433 of the California Community Redevelopment Law; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of this Resolution.

August 28, 2000 Board of Supervisors — CONTINUED

Ayes: 10 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
Excused: 1 - Becerril

September 18, 2000 Board of Supervisors — CONTINUED

Ayes: 8 - Ammiano, Bierman, Brown, Kaufman, Leno, Teng, Yaki, Yee
Absent: 2 - Katz, Newsom
Excused: 1 - Becerril

September 25, 2000 Board of Supervisors — AMENDED

Ayes: 7 - Ammiano, Bierman, Katz, Kaufman, Leno, Newsom, Yaki
Absent: 3 - Brown, Teng, Yee
Excused: 1 - Becerril

September 25, 2000 Board of Supervisors — CONTINUED AS AMENDED

Ayes: 7 - Ammiano, Bierman, Katz, Kaufman, Leno, Newsom, Yaki
Absent: 3 - Brown, Teng, Yee
Excused: 1 - Becerril

October 2, 2000 Board of Supervisors — CONTINUED

Ayes: 9 - Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Noes: 1 - Ammiano

Excused: 1 - Becerril

October 10, 2000 Board of Supervisors — ADOPTED

Ayes: 8 - Bierman, Brown, Kaufman, Leno, Newsom, Teng, Yaki, Yee

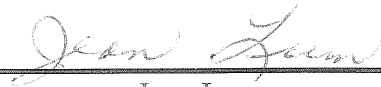
Noes: 1 - Ammiano

Absent: 1 - Katz

Excused: 1 - Becerril

File No. 001266

I hereby certify that the foregoing Resolution
was ADOPTED on October 10, 2000 by the
Board of Supervisors of the City and County
of San Francisco.




Jean Lum

Acting Clerk of the Board

OCT 13 2000

Date Approved



Mayor Willie L. Brown Jr.