Received in Committee - 11/9/15 jw.

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November 9, 2015

Budget and Finance Committee
San Francisco Board of Supervisors
c/o Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Re: November 9, 2015 Budget and Finance Committee, Warriors Arena Project CEQA Findings, Resolution 150994

Dear Committee Members:

This office represents the Mission Bay Alliance ("Alliance"), an organization dedicated to preserving the environment in the Mission Bay area of San Francisco, regarding the project known as the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 ("Warriors Arena Project" or "Project"). The Mission Bay Alliance objects to approval of the Project for the following reasons.

1. The Project SEIR does not comply with CEQA, as described in the Alliance's many comments on the SEIR submitted to the Successor Agency. Over the last three months, the Mission Bay Alliance has reviewed and commented on material inadequacies in the Project's expedited environmental review process. This Committee and the Board of Supervisors cannot fully consider and adequately mitigate the Project's many significant impacts without the benefit of an EIR that complies with CEQA.

The CEQA findings adopted by the OCII and the SFMTA are, therefore, premature and unsupported, as explained in the Alliance's comments on the Draft Subsequent Environmental Impact Report ("DSEIR"), as well as letters submitted following the Final SEIR.

Please refer to the following letters previously submitted and incorporated by reference:

From the Law Offices of Thomas N. Lippe:

(1) November 2, 2015, letter to OCII and Planning Department re: Comments on Final Subsequent Environmental Impact Report for the Warriors Arena Project Re Air Quality, Transportation, Hydrology, Water Quality, Biological, and Noise Impacts, including:

(2) As Exhibit A thereto, a November 2, 2015, letter from John Farrow, including

(3) As Exhibit 1 to Exhibit A, November 2, 2015, letter report from Paul Rosenfeld and Jessie Jaeger of SWAPS to Thomas Lippe, re Comments on the Event Center and Mixed-Use Development Project at Mission Bay Blocks 29-32.

(4) As Exhibit C thereto, a November 2, 2015, report by Greg Gilbert, Autumn Wind Associates.

(5) As Exhibit F thereto, a November 2, 2015, letter from Dan Smith.

(6) As Exhibit G thereto, a November 2, 2015, letter from Larry Wymer.

(7) As Exhibit H thereto, a November 2, 2015, letter from Matt Hageman.

(8) As Exhibit I thereto, a November 2, 2015, letter from Erik Ringelberg and Kurt Balasek.

(9) As Exhibit J thereto, a November 2, 2015, letter from Erik Ringelberg.

(10) As Exhibit K thereto, a July 16, 2015, BSK Technical Memorandum Regarding the Proposed Warrior Arena Wetland Features by Erik Ringelberg and Kevin Grove.

(11) As Exhibit L thereto, an October 29, 2015, Draft Waters and Wetland Delineation Report Proposed Mission Bay Development, Blocks 29-32 San Francisco, California, by Erik Ringelberg and Kevin Grove of BSK Associates.

(12) November 2, 2015, letter to OCII re: Warriors Arena Project: Violation of Variance Requirement.

(13) November 5, 2015, letter to Planning Commission re: Warriors Arena Project: Planning Codes section 321 and 305, General Plan Inconsistency and CEQA Findings.

(14) July 24, 2015, letter regarding impacts on Hydrology, Water Quality, and Biological Resources, including:

(15) July 21, 2015, letter report authored by Matt Hageman, P.G., C.Hg., QSD, QSP;

(16) July 21, 2015, letter report authored by Erik Ringelberg, B.Sc., M.Sc., Ph.D candidate; and Kurt Balasek, PG, CHg, QSD.

(17) July 25, 2015, letter regarding impacts on Noise and Vibration, including:

(18) July 24, 2015, letter report authored by acoustic engineer Frank Hubach.

(19) July 26, 2015, letter regarding impacts on Air Quality, including:

(20) July 19, 2015, letter report authored by Greg Gilbert; and

(21) July 20, 2015, letter report authored by Paul Rosenfeld, Ph.D, and Jessie Jagger.

(22) July 27, 2015, letter regarding impacts on Transportation, including:

(23) July 23, 2015, letter report authored by traffic engineer Dan Smith; and

(24) July 21, 2015, letter report authored by traffic engineer Larry Wymer.

From the law firm of Soluri Meserve:

(25) November 3, 2015, Letter to the San Francisco Municipal Transportation Agency, Board of Directors regarding their November 3, 2015, Agenda Item No. 13.

(26) November 2, 2015, Letter to the OCII and San Francisco Planning Department regarding the Environmental Review for Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32.

(27) October 20, 2015, letter to the San Francisco Planning Department regarding Supplemental Comments on Environmental Review for Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 - Updated Soil and Screening Levels.

(28) October 7, 2015, Letter to the San Francisco Planning Department regarding Supplemental Comments on Environmental Review for Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 - Clean Water Act 404 and CZMA Consistency.

(29) July 9, 2015, Letter to the San Francisco Planning Department regarding Notice of Incomplete Record for Warriors Event Center Environmental Review.

(30) 9. July 26, 2015, letter regarding impacts on Geology and Soils, Recreation, Hazardous Materials, , Greenhouse Gases, Wind and Shadow, Utilities and Service Systems, Public Services, Energy and Urban Decay, including:

(31) July 22, 2015, letter report authored by air quality professionals Patrick Sullivan, CPP, REPA, and Joh Henkelman, regarding Greenhouse Gas Emissions;

(32) July 22, 2015, letter report authored by geotechnical engineer Lawrence Karp, CE, CEG, regarding Geology and Soils impacts;

(33) July 22, 2015, letter report authored by engineering geologist Marin Cline, CEG, and hydrogeologist Kurt Balasek, PG, CHg, QSD, regarding Geology and Soils impacts);

(34) July 22, 2015, letter report authored by geotechnical engineer Martin Cline, GEG and Kurt Balasek, PG, CHg, QSD, regarding Hazardous Materials; and

(35) July 22, 2015, letter report authored by economist Philip King, Ph.D., regarding Urban Decay.

(36) June 29, 2015, letter regarding the City's failure to comply with AB 900 record keeping procedures and the resultant ineligibility of the Project for AB 900's litigation fast track procedures.

From the Brandt-Hawley Law Group:

(37) October 13, 2015, letter to the OCII the potentially-feasible alternate site adjacent to Pier 80.

(38) November 3, 2015, letter to the OCII regarding inadequate CEQA findings and inadequate SEIR responses to comments relating to land use plan inconsistencies, potentially-feasible project alternatives, and cultural resources.

(39) 8. July 26, 2015, letter regarding impacts on Land Use, Aesthetics, Cultural Resources, and Project Alternatives.

From Thomas Lippe, Susan Brandt-Hawley, Patrick Soluri, and Osha Meserve jointly:

(40) July 26, 2015, letter regarding EIR tiering;

(41) July 26, 2015, letter regarding litigation streamlining under AB 900.

2. The Project does not comply with the Mission Bay South Redevelopment Plan as discussed in my November 5, 2015, letter to the Planning Commission attached as Exhibit 1.

3. The Project does not comply with the San Francisco General Plan as discussed in my November 5, 2015, letter to the Planning Commission attached as Exhibit 1.

4. The Project does not comply with Proposition M, as codified at Planning Code Section 320 et seq and Planning Commission Motion 17709 , and is it is ineligible for allocation of any office space under Planning Code section 321 and Motion 17709, as discussed in my November 5, 2015, letter to the Planning Commission attached as Exhibit 1.

5. The Board of Supervisors cannot find that "Impact AQ-4: Potential conflicts with

BAAQMD's 2010 Clean Air Plan" is less than significant with mitigation because the City and Project Sponsor refuse to agree to BAAQMD's offset fees per Mitigation Measure M-AQ-2b. (See Exhibits 4 and 5.) There is also no evidence that the "Option 2" offset idea within Mitigation Measure M-AQ-2b is feasible. There are too many unanswered questions regarding Option 2, including lack of assured verification of offsets to ensure their effectiveness, and lack of assurance that offset sources are available in the quantity required. BAAQMD's offset program at least answers some, if not all, of these questions.

The Commission cannot find that all feasible mitigation measures that would substantially reduce "Impact AQ-1: Impacts of Criteria Air Pollutants from Construction" have been adopted as required by CEQA section 21081, because there is no evidence that paying the offset fees demanded by BAAQMD is infeasible. Also, as discussed above, there is no evidence that the "Option 2" offset idea within Mitigation Measure M-AQ-2b is feasible; therefore, it is not an adequate substitute for BAAQMD's offset program. This also applies to:

- Impact AQ-2: Impacts of Criteria Air Pollutants from Project Operations; and
- Impact C-AQ-1: Project Contribution to Regional Air Quality Impacts.

6. The Commission cannot find that feasible alternatives that would substantially reduce the Project's significant impacts have been adopted. The SEIR does not analyze the alternate site proposed by the Alliance near Pier 80, and did not circulate that analysis for public comment. Neither OCII nor this Commission has the basis to make conclusory findings rejecting the alternative. Among the relevant facts not considered in the findings is that the site is three times as large as would be required for the Event Center project and need not utilize any of the City-owned property nor any particular configuration of the privately-owned lots should there be an unwilling seller. There is no evidence provided that the site could not be acquired within a reasonable time period.

Case law confirms that assuring a site's consistency with city plans and zoning is within the City's power. Similarly, the scheduling of transportation services to the site can be increased, and the findings provide no studies to back up conclusory statements regarding traffic, air quality, hydrology, or water quality impacts. Since only a third of the site is needed to accommodate the event center, all of the impacts (if shown to have concern after sufficient technical review) can be avoided or mitigated. As stated in the Alliance letter to OCII that proposes this site for consideration as an alternative, here incorporated by reference, the SEIR failed to consider a potentially-feasible off-site alternative and must be revised and recirculated to do so before findings of infeasibility may be considered or adopted. The site suggested by the Alliance is potentially feasible and deserving of study.

Thank you for your attention to this matter.

Very Truly Yours,

Tom Lippe

Thomas N. Lippe

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November 5, 2015

President Rodney Fong and Members of the Planning Commission
City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Warriors Arena Project: Planning Codes section 321 and 305, General Plan Inconsistency and CEQA Findings.

Dear Commission President Fong and Members of the Commission:

This office represents the Mission Bay Alliance ("Alliance"), an organization dedicated to preserving the environment in the Mission Bay area of San Francisco, regarding the project known as the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 ("Warriors Arena Project" or "Project"). The Mission Bay Alliance objects to approval of this Project and certification of the Project SEIR.

1. The Project is ineligible for any office space allocation under Planning Code section 321 and Motion 17709.

a. This Project does not comply with the Design for Development.

Resolution 14702 and Motion 17709 require that any project in the Alexandria District must comply with the Mission Bay South Design for Development in order to be eligible for any office space allocation. (See Motion 17709, p. 9, Finding 9,[1] Finding 10[2].)

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[1]"This schedule of phased authorization will ensure that, in accord with Resolution 14702, adequate office space can be allocated to those projects within the Development District that are determined to be in compliance with the D for D requirements, while also complying with Section 321 of the Planning Code forbidding exceedance of the square footage available for allocation in any given annual cycle."

[2]"Pursuant to Resolution 14702, the Commission is charged with determining whether a project seeking authorization conforms to applicable standards in the D for D Document, which supersedes the criteria set forth in Section 321 and other provisions of the Code except as provided in the MBS Plan. The projects previously approved were determined to have met the MBS Redevelopment Plan and the D for D Document standards and guidelines, and requirements for childcare, public art, and other provisions of the Plan Documents, and retain

This Project does not comply with the Design for Development, as evidenced by the many amendments that the Successor Agency made to the Design for Development to accommodate the Project. Therefore, it is ineligible for allocation of any office space under Planning Code section 321 and Motion 17709.

b. This Project is inconsistent with the Redevelopment Plan.

A basic premise of the Planning Commission decisions in Resolution 14702 and Motion 17709, and a fundamental rationale for "superseding" section 321's guidelines in favor of the Redevelopment Plan and Redevelopment Plan documents, were the Commission's findings that the Redevelopment Plan met standards set in section 321, the San Francisco Master Plan, the priority policies in Planning Code section 101.1, and the requirements of redevelopment law. In short, in order to be eligible for the office space allocation available under motion 17709, the Project must be consistent with the Redevelopment Plan.

This Project is inconsistent with the Redevelopment Plan because, as demonstrated in the November 2, 2015, letter from Susan Brandt-Hawley, my co-counsel for the Alliance (attached as Exhibit 1), this Project is not an allowable secondary use under the Redevelopment Plan. However, in the alternative, as shown in my November 2, 2015, letter (attached as Exhibit 2), if the Project is an allowable secondary use under the Redevelopment Plan, then it requires a variance under section 305 of the Plan before Project approval.

2. The office space allocation requested for this Project exceeds the amount authorized for the Alexandria District.

In 1986, San Francisco voters passed Proposition M, a referendum limiting the amount of office space that can be approved each year. Codified as Section 321 of the San Francisco Planning Code, it provides that "[n]o office development may be approved during any approval period if the additional office space in that office development, when added to the additional office space in all other office developments . . . would exceed 950,000 square feet." (San Francisco Planning Code § 321(a)(1).) Office space is defined to mean "construction . . . of any structure" that has the "effect of creating additional office space."

The current Project plans call for the construction of two office towers on Mission Bay South Parcels 29 and 31, comprising 309,436 square feet and 267,486 square feet of office space, respectively, for

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that design approval, along with all previously imposed conditions of approval. Future projects requesting authorization will be brought before the Commission for design review in accord with Resolution 14702, and upon determination by the Commission that such proposals are in conformity with the D for D and other applicable requirements, office space may be allocated for such new structures from the unassigned amount available in the Development District."

a total of 576,922 square feet of office space. (Executive Summary, p. 2.)

In 2008, the Planning Commission adopted Motion No. 17709. Motion 17709 approved a cumulative total office space allocation for all projects within the Alexandria Development District of 1,350,000 gross square feet. (Motion 17709, p. 9, Finding 9.) Of that amount, 1,222,980 was allocated before the adoption of Motion 17709. (Motion 17709, p. 5, Finding 4, Table 1.) Therefore, at the time Motion 17709 was proposed, 227,020 gsf of unallocated office remained for allocation. (Motion 17709, p. 9, Finding 9, Table 4.)

According to Motion 17709, there were three pending projects at that time, at 600 Terry Francois, 650 Terry Francois, and 1450 Owens Street. Motion 17709 states that these projects represented 665,880 square feet of "potential office space." (Motion 17709, p. 5, Finding 5, Table 2.) Motion 17709 also states an intent to authorize only 57% of "potential office space" for actual office space after 10/18/09, 53% of "potential office space" for actual office space after 10/18/10, and 50% of "potential office space" for actual office space after 10/18/11.

Motion 17709 does not state how much actual office space was approved for the three pending projects at 600 Terry Francois, 650 Terry Francois, and 1450 Owens Street. The Planning Department's Office Development Annual Limitation Program record (attached as Exhibit 3) shows "0*" in the "size" column for these projects. (Exhibit 3, p. 19.) Assuming the Planning Commission allocated office space to these projects at the 57% ratio, that amount is 379,552 gsf (665,880 x .5). **This amount exceeds the remaining office space available for allocation at that time (i.e., 227,020 gsf).**

According to Motion 17709, there were two additional areas where the applicant indicated an intent to develop "potential office space," namely, MB South Blocks "29 and 31" and "33-34." (Motion 17709, p. 5, Finding 6, Table 3.) Motion 17709 states that these possible future projects represented 915,700 square feet of "potential office space," with Blocks "29 and 31" at 515,700 GSF. (Motion 17709, p. 5, Finding 6, Table 3.)

Assuming, again, that the Planning Commission allocated office space to these areas at the 50% ratio, that amount is 457,850 GSF (915,700 x .5), with 257,850 allocated to Blocks "29 and 31" at 257,850 gsf (515,700 x .5).

The Draft Motion proposed for adoption at today's hearing states that "Blocks 29-32 are included in the Development District and have been allocated a total of 677,020 sf of office space pursuant to Motion No. 17709." (Draft Motion, p. 3.) This is incorrect in at least four ways.

First, it is unclear and unstated how Planning staff derived the 677,020 gsf number.

Second, after approval of the office space allocation for the three pending projects at 600 Terry Francois, 650 Terry Francois, and 1450 Owens Street, there was no office space left in the

Alexandria District to allocate - as discussed above.

Third, even if one adds together the "potential office space" numbers for Blocks 29-32 in Motion 17709, the sum is 1,119,999 gsf, and 50% of that is only 560,000 gsf. The two office towers proposed for this Project require 576,922 gsf. (See Executive Summary, pp. 1-2: 309,436 gsf in the South tower and 267,486 gsf in the 16th Street tower). This number exceeds 560,000 gsf.

Fourth, when one adds the 25,000 gsf for office space in the arena building (see SEIR p. 3-17), the office space for this project totals 601,922 gsf (i.e., 576,922 plus 25,000), which also exceeds 560,000 gsf.

Fifth, to the extent there was any office space left for Motion 17709 to allocate after approval of the office space allocation for the three pending projects at 600 Terry Francois, 650 Terry Francois, and 1450 Owens Street, Motion 17709 allocated only 257,850 gsf to Blocks 29 and 31 (i.e., 50% of 515,700) pursuant to Finding 6, Table 3. **The 576,922 gsf of office space in the two office towers for this Project are located in Blocks 29 and 31; and the total of 576,922 gsf vastly exceeds the 257,850 gsf that may arguably be available.**

Because the office towers called for in the Project exceed the allowable office space cap, Section 321(a)(1) and Motion 17709 require the Planning Commission to deny approval of the Project and of the requested allocations of office space.

3. General Plan Inconsistency: BAAQMD.

San Francisco Master Plan Policy 4.1 states:

> Support and comply with objectives, policies, and air quality standards of the Bay Area Air Quality Management District.
> Regionwide monitoring of air quality and enforcement of air quality standards constitute the primary means of reducing harmful emissions. The conservation of San Francisco's air resource is dependent upon the continuation and strengthening of regional controls over air polluters, San Francisco should do all that is in its power to support the Bay Area Air Quality Management district in its following operations:
> - Monitoring both stationary and mobile sources of air pollution within the region and enforcing District regulations for achieving air quality standards.
> - Regulating new construction that may significantly impair ambient air quality.
> - Maintaining alert, permit, and violations systems.
> - Developing more effective controls and method of enforcement, as necessary

The attached letter from the Bay Area Air Quality Management District (Exhibit 4) and the City's response (Exhibit 5) show that this Project does not comply with this policy.

The Alliance previously commented on the Draft SEIR (Comment AQ-7) that the per ton charge for emission offsets is too low to achieve complete offset of the Project's emissions. The City's response to comments on this point is cagey, but it does suggest what now turns out to be fact - that the BAAQMD agreed with the comment - because the response states:

> SF Planning has been in communication with BAAQMD with regard to its suggestion that a higher fee may be warranted to offset project emissions to a less than significant level and found that BAAQMD could not establish that an increased rate beyond that of the Carl Moyer Program plus a five percent administrative fee could meet the "rough proportionality" standard required under CEQA.

(RTC, p. 13.13-67.) The RTC's rationale for contending that a higher offset fee would not meet the "rough proportionality" standard is that offset fees in other areas of the state are not higher than the offset fee proposed in the DSEIR. This is an error of law. The "rough proportionality" requirement requires a comparison of the cost of the mitigation to the degree of severity of the impact. The fees charged in other areas of the state are irrelevant to "rough proportionality."

4. CEQA Findings: General

The Commission cannot make any CEQA findings required by CEQA section 21081 or CEQA Guidelines 15091, 15093, 15096(f), because the Project SEIR does not comply with CEQA and is not certifiable, for the reasons described in the Alliance's comments on the SEIR.

5. CEQA Findings: BAAQMD.

The Commission cannot find that "Impact AQ-4: Potential conflicts with BAAQMD's 2010 Clean Air Plan" is less than significant with mitigation because the City and Project Sponsor refuse to agree to BAAQMD's offset fees per Mitigation Measure M-AQ-2b. (See Exhibits 4 and 5.) There is also no evidence that the "Option 2" offset idea within Mitigation Measure M-AQ-2b is feasible. There are too many unanswered questions regarding Option 2, including lack of assured verification of offsets to ensure their effectiveness, and lack of assurance that offset sources are available in the quantity required. BAAQMD's offset program at least answers some, if not all, of these questions.

The Commission cannot find that all feasible mitigation measures that would substantially reduce "Impact AQ-1: Impacts of Criteria Air Pollutants from Construction" have been adopted as required by CEQA section 21081, because there is no evidence that paying the offset fees demanded by BAAQMD is infeasible. Also, as discussed above, there is no evidence that the "Option 2" offset idea within Mitigation Measure M-AQ-2b is feasible; therefore, it is not an adequate substitute for BAAQMD's offset program. This also applies to

- Impact AQ-2: Impacts of Criteria Air Pollutants from Project Operations"; Impact C-AQ-1: Project Contribution to Regional Air Quality Impacts;

- Impact C-AQ-1: Project Contribution to Regional Air Quality Impacts.

6. CEQA Findings: Pier 80 Alternate Site.

The Commission cannot find that feasible alternatives that would substantially reduce the Project's significant impacts have been adopted. The SEIR does not analyze the alternate site proposed by the Alliance near Pier 80, and did not circulate that analysis for public comment. Neither OCII nor this Commission has the basis to make conclusory findings rejecting the alternative. Among the relevant facts not considered in the findings is that the site is three times as large as would be required for the Event Center project and need not utilize any of the City-owned property nor any particular configuration of the privately-owned lots should there be an unwilling seller. There is no evidence provided that the site could not be acquired within a reasonable time period.

Case law confirms that assuring a site's consistency with city plans and zoning is within the City's power. Similarly, the scheduling of transportation services to the site can be increased, and the findings provide no studies to back up conclusory statements regarding traffic, air quality, hydrology, or water quality impacts. Since only a third of the site is needed to accommodate the event center, all of the impacts (if shown to have concern after sufficient technical review) can be avoided or mitigated. As stated in the Alliance letter to OCII that proposes this site for consideration as an alternative, here incorporated by reference, the SEIR failed to consider a potentially-feasible off-site alternative and must be revised and recirculated to do so before findings of infeasibility may be considered or adopted. The site suggested by the Alliance is potentially feasible and deserving of study.

Thank you for your attention to this matter.

Very Truly Yours,

Tom Lippe

Thomas N. Lippe

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November 2, 2015

Tiffany Bohee, OCII Executive Director
c/o Brett Bollinger, San Francisco Planning Department
via email warriors@sfgov.org

Subject: Warriors Event Center & Mixed Use Development
Inconsistency with Mission Bay South Redevelopment Plan
'Secondary Use' Classification

Dear Director Bohee and Mr. Bollinger:

The Mission Bay Alliance (the Alliance) contends that the Warriors' Event Center is unlawfully inconsistent with every use allowed by the Mission Bay South Redevelopment Plan (the Plan). Although the Alliance raised this issue in comments on the Draft Subsequent EIR (DSEIR), both the Responses to Comments in the Final SEIR and OCII's findings of project consistency remain materially inadequate.

The Plan designates uses allowed at a 'Commercial Industrial/Retail' site. The Alliance notes that while OCII now concedes that a sports arena is not within the scope of allowed 'principal uses' in that zoning, OCII contends that an arena is consistent with 'secondary uses.' As this letter will explain, all such secondary uses are similarly and demonstrably insufficient to permit the Warriors' sports arena.

Nighttime Entertainment. The Initial Study concluded, in error, that the DSEIR did not need to address land use issues — at all. It asserted that the entire Event Center, including the sports arena use, somehow met the secondary 'Nighttime Entertainment' use analyzed in the 1998 Plan EIR. Secondary uses were then generally referenced in the DSEIR (*e.g.*, pp. 3-8, 3-51, 4-5, 5.2-115), but there was no discussion of which category of secondary use would be allocated to the Event Center, inferring acceptance of the Nighttime Entertainment category.

The Plan describes Nighttime Entertainment in terms of small-scale local uses like dance halls, bars, nightclubs, discotheques, nightclubs, private clubs, and

EXHIBIT 1

restaurants. (Plan, p. 50.) At the time of the 1998 EIR, several small neighborhood bars occasionally offered nighttime entertainment, consistent with the secondary use category. Such minor uses were compatible with the 3rd Street Corridor and the waterfront. Clearly, no mammoth regional entertainment venue was anticipated in Mission Bay South and no such use was considered in the 1998 Plan EIR.

And while professional basketball games are held at night, the Event Center also projects 31 annual events "related to conventions, conferences, civic events, corporate events and other gatherings," with an estimated attendance of between 9,000 and 18,500 patrons. "[T]he majority of events are expected to occur during day time hours." Such events are not 'Nighttime Entertainment.'

The Director's currently-proposed findings that the sports arena is 'Nighttime Entertainment' contemplated as a secondary use in the Plan are unsupported. The findings fail to match the scope and impacts of a professional sports venue with the analysis or description of uses in the Plan or in the 1998 EIR. The findings are fatally conclusory; that somehow a professional sports venue would be "similar" to a nightclub or bar use in the 'Nighttime Entertainment' category "because" it will serve alcohol, provide amplified live entertainment, and provide a venue for evening gatherings. The findings fail to address the core inconsistency of a regional sports arena with the intent of the adopted Plan and the Design for Development, which focus on commercial entertainment uses in Mission Bay North to complement the Giants' ballpark.

OCII's reliance on the negative; to wit, that the 'Nighttime Entertainment' secondary use has no specific size limitations, is not enough. The Plan provides for the continued development of Mission Bay South as a walkable urban community intended to facilitate world-class medical and biotechnology development. The Event Center project violates the Plan Area Map carefully designed in classic, walkable Vara Blocks. (Plan, Attachment 2, p. 40.) Neither the Plan nor the Design for Development contemplate any uses comparable in scope or impact to the Event Center as 'Nighttime Entertainment.'

That being said, in fact in the Final SEIR and as reflected in the proposed Plan consistency findings, OCII now implicitly agrees with the Alliance that the 'Nighttime Entertainment' secondary use standing alone does not encompass a sports arena. Now, OCII additionally relies on the Plan's alternate 'secondary uses.' No such uses are consistent with the Plan, as explained below.

Recreation Building. One of the Plan's secondary use categories is for an undefined 'Recreation building.' (Plan, p. 15.) The Plan describes 'Outdoor Recreation' as "an area, not within a building, which is provided *for the recreational uses of patrons* of a commercial establishment." (Plan, p. 50, italics added.)

OCII's proposed findings as to the 'Recreation building' category stretch the regional sports arena use not only beyond what was contemplated by the Plan or studied in the 1998 EIR, but beyond logic. To state the obvious: there is a difference between 'recreation' and 'entertainment.' Both involve enjoyment and leisure, and may involve ancillary eating and drinking, and the Alliance has no quarrel with the Director's reference to recreation as "something people do to relax or have fun; activities done for enjoyment." (OCII Proposed Secondary Use Determination, p. 6.) But myriad dictionary definitions confirm and it cannot readily be denied that 'recreation' is commonly understood to involve one's personal physical activities while 'entertainment' refers to events or performances designed to entertain others.

None of the Plan's various references to 'entertainment' include athletic activities normally considered 'recreation;' Adult Entertainment [bookstore or theater], Amusement Enterprise [video games], Bar [drinking and theater], Theater [movies and performance]. (Plan, Attachment 5, pp. 44-51.) Consistently, the 1998 EIR's discussion of 'recreational' land uses focused in turn on open space, bicycles, parks, and water-based activities. (Mission Bay EIR, Volume IIB, pp. V.M. 15-28.).

In context, the Plan's reference to 'Recreation building' as a secondary use contemplates participatory recreational uses like the 'recreation facilities' referenced in the 1998 Plan EIR for the existing golf driving range and in-line hockey rink, with the expressed expectation that the size of recreational 'facilities' would decrease as redevelopment of the Plan area progressed. (OCII Proposed Secondary Use Determination, p. 6.)

Reliance on the secondary use of 'Recreation building' is unsupported.

Public Structure or Use of a Nonindustrial Character. As presented in the Plan, the category of "other secondary uses" labeled 'Public structure or use of a nonindustrial character' references *one* secondary use, not *two*. (Plan, p. 13.) The use is required to be public, and either a structure *or* a use.

The interpretation urged by the Director is, again, strained beyond the plain words of the Plan. 'Public' is not defined in the Plan and so its common meaning is assumed. But as proposed in the consistency findings, OCII interprets a 'public' use as simply requiring that the public be somehow 'served.' That would encompass every kind of principal and secondary use listed in the Plan, from child care to animal care to hotel, *etc.*, and renders the category meaningless: *i.e.*, "Any use is ok."

Instead, a public structure or use is commonly understood to be under the control and management of a public agency for the benefit of its constituency — such as the University of California[1] or the City of San Francisco. The Plan provides a description of a range of anticipated public improvements in Attachment 4. This list includes both public buildings and public uses. None of the public improvements listed in Attachment 4 include anything like a private professional sports arena.

The Event Center is a private project and is not within the scope of the secondary use category for a public structure or use of a nonindustrial character.

Director's Findings. As explained, the sports arena uses that are the impetus for the Event Center project are not allowed by the Plan's allowed principal or secondary uses. An allowed use is prerequisite for a finding of Plan consistency. The Alliance will not belabor the myriad other inconsistencies with the Plan's objectives, design, incompatibility with UCSF, and creation of significant environmental impacts, as those have been described in the DSEIR comments and throughout the administrative record, but hereby objects to their insufficiencies and lack of supporting substantial evidence for the Plan consistency finding.

Consideration of the Event Center project must be preceded by amendment of the Plan to be consistent with the delineated principal and secondary uses and the adopted Plan Area Map of the Mission Bay South Redevelopment Plan.

Thank you.

Sincerely yours,

Susan Brandt-Hawley
Attorney for Mission Bay Alliance

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[1] See attached 2005 Resolution and Secondary Use finding regarding the "UCSF hospital" as a "public structure or use of a non-industrial character" for "a public body specifically created by the California Constitution."

RESOLUTION NO. 176-2005

Adopted November 1, 2005

APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, AND ACKNOWLEDGING THE EXECUTIVE DIRECTOR'S FINDINGS OF CONSISTENCY WITH THE MISSION BAY SOUTH REDEVELOPMENT PLAN, FOR THE EXPANSION OF UCSF FACILITIES IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On September 17, 1998, by Resolution No. 193-98, the Redevelopment Agency of the City and County of San Francisco's (the "Agency") Commission (the "Agency Commission") conditionally approved the Mission Bay South Owner Participation Agreement (the "South OPA") and related documents between Catellus Development Corporation (the "Owner") and the Agency for development in the Mission Bay South Redevelopment Project Area (the "Project Area").

2. On November 2, 1998, the Board of Supervisors of the City and County of San Francisco (the "Board") by Ordinance No. 335-98 approved and adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the "Plan"). The Board's adoption of the Plan satisfied the conditions to the effectiveness of Agency Resolution No. 193-98.

3. On November 16, 1998, the Agency entered into the South OPA with the Owner. The South OPA sets forth phasing principles that govern the development of property in the Project Area. Those principles include the Owner's obligations to deliver to the Agency affordable housing sites as market rate housing is built in the Project Area. They also include the Owner's commitments to construct public open space and other public infrastructure adjacent to – or otherwise triggered by – development on any of the private parcels governed by the South OPA.

4. Under the South OPA and the related Mission Bay South Tax Increment Allocation Pledge Agreement (the "Pledge Agreement"), dated as of November 16, 1998, between the Agency and the City and County of San Francisco (the "City"), approximately 20% of the total property tax increment (plus certain excess tax increment) generated by development in the Project Area is contractually dedicated to develop affordable housing units on parcels that the Owner will contribute to the Agency, to achieve the affordable housing program contemplated by the Plan.

5. The South OPA requires the Owner to construct the public infrastructure directly related to each of the major phases in accordance with the incremental build-out of each project. Under the South OPA and the Pledge Agreement, the Agency is obligated to fund, repay or reimburse the Owner, subject to certain conditions, for the direct and indirect costs of constructing the infrastructure. The Agency has established a Community Facilities District ("CFD") for infrastructure in the Project Area. The Agency has also established a separate CFD to pay the costs of maintaining the public open space in the Project Area.

6. The South OPA provides that as a condition to any transfer of property in the Project Area, the Owner must obtain the agreement of the transferee to assume all of Owner's obligations under the South OPA with respect to the transferred parcels.

7. The Project Area includes an approximately 43-acre biomedical research and educational campus site (the "Campus Site") for the University of California, San Francisco ("UCSF"). UCSF has already invested about $675 million on projects completed or underway on the Campus Site within the Plan Area and has plans to invest another $225 million on projects in design.

8. The Regents of the University of California, a California public corporation ("The Regents") wishes to lease or acquire, and the Owner wishes to transfer Parcels 36, 37, 38 and 39 in the Project Area, comprising approximately 9.65 acres of land for the possible expansion of UCSF in Mission Bay (the "Expansion Parcels"). These parcels are not part of the 43 acres that the Plan originally designated as the Campus Site.

9. On November 30, 2004, The Regents released proposed amendments in draft form to its long range development plan, as LRDP Amendment #2. Those amendments contemplate an expansion of UCSF facilities onto the Expansion Parcels, including the possibility of developing by 2012 new integrated specialty Children's, Women's and Cancer hospitals containing about 210 beds, together with ambulatory and research facilities. In March 2005, The Regents approved LRDP Amendment #2 (the "Project") and certified a related final environmental impact report (the "LRDP #2 FEIR") which analyzed the environmental effects of the proposed UCSF development on the Expansion Parcels. Copies of the LRDP #2 FEIR are on file with the Agency Secretary.

10. The Owner and The Regents have entered into an Option Agreement and Grant of Option to Lease, dated as of January 1, 2005 (the "Option to Lease"), which provides that upon the satisfaction of certain conditions and the exercise by The Regents of its option (i) Catellus, as landlord, and The Regents, as tenant, will enter into a long-term ground lease of the Expansion Parcels (the "Lease") and (ii) the Owner and The Regents will at the same time enter into an Option Agreement and Grant of Option to Purchase (the

"Option to Purchase") under which The Regents will have an option to purchase the Expansion Parcels.

11. If The Regents exercises the Option to Lease within the option term, the Lease would allow for The Regents to develop up to 1,020,000 leasable square feet on the Expansion Parcels, provided that (a) any development of those parcels is the subject of further environmental review under the California Environmental Quality Act ("CEQA"), and (b) the Owner does not lose any of its entitled development potential for the balance of its land nor lose any of its other rights and privileges under the South OPA.

12. Pursuant to Section 302 of the Plan, the development of the contemplated UCSF facilities on the Expansion Parcels is permitted as a subset of "Other Uses" as a secondary use. Such secondary uses are permitted provided that such use generally conforms with redevelopment objectives and planning and design controls established pursuant to the Plan and based on certain findings of consistency by the Agency's Executive Director (the "Consistency Findings"). The Executive Director has made the Consistency Findings, and such findings are hereby incorporated herein by this reference as if fully set forth.

13. The City must make substantial improvements to San Francisco General Hospital ("SFGH") by 2013 and is evaluating a number of alternatives, including rebuilding on site and co-locating a new SFGH with new UCSF medical facilities in Mission Bay.

14. As a State agency, The Regents is exempt under the State Constitution from local land use regulation and property taxes to the extent it uses property exclusively in furtherance of its educational mission.

15. The Agency, City and The Regents negotiated a non-binding term sheet to guide the preparation of final transactional and related documents, such as a Disposition and Development Agreement ("DDA") for The Regents to acquire property for, and to construct and subsidize, affordable housing for low-income workers of UCSF, which DDA is being considered by the Agency Commission concurrently with this Resolution, pursuant to Resolution No. 160-2005, and provided terms for a Memorandum of Understanding regarding design standards and cooperation on the development of the Expansion Parcels (the "MOU"). The Agency Commission approved the non-binding term sheet on May 17, 2005 by Resolution No. 81-2005.

16. The proposed MOU addresses, among other things: the potential loss of tax increment from the transfer of the Expansion Parcels to a tax-exempt entity; the obligations to build infrastructure associated with development on the Expansion Parcels; the potential assistance of UCSF in the planning of the co-location, if any, of SFGH with the new UCSF facilities; the standards for design review for construction on the Expansion Parcels; local hiring and

equal opportunity for jobs associated with the development on the Expansion Parcels; and other matters designed to provide the Agency and City with significant public benefits.

17. Agency staff is recommending that the Agency Commission approve the MOU, and the associated Consistency Findings.

18. The Agency Commission has reviewed and considered the information contained in the LRDP #2 FEIR.

19. The Agency Commission hereby finds that the MOU is an action in furtherance of the implementation of the Project for purposes of compliance with CEQA.

20. By Resolution 175-2005, the Agency Commission adopted environmental findings related to the LRDP #2 FEIR, pursuant to CEQA and the CEQA Guidelines (the "Findings"). Such Findings are made pursuant to the Agency's role as the responsible agency under CEQA for the Project. The Findings are hereby incorporated herein by this reference as if fully set forth.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the findings of consistency with the Mission Bay South Redevelopment Plan are approved and the Executive Director is authorized to execute the "Expansion of UCSF Facilities in Mission Bay South Redevelopment Project Area (Blocks 36-39) Memorandum of Understanding", substantially in the form lodged with the Agency General Counsel; Mission Bay South Redevelopment Project Area.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel

MEMORANDUM

126-03405-001
October 12, 2005

To: Marcia Rosen
Executive Director

From: Amy Neches
Senior Project Manager

Re: Secondary Use Finding Recommendation for UCSF Hospital in Mission Bay South Redevelopment Area

Pursuant to a Term Sheet dated as of August 1, 2005 between the City, the Agency and The Regents of the University of California, which was endorsed by the Commission on May 17, 2005 (Resolution No. 81-2005), the Agency is considering agreements, including a Memorandum of Understanding ("MOU"), under which the University of California at San Francisco ("UCSF") may develop a hospital in the Mission Bay South Redevelopment Area ("Redevelopment Area").

The UCSF hospital would be located on Blocks 36-39 within the Commercial Industrial land use district of the Redevelopment Area, as described in the Mission Bay South Redevelopment Plan (the "Plan"). The UCSF hospital development may also include all or portions of Block X3 within the Commercial Industrial/Retail land use district. In both of these land use districts "public structure or use of a non-industrial character" is permitted as a subset of "Other Uses" as a secondary use.

The University of California, of which UCSF is a component, is a public body specifically created by the California Constitution. A hospital or medical center is described in §790.44 of the San Francisco Planning Code as a "public or private institutional use which provides medical facilities for inpatient care, medical offices, clinics, and laboratories." The proposed UCSF hospital development will include these components. The hospital will not including manufacturing, warehousing, or distribution of goods, and can reasonably be considered a "non-industrial use." This interpretation is supported by the San Francisco Planning Code, under which hospitals are permitted as a conditional use in all C districts and NC-3 districts.

Section 302 of the Plan provides as follows:

> "Secondary uses shall be permitted in a particular land use district...provided that such use generally conforms with redevelopment objectives and planning and design controls established pursuant to this Plan and is determined by the Executive Director to make a positive contribution to the character of the Plan Area, based on

a finding of consistency with the following criteria: the secondary use, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community."

Staff believes that the UCSF hospital is appropriate as a secondary use, based on the following:

1) The proposed hospital will be located on approximately 10 to 14 acres of land adjacent to the Mission Bay UCSF research campus that have been determined to be blighted and are affected by environmental contamination. UCSF plans close integration of its basic academic research activities with the teaching, research and patient care activities within the planned hospital. The plan for development of the UCSF hospital generally conforms to the Redevelopment Project Objectives as described in §103 of the Plan, particularly with objective A of eliminating blight and correcting environmental deficiencies, and objective B of retaining and promoting UCSF's research and academic activities within the City and County of San Francisco.

2) Under the MOU, the UCSF hospital development will generally conform to the planning and design controls established pursuant to the Plan, including the street layout, setbacks, and streetscape plan. To accommodate the needs of the hospital, the MOU will include specific adjustments to the existing height and bulk standards of the Commercial Industrial and Commercial Industrial/Retail land use zones of the Mission Bay South Design for Development. These changes will lower the maximum height of a hospital to 105 feet, compared to the existing 160 foot limit, but would allow for somewhat greater bulk in the mid-rise area. These changes have been studied and presented to the public at two well-noticed public meetings. In staff's opinion, the proposed adjustments represent reasonable variation from the existing standards, which will have little if any negative effect on the surrounding community in the context of overall Mission Bay development.

3) The hospital will contain no more development, as calculated under the Plan in leasable square feet, than would have been permitted under the principal uses permitted in these land use districts, and there will be no net increase in the overall size of development within the Redevelopment Area. The hospital will be developed on parcels that would otherwise likely have been developed with commercial office or life science/biotechnology uses. These uses would have been constructed in buildings of reasonably similar size and appearance as the proposed hospital use.

4) The proposed hospital will allow UCSF to continue to provide needed tertiary health care to the residents of San Francisco in a modern seismically safe hospital, and will assist UCSF in furthering its research and academic mission.

Based on these factors, staff believes that it is appropriate to make the finding of consistency cited above, and recommends that the Executive Director permit the development of the UCSF hospital as a secondary use in Mission Bay, subject to the approval of the MOU by the Commission.

Approved on October 12, 2005:

Marcia Rosen
Executive Director

Law Offices of
THOMAS N. LIPPE, APC

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12th Floor
San Francisco, California 94105

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Facsimile: 415-777-5606
Email: Lippelaw@sonic.net

November 2, 2015 [2 of 2]

By personal delivery at Nov. 3, 2015, hearing to: Commission on Community Investment and Infrastructure Attn: Claudia Guerra, Commission Secretary Office of Community Investment and Infrastructure 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 and email to: claudia.guerra@sfgov.org	By email to: *warriors@sfgov.org*: Ms Tiffany Bohee OCII Executive Director c/o Mr. Brett Bollinger San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103

Re: Warriors Arena Project: Violation of Variance Requirement.

Dear Ms Bohee and Mr. Bollinger:

This office represents the Mission Bay Alliance ("Alliance"), an organization dedicated to preserving the environment in the Mission Bay area of San Francisco, regarding the project known as the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 ("Warriors Arena Project" or "Project"). The Mission Bay Alliance objects to approval of this Project and certification of the Project SEIR.

I write today regarding the OCII's failure to require a variance or "variation" for this Project under section 305 of the Mission Bay South Redevelopment Plan ("Plan"). The November 2, 2015, letter from Susan Brandt-Hawley, my co-counsel for the Alliance, demonstrates this Project is not an allowable secondary use under the Plan. Thus, a variance is not available because, as shown by Brandt-Hawley, the Project "will change the land uses on this Plan." (Plan, § 305.) However, in the alternative, if the Project is an allowable secondary use under the Plan, then the OCII must process this Project application as a variance and make the findings required by Plan section 305 before Project approval.

Both California and San Francisco planning law provide a process for landowners to obtain a "variance" from the "uniformity" of zoning limits that, while appropriate for the zone district in general, would impose undue hardship due to unique characteristics of a specific parcel. Government Code section 65906 governs the grant of zoning variances by municipalities and prohibits local agencies from granting "special privileges" to individual landowners. Similarly, San

EXHIBIT 2

Francisco Planning Code, section 305, subdivision (a), provides that a variance permit must be approved for any exception to the requirements of the Planning Code. Subdivision (c) thereof mirrors the requirements of state law, and requires a finding that "owing to such exceptional or extraordinary circumstances the literal enforcement of specified provisions of this Code would result in practical difficulty or unnecessary hardship ...."

Similarly, the Plan includes a variance provision that reflects the same substantive requirements as Government Code section 65906 and Planning Code section 305:

> The Agency may modify the land use controls in this Plan where, owing to unusual and special conditions, enforcement would result in undue hardships or would constitute an unreasonable limitation beyond the intent and purposes of these provisions. Upon written request for variation from the Plan's land use provisions from the owner of the property, which states fully the grounds of the application and the facts pertaining thereto, and upon its own further investigation, the Agency may, in its sole discretion, grant such variation from the requirements and limitations of this Plan. The Agency shall find and determine that the variation results in substantial compliance with the intent and purpose of this Plan, provided that in no instance will any variation be granted that will change the land uses on this Plan.

(Plan, § 305.)

Because the Plan's variance provision imposes virtually identical requirements as Planning Code section 305, both apply. (Plan, §'s 101 ["Regardless of any future action by the City or the Agency, whether by ordinance, resolution, initiative or otherwise, the rules, regulations, and official policies applicable to and governing the overall design, construction, fees, use or other aspect of development of the Plan Area shall be (i) this Plan and the other applicable Plan Documents, (ii) to the extent not inconsistent therewith or not superseded by this Plan, the Existing City Regulations and (iii) any new or changed City Regulations permitted under this Plan"]; 304.9.C.(iv)).

Here, the Project creates at least sixteen inconsistencies with the Design for Development (D4D). The OCII now proposes to amend the D4D, the Owner's Participation Agreement (OPA), and other Plan documents to resolve these inconsistencies by, including but not limited to, raising maximum height limits from 90 to 135 feet, allowing a second 160+ foot tower, increasing bulk limits to accomodate the arena, and changing arena setbacks, street wall heights, view corridors, public rights of way, and parking standards. (See e.g., Draft SEIR, pp. 4-7 - 4-9, § 4.2.4; Proposed Resolution 2015, exhibit A; Memorandum to the OCII from Executive Director Tiffany Bohee for Items 5(a), 5(b), 5(c), 5(d) & 5(e) the November 3, 2015, CCII meeting agenda, pp. 4, 22.)

Even if the Project's land uses are allowable secondary uses, these amendments "modify the land use controls in this Plan" as provided in Plan section 305. But the Project Sponsor has made

no showing that due to "unusual and special conditions, enforcement would result in undue hardships or would constitute an unreasonable limitation beyond the intent and purposes of these provisions." (Plan, § 305.)

"Variances are, in effect, constitutional safety valves to permit administrative adjustments when application of a general regulation would be confiscatory or produce unique injury." (Curtin's California Land Use and Planning Law, p. 55.) Variance requirements also implement the State Planning and Zoning Law's requirement of "uniformity" of zoning rules within zoning districts. (See Gov. Code, § 65852 ["All such [zoning] regulations shall be uniform for each class or kind of building or use of land throughout each zone, but the regulation in one type of zone may differ from those in other types of zones;" *Neighbors in Support of Appropriate Land Use v. Cnty. of Tuolumne* (2007) 157 Cal.App.4th 997, 1008 (*Neighbors*).) The State Planning and Zoning Law also requires vertical consistency between local agencies general plans, zoning ordinances, and land use permits. (Gov. Code, § 65860, subd. (c) ["County or city zoning ordinances shall be consistent with the general plan of the county or city... ."]; see *DeVita v. Cnty. of Napa* (1995) 9 Cal.4th 763, 772 ["A general plan is a 'constitution' for future development [citation omitted] located at the top of 'the hierarchy of local government law regulating land use'"].)

California courts have vigorously enforced the requirements for granting a variance, and have developed extensive jurisprudence to corral the many stratagems local agencies have used to avoid its requirements. (See e.g., *Topanga Association v. County of Los Angeles* (1974) 11 Cal.3d 506, 511-12 (*Topanga*); *Orinda Assn. v. Board of Supervisors* (1986) 182 Cal.App.3d 1145, 1166 (*Orinda Assn*) ["A zoning scheme, after all, is similar in some respects to a contract ... If the interest of these parties in preventing unjustified variance awards for neighboring land is not sufficiently protected, the consequence will be subversion of the critical reciprocity upon which zoning regulation rests..."].)

Variance findings must focus on a comparison of the subject property to other properties in the zone district with which the variance is intended to bring it into parity, and the benefits to the community or "public interest" associated with a zoning exception are irrelevant. (*Orinda Assn, supra*, at p. 1166.) By amending the Plan documents to accommodate this Project, the OCII would cast these requirements aside and grant a "special privilege" to this Project Sponsor.

In *Neighbors*, rather than adopt a rezone or grant a variance, the County created a special exception to the zoning ordinance for one landowner by including it in a development agreement adopted under the development agreement law. (*Neighbors, supra*, 157 Cal.App.4th at p. 1003.) In rejecting this stratagem, the Court in *Neighbors* noted that there are limits on the power to rezone: "'The foundations of zoning would be undermined, however, if local governments could grant favored treatment to some owners on a purely ad hoc basis ... [R]ezoning, even of the smallest parcels, still necessarily respects the principle of uniformity." (*Id.* at pp. 1009-10.)

A similar result occurred in *Trancas Prop. Owners Assn. v. City of Malibu* (2006) 138 Cal.App.4th 172 (*Trancas*). In *Trancas*, the court held an exemption from a city's zoning requirements accomplished by contract functionally resembled a variance, and held that "such departures from standard zoning by law require administrative proceedings, including public hearings ... followed by findings for which the instant [density] exemption might not qualify... Both the substantive qualifications and the procedural means for a variance discharge public interests. Circumvention of them by contract is impermissible." (Id. at p. 182.)

In sum, the OCII's proposed grant of zoning exceptions to this Project by way of amending the Plan documents rather than by variance violates the Plan, the variance requirements of the San Francisco Planning Code and state law, and the uniformity requirement of state law.

Thank you for your attention to this matter.

Very Truly Yours,

Tom Lippe

Thomas N. Lippe

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Office Development Annual Limitation ("Annual Limit") Program

The Office Development Annual Limit (Annual Limit) Program became effective in 1985 with the adoption of the Downtown Plan Amendments to the Planning Code (Sections 320–325) and was subsequently amended by Propositions M (1986) and C (1987). The Program defines and regulates the allocation of any office development project that exceeds 25,000 gross square feet (gsf) in area.

A total of 950,000 gsf of office development potential becomes available for allocation in each approval period, which begins on October 17th every year. Of the total new available space, 75,000 gsf is reserved for Small Allocation projects (projects with between 25,000 and 49,999 gsf of office space), and the remaining 875,000 gsf is available for Large Allocation projects (projects with at least 50,000 gsf of office space). Any available office space not allocated in a given year is carried over to subsequent years.

This document reflects the status of the Annual Limit Program, including current availability and summaries of previously approved and pending projects.

Information in this document was last updated on **September 1, 2015.** Inquiries should be directed to Corey Teague at (415) 575-9081 or corey.teague@sfgov.org.

Summary of Key Figures

Small Allocation Projects (<50,000 gsf of office space)	**Current Availability** 1,188,605 gsf *Current total square footage available for allocation.*	**Pending Availability** 903,255 gsf *Currently available square footage less 285,550 gsf of pending* projects.*	**Pipeline Availability** 776,280 gsf *Currently available square footage less 285,550 gsf of pending* projects and 126,975 gsf of pre-application** projects.*
Large Allocation Projects (>50,000 gsf of office space)	**Current Availability** 1,429,763 gsf *Current total square footage available for allocation.*	**Pending Availability** -1,678,791 gsf *Currently available square footage less 3,108,554 gsf of pending* projects.*	**Pipeline Availability** -8,529,408 gsf *Currently available square footage less 3,108,554 gsf of pending* projects and 6,850,617 gsf of pre-application** projects.*

* A 'pending project' is one for which an office allocation application has been submitted but not yet acted upon.

** A 'pre-application' project is one for which an environmental review application, preliminary project assessment application, or other similar application has been submitted but for which no office allocation application has yet been submitted.

EXHIBIT 3

PENDING OFFICE PROJECTS*

*Projects that have submitted an application (B or OFA) pursuant to Planning Code Section 321 (Office Development Annual Limit) but on which no Commission action has yet ocurred.

Small Office Cap					
Case No.	**Address**	**Sq. Ft.**	**Status**	**Staff**	**Comments**
2009.0065	3433 Third Street	49,229	B filed 1/27/09	Julian Banales	New 5-story office building for Carpenter's Union on vacant lot. May be cancelled due to inactivity (2/18/14).
2014.0567	2101 Mission Street	48,660	B filed on 4/17/14	Brittany Bendix	Legalize change of use from retail and warehouse to office. Planning Commission hearing scheduled for 9/3/15.
2012.1410	77-85 Federal Street	49,730	B filed on 6/5/14	Scott MacPherson	Demo two existing office buildings and construct a 5-story building with ground floor retail and office above.
2015-000509	1125 Mission Street	37,944	B filed on 1/15/15	Julian Banales	Change of use from auto repair.
2014.1315	135 Townsend Street	49,995	B filed on 3/11/15	Rich Sucre	Conversion of existing self storage building.
2013.1511	360 Spear Street (aka 100 Harrison St)	49,992	B filed on 4/3/15	Rich Sucre	Partial conversion of existing ISE.
Subtotal		***285,550***			

Large Office					
Case No.	**Address**	**Sq. Ft.**	**Status**	**Staff**	**Comments**
2012.0640	598 Brannan Street	700,456	B filed on 10/24/12	Elizabeth Purl	Demo of 2 industrial buildings; 2 new office buildings (Central SoMa Project).
2013.1545	645 Harrison Street	99,698	B filed on 7/18/13	Kimberly Durandet	LoD confirmed 14,520gsf as existing legal office space. Revised proposal to convert additional 99,698gsf, plus retain 33,758gsf of PDR on first and second floors.
2013.1593	2 Henry Adams	245,697	B filed on 2/6/14	Rich Sucre	Owner-initiated Article 10 Landmark designation and an Office Allocation. Eligible area limited by recent legislation.
2011.0409	925 Mission Street	803,300	B filed on 8/19/14	Kevin Guy	"5M" Project. Planning Commission informational hearing scheduled for 9/3/15.
2006.1523	50 First Street	1,050,000	B filed on 6/4/14	Kevin Guy	Demo and construction of a mixed-use building with two towers.
2014-002701	GSW Development	0	B filed on 12/12/14	David Winslow	Design approval only. Allocation already approved in Alexandria District.
2014.1063	633 Folsom Street	89,804	B filed on 12/23/14	Mark Luellen	Four story office addition to existing seven story building.
2014.0154	1800 Mission Street	119,599	OFA filed on 1/27/15	Rich Sucre	Conversion in the Armory.
Subtotal		***3,108,554***			

PRE-APPLICATION OFFICE PROJECTS*

*Projects that have submitted for initial Department review (e.g. environmental review (EE) or Preliminary Project Assessment [PPA]), but have not submitted an application pursuant to Planning Code Section 321 (Office Development Annual Limit).

Small Office Cap

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2014.1616	1200 Van Ness Ave	27,000	PPA issued 1/14/15.	Mary Woods	Exact office square footage TBD.
2015-010219	462 Bryant Street	49,995	PPA filed on 8/12/15.		An existing single story office building and basement will remain, and five stories of new office space will be added (approximately 49,995 gsf of new office space).
2015-010374	598 Bryant Street	49,980	PPA filed on 8/12/15.	Kansai Uchida	Demo existing gas station and construct a 9-story mixed-use office building with underground parking.
Subtotal		***126,975***			

Large Office Cap

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2005.0759	725-735 Harrison	730,940	PPA letter issued 5/16/2013. Revised EE pending.	Debra Dwyer	"Harrison Gardens" (Central SoMa Project). Original proposal changed to office per 2/21/13 application amendment.
2014.0416	610-620 Brannan Street	561,065	EE filed 6/19/14	Elizabeth Purl	Demo and new 11-story mixed use bldg (Central SoMa Project).
2013.0478	559 6th Street	123,972	PPA issued on 6/17/13. PPA expired on 12/17/14.	Kimia Haddadan	Demolish 3 bldgs and construct a mixed-use project (Central SoMa Project)
2013.0970	Pier 70 (Forest City Only)	1,810,000	EE filed on 11/10/14	Andrea Contreras	SF Port project
n/a	2525 16th Street	60,980	Legitimization request filed 11/30/12	Corey Teague	EN Legitimization
2014.0858	565-585 Bryant Street	188,280	PPA issued on 7/25/14	Jeremy Shaw	Demo four existing bldgs and construct an 11-story mixed-use bldg. 2nd PPA proposes only 46,990sf of office (Central SoMa Project).
2014.0405	330 Townsend Street	394,300	PPA issued on 5/15/14	Steve Wertheim	Demo existing bldg and construct a 21-story office bldg. 2nd PPA proposes only 212,300sf of office (Central SoMa Project).
2013.0208	SWL 337 ("Mission Rock")	1,300,000	EE filed on 6/4/13	Josh Switzky	Large mixed-use project on Port property.
2015-004256	630-698 Brannan St	1,512,260	PPA issued on 7/24/15. EE filed 7/24/15.	Lisa Chen	Flower Mart replacement project (Central SoMa Project). Two Previous PPAs. 2015-001903 analysed proposed 1,492,450gsf. 2013.0370 was under different ownership, only included Lot 5, and analysed 655,150gsf.

2014.1208	1500 Mission Street	0	EE filed on 10/23/14	Chelsea Fordham	Demo and new construction of mixed use bldg with 462,800gsf of **City** office space.
2015-009704	505 Brannan Street	168,820	PPA filed on 7/27/15	Steve Wertheim	"Phase II" addition (165', 11 stories) of office space onto an approved 85' "Phase I" office building approved by the Planning Commission on 12/11/14. With this newly planned addition, total building height would now be 250' and contain a total of 306,266 sf.
Subtotal		***6,850,617***			

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,188,805

Approval Period[1]	Unallocated Sq. Ft.[2]	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
1985-1986	0	75,000	75,000	No Projects	N/A	0	0	
1986-1987	75,000	75,000	150,000	1199 Bush	1985.244	46,645	46,645	
1987-1988	103,355	75,000	178,355	3235-18th Street	1988.349	45,350	45,350	aka 2180 Harrison Street
1988-1989	133,005	75,000	208,005	2601 Mariposa	1988.568	49,850	49,850	
1989-1990	158,155	75,000	233,155	No Projects	N/A	0	0	
1990-1991	233,155	75,000	308,155	No Projects	N/A	0	0	
1991-1992	308,155	75,000	383,155	1075 Front	1990.568	32,000	32,000	
1992-1993	351,155	75,000	426,155	No Projects	N/A	0	0	
1993-1994	426,155	75,000	501,155	No Projects	N/A	0	0	
1994-1995	501,155	75,000	576,155	No Projects	N/A	0	0	
1995-1996	576,155	75,000	651,155	No Projects	N/A	0	0	
1996-1997	651,155	75,000	726,155	No Projects	N/A	0	0	
1997-1998	726,155	75,000	801,155	No Projects	N/A	0	0	
1998-1999	801,155	75,000	876,155	1301 Sansome	1998.362	31,606	31,606	
1999-2000	844,549	75,000	919,549	435 Pacific	1998.369	32,500		
				2801 Leavenworth	200.459	40,000		
				215 Fremont	1998.497	47,950		
				845 Market	1998.090	49,100	169,550	
2000-2001	749,999	75,000	824,999	530 Folsom	2000.987	45,944		
				35 Stanford	2000.1162	48,000		
				2800 Leavenworth	2000.774	34,945		
				500 Pine	2000.539	44,450	173,339	See also 350 Bush Street - Large
2001-2002	651,660	75,000	726,660	No Projects	N/A	0	0	
2002-2003	726,660	75,000	801,660	501 Folsom	2002.0223	32,000	32,000	
2003-2004	769,660	75,000	844,660	No Projects	N/A	0	0	
2004-2005	844,660	75,000	919,660	185 Berry Street	2005.0106	49,000	49,000	
2005-2006	870,660	75,000	945,660	No Projects	N/A	0	0	
2006-2007	945,660	75,000	1,020,660	No Projects	N/A	0	0	
2007-2008	1,020,660	75,000	1,095,660	654 Minnesota	no case number	43,939	0	UCSF
2008-2009	1,095,660	75,000	1,170,660	No Projects	N/A	0	0	
2009-2010	1,170,660	75,000	1,245,660	660 Alabama Street	2009.0847	39,691	39,691	
2010-2011	1,205,969	75,000	1,280,969	No Projects	N/A	0	0	
2011-2012	1,280,969	75,000	1,355,969	208 Utah / 201 Potrero	2011.0468	48,732		EN Legitimization

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,188,805

Approval Period[1]	Unallocated Sq. Ft.[2]	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
				808 Brannan Street	2012.0014	43,881		EN Legitimization
				275 Brannan Street	2011.1410	48,500		
				385 7th/1098 Harrison	2011.1049	42,039		EN Legitimization
				375 Alabama Street	2012.0128	48,189	231,341	EN Legitimization
2012-2013	1,124,628	75,000	1,199,628	No Projects	N/A	0	0	
2013-2014	1,199,628	75,000	1,274,628	3130 20th Street	2013.0992	32,081		
				660 3rd Street	2013.0627	40,000	72,081	
2014-2015	1,202,547	75,000	1,277,547	340 Bryant Street	2013.1600	47,536		
				101 Townsend Street	2014-002385	41,206	88,742	
					Total	1,105,134		

[1] Each approval period begins on October 17

[2] Carried over from previous year

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,429,763

Approval Period[1]	Unallocated Sq. Ft.[2]	"Large" Office Annual Limit[3]	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
1985-1986	0	875,000	(475,000)	400,000	No Projects	N/A	0	0	
1986-1987	400,000	875,000	(475,000)	800,000	600 California	1986.085	318,030		
					235 Pine	1984.432	147,500		
					343 Sansome	1985.079	160,449	625,979	
1987-1988	174,021	875,000	(475,000)	574,021	No Projects	N/A	0	0	
1988-1989	574,021	875,000	(475,000)	974,021	No Projects	N/A	0	0	
1989-1990	974,021	875,000	(475,000)	1,374,021	150 California	1987.613	195,503	195,503	
1990-1991	1,178,518	875,000	(475,000)	1,578,518	No Projects	N/A	0	0	
1991-1992	1,578,518	875,000	(475,000)	1,978,518	300 Howard	1989.589	382,582	382,582	aka 199 Fremont Street
1992-1993	1,595,936	875,000	(475,000)	1,995,936	No Projects	N/A	0	0	
1993-1994	1,995,936	875,000	(475,000)	2,395,936	No Projects	N/A	0	0	
1994-1995	2,395,936	875,000	(475,000)	2,795,936	No Projects	N/A	0	0	
1995-1996	2,795,936	875,000	(475,000)	3,195,936	No Projects	N/A	0	0	
1996-1997	3,195,936	875,000	(475,000)	3,595,936	101 Second	1997.484	368,800	368,800	
1997-1998	3,227,136	875,000	(37,582)	4,064,554	55 Second Street	1997.215	283,301		aka One Second Street
					244-256 Front	1996.643	58,650		aka 275 Saramento Street
					650 Townsend	1997.787	269,680		aka 699-08th Street
					455 Golden Gate	1997.478	420,000		State office building - see also Case No. 1993.707
					945 Battery	1997.674	52,715		
					475 Brannan	1997.470	61,000		
					250 Steuart	1998.144	540,000	1,685,346	aka 2 Folsom/250 Embarcadero
1998-1999	2,379,208	875,000	0	3,254,208	One Market	1998.135	51,822		
					Pier One	1998.646	88,350		Port office building
					554 Mission	1998.321	645,000		aka 560/584 Mission Street
					700 Seventh	1999.167	273,650		aka 625 Townsend Street
					475 Brannan	1999.566	2,500	1,061,322	addition to previous approval - 1997.470
1999-2000	2,192,886	875,000	0	3,067,886	670 Second	1999.106	60,000		
					160 King	1999.027	176,000		
					350 Rhode Island	1998.714	250,000		
					First & Howard	1998.902	854,000		First & Howard bldg #2 (405 Howard), #3 (505-525 Howard) & #4 (500 Howard)
					235 Second	1999.176	180,000		
					500 Terry Francois	2000.127	280,000		Mission Bay 26a
					550 Terry Francois	2000.329	225,004		Mission Bay 28
					899 Howard	1999.583	153,500	2,178,504	
2000-2001	889,382	875,000	0	1,764,382	First & Howard	1998.902	295,000		First & Howard bldg #1 (400 Howard)
					550 Terry Francois	2000.1293	60,150	355,150	Additional allocation (see also 2000.329)
2001-2002	1,409,232	875,000	0	2,284,232	350 Bush	2000.541	344,500		See also 500 Pine Street - Small
					38-44 Tehama	2001.0444	75,000		

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,429,763

Approval Period[1]	Unallocated Sq. Ft.[2]	"Large" Office Annual Limit[3]	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
					235 Second	2000.319	64,000		modify 1999.176
					250 Brannan	2001.0689	113,540		
					555 Mission	2001.0798	549,000		
					1700 Owens	2002.0300	0*	1,146,040	Alexandria District - West Campus (160,100)
2002-2003	1,138,192	875,000	0	2,013,192	7th & Mission GSA	No Case	514,727	514,727	Federal Building
2003-2004	1,498,465	875,000	0	2,373,465	Presidio Dig Arts	No Case	839,301	839,301	Presidio Trust
2004-2005	1,534,164	875,000	0	2,409,164	No Projects	N/A	0	0	
2005-2006	2,409,164	875,000	0	3,284,164	201 16th Street	2006.0384	430,000	430,000	aka 1409/1499 Illinois
2006-2007	2,854,164	875,000	0	3,729,164	1500 Owens	2006.1212	0*		Alexandria District - West Campus (158,500)
					1600 Owens	2006.1216	0*		Alexandria District - West Campus (228,000)
					1455 Third Street/455 Mission Bay South Blvd/450 South Street	2006.1509	0*		Alexandria District - North Campus (373,487)
					1515 Third Street	2006.1536	0*		Alexandria District - North Campus (202,893)
					650 Townsend	2005.1062	375,151		
					120 Howard	2006.0616	67,931		
					535 Mission	2006.1273	293,750	736,832	
2007-2008	2,992,332	875,000	0	3,867,332	100 California	2006.0660	76,500		
					505-525 Howard	2008.0001	74,500		Additional allocation for First & Howard Building #3
					680 Folsom Street	No Case	117,000		Redevelopment - Yerba Buena
					Alexandria District	2008.0850	1,122,980		Establishes Alexandria Mission Bay Life Sciences and Technology Development District ("Alexandria District") for which previously allocated office space and future allocations would be limited to 1,350,000 gsf to be distributed among designated buildings within district.
					600 Terry Francois	2008.0484	0*		Alexandria District - East Campus (312,932)

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,429,763

Approval Period[1]	Unallocated Sq. Ft.[2]	"Large" Office Annual Limit[3]	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
					650 Terry Francois	2008.0483	0*		Alexandria District - East Campus (291,367)
					1450 Owens	2008.0690	0*	1,390,980	Alexandria District - West Campus (61,581)
2008-2009	2,476,352	875,000	0	3,351,352	No Projects	N/A	0	0	
2009-2010	3,351,352	875,000	0	4,226,352	850-870 Brannan Street	2009.1026	138,580		aka 888 Brannan Street
					222 Second Street	2006.1106	430,650	569,230	LEED
2010-2011	3,657,122	875,000	0	4,532,122	350 Mission Street	2006.1524	340,320		
					Alexandria District	n/a	200,000		under terms of Motion 17709
					Treasure Island	2007.0903	0	540,320	Priority Resolution Only
2011-2012	3,991,802	875,000	0	4,866,802	Alexandria District	n/a	27,020		under terms of Motion 17709
					850-870 Brannan St	2011.0583	113,753		aka 888 Brannan Street
					444 DeHaro St	2012.0041	90,500		
					460-462 Bryant St	2011.0895	59,475		
					185 Berry St	2012.0409	101,982		aka China Basin Landing
					100 Potrero Ave.	2012.0371	70,070		EN Legitimization
					601 Townsend Street	2011.1147	72,600	535,400	EN Legitimization
2012-2013	4,331,402	875,000	0	5,206,402	101 1st Street	2012.0257	1,370,577		Transbay Tower; aka 425 Mission
					181 Fremont Street	2007.0456	404,000		new office/residential building
					1550 Bryant Street	2012.1046	108,399		EN Legitimization
					1100 Van Ness Ave	2009.0885	242,987		CPMC Cathedral Hill MOB
					3615 Cesar Chavez	2009.0886	94,799		CPMC St. Luke's MOB
					345 Brannan Street	2007.0385	102,285		
					270 Brannan Street	2012.0799	189,000		
					333 Brannan Street	2012.0906	175,450		
					350 Mission Street	2013.0276	79,680		Salesforce (No. 2)
					999 Brannan Street	2013.0585	143,292		EN Legitimization - Dolby
					1800 Owens Street	2012.1482	700,000	3,610,469	Mission Bay Block 40
2013-2014	1,595,933	875,000	0	2,470,933	300 California Street	2012.0605	56,459		
					665 3rd Street	2013.0226	123,700		
					410 Townsend Street	2013.0544	76,000		
					888 Brannan Street	2013.0493	10,000		AirBnB - See Also 2011.0583B
					81-85 Bluxome Street	2013.0007	55,000	321,159	
2014-2015	2,149,774	875,000	0	3,024,774	501-505 Brannan Stree	2012.1187	137,446		
					100 Hooper Street	2012.0203	284,471		
					390 Main Street	n/a	137,286		MTC Project - Verified on 4/14/15
					250 Howard Street	2014-002085	766,745		aka Transbay Block 5 (195 Beale St)
					510 Townsend Street	2014.0679	269,063	1,595,011	
						Total	19,082,655		

[1] Each approval period begins on October 17

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

Amount Currently Available:	1,429,763

Approval Period[1]	Unallocated Sq. Ft.[2]	"Large" Office Annual Limit[3]	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments

[2] Carried over from previous year

[3] Excludes 75,000 gsf dedicated to "small" projects per Section 321(b)(4)

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

COMPLETE
REVOKED
18 MOS. EXPIRED
NO INFORMATION / NOT APPLICABLE
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
1986-1987	1985.244	1199 Bush	0280-031	46,645	11026	complete	1991	St. Francis Hospital
1987-1988	1988.349	3235-18th Street	001/030	45,350	11451	complete		PG&E, aka 2180 Harrison Street
1988-1989	1988.568	2601 Mariposa	4016-001	49,850	11598	complete	1991	KQED
	1988.287	1501 Sloat	7255-002	39,000	11567	doesn't count	n/a	revoked 12/00
1989-1990								
1990-1991	1990.238	350 Pacific	0165-006	45,718	13114	doesn't count	n/a	revoked 12/00
1991-1992	1990.568	1075 Front	0111-001	32,000	13381	complete	1993	
	1987.847	601 Dubose	3539-001	36,000	13254	doesn't count	n/a	revoked 12/00
1992-1993								No Projects Approved During Allocation Period
1993-1994								No Projects Approved During Allocation Period
1994-1995								No Projects Approved During Allocation Period
1995-1996								No Projects Approved During Allocation Period
1996-1997								No Projects Approved During Allocation Period
1997-1998								No Projects Approved During Allocation Period
1998-1999	1998.362	1301 Sansome	0085-005	31,606	14784	complete	1999	
1999-2000	1998.369	435 Pacific	0175-028	32,500	14971	complete	2003	
	2000.459	2801 Leavenworth	0010-001	40,000	15922	complete	2001	The Cannery
	1998.497	215 Fremont	3738-012	47,950	15939	complete	2002	
	1999.668	38-44 Tehama	3736-111	49,850	15967	doesn't count	n/a	reapproved as large project
	1998.090	845 Market	3705-09-18 into 3705-049	49,100	15949	complete	2006	Bloomingdale's
2000-2001	1999.821	178 Townsend	3788-012	49,002	16025	doesn't count	n/a	18mos exp 5/2/02. 2005.0470 new E & K appl for residential building permit application no.200608290851 (for residential submitted on 8/29/07; 9/4/08 CPC approves conversion to Residential (M17588). Revoked on 1/23/09.
	2000.987	530 Folsom	3736-017	45,944	16023	complete	2006	
	1999.300	272 Main	3739-006	46,500	16049	doesn't count	n/a	18mos exp 6/7/02. permit 2005.0738.1810 filed 2/05. 12/15/08 Building Permit Application No. 2008.11436470 issued for demolition of two buildings on property. To be used for temp Transbay facility. REVOCATION LETTER ISSUED 9/16/09.
	2000.1162	35 Stanford	3788-038	48,000	16070	complete	2007	
	2000.774	2800 Leavenworth	007/008	34,945	16071	complete	2001	The Anchorage
	2000.552	199 New Montgomery	3722-021	49,345	16104	doesn't count	n/a	revoked 1/6/05
	2000.1269	3433 Third	5203-23	42,000	16107	doesn't count	n/a	building permit application no. 2000.1014657 withdrawn on 11/9/06. REVOCATION LETTER ISSUED 9/25/07

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

COMPLETE
REVOKED
18 MOS. EXPIRED
NO INFORMATION / NOT APPLICABLE
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	1999.795	177 Townsend	3794-4,7	46,775	16122	doesn't count	n/a	revoked 1/6/05
	2000.539	500 Pine	258-4 to 9/033	44,450	16113	approved	n/a	18mos exp 9/15/02 - CPC received project status update on 10/11/07 (project is associated with 350 Bush Street - Large Office Approval). Building permit application no. 200011024683 approved by CPB on 9/4/08. Building permit application no. 200806275535 submitted for shoring work (9/4/08 - under review by DPW-BSM)
	2000.986	150 Powell	327-22	39,174	16118/164 23	doesn't count	n/a	time limit for construction extended (see Case No. 2002.0963B). Project converted to residential use (see Case No. 2006.1299)
	1998.281	185 Berry	3803-005	49,500	16143	doesn't count	n/a	new approval 2005
	2000.190	201 Second	3736-097	44,600	16148	doesn't count	n/a	converted to residential use
	2000.660	35 Hawthorne	3735-047	40,350	16179	doesn't count	n/a	converted to residential use - see 2004.0852 and building permit application no. 200509082369
	2000.122	48 Tehama	3736-054/085	49,300	16235	doesn't count	n/a	revoked at Planning Commission hearing on 6/9/11
	2000.723	639 Second	3789-005/857-971	49,500	16241	doesn't count	n/a	revoked 1/6/05
	1999.423	699 Second	3789-004/857-971	49,500	16240	doesn't count	n/a	revoked 1/10/05
2001-2002	2001.0050	3251 18th Street	3591-018	49,500	16451	doesn't count	n/a	6/28/07 - building permit application no. 200706285450 submitted to revise project and reduce office space to approx. 10,000 gsf. REVOCATION LETTER ISSUED 9/16/07
2002-2003	2002.0223	501 Folsom Street	3749-001	32,000	16516	complete	2006	
2003-2004								No Projects Approved During Allocation Period
2004-2005	2005.0106	185 Berry Street	3803-005	49,000	17070	complete	2008	
2005-2006								No Projects Approved During Allocation Period
2006-2007	No Case	654 Minnesota	042-003 & 00	43,939	none	complete	2009	Confirmed by UCSF via 7/13/2007 letter from UCSF and associated LoD
2007-2008								No Projects Approved During Allocation Period
2008-2009	2006.1294	110 The Embarcadero	3715-002	41,940	17894	doesn't count	n/a	18mos exp 7/14/10 - E appealed to BoS and overturned on 3/17/09. Application withdrawn and case closed on 12/30/09
2009-2010	2009.0847	660 Alabama Street	4020-002	39,691	17973	complete	2011	CFC for building permit application no. 201001144798 issued on 3/23/11
2010-2011								No Projects Approved During Allocation Period
2011-2012	2011.0468	208 Utah / 201 Potrero	3932-017	48,732	18608	complete	2012	BPA No. 201205090093
	2012.0014	808 Brannan Street	3780-004D	43,881	18559	complete	2013	BPA No. 201201031584
	2012.0128	375 Alabama Street	3966-002	48,189	18574	complete	2013	BPA No. 201209210308
	2011.1049	385 7th / 1098 Harrison	3754-017	42,039	18700	complete	2013	BPA No. 201212115895
	2011.1410	275 Brannan Street	3789-009	48,500	18672	complete	2013	BPA No. 201207164925
2012-2013								No Projects Approved During Allocation Period
2013-1014	2013.0992	3130 20th Street	4083-002	32,081	19188			BPA No. 201409297504 for change of use approved by Planning on 1/6/15 and now awaiting changes from architect as requested by DBI as of 2/3/15.
	2013.0627	660 3rd Street	3788-008	40000	19234	complete	2015	BPA No. 201411252480 issued on 2/24/15.

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

COMPLETE
REVOKED
18 MOS. EXPIRED
NO INFORMATION / NOT APPLICABLE
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
2014-2015	2013.1600	340 Bryant Street	3764-061	47536	19311	under construction		BPA 201305177189 issued 7/15/15.

LARGE OFFICE APPROVALS - STATUS OF ALL PROJECTS

COMPLETE
REVOKED
18 MOS. EXPIRED
NO INFORMATION / NOT APPLICABLE
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
1986-1987	1986.085	600 California	0241-003 into 0241-027	318,030	11077	complete	1992	
	1984.432	235 Pine	0267-015	147,500	11075	complete	1991	
	1984.274	33 Columbus	0195-004	81,300	11070	doesn't count	n/a	revoked 12/00
	1985.079	343 Sansome	0239-002	160,449	11076	complete	1991	
1987-1988								No Projects Approved During Allocation Period
1988-1989	1984.199	524 Howard	3721-013	199,965	11683	doesn't count	n/a	reapproved in 1998 under Case No. 1998.843
1989-1990	1987.613	150 California	0236-003 into 0236-019	195,503	11828	complete	2001	
1990-1991	1989.589	300 Howard	3719-005 into 3719-018	382,582	13218	complete	2001	aka 199 Fremont Street
1991-1992								No Projects Approved During Allocation Period
1992-1993								No Projects Approved During Allocation Period
1993-1994								No Projects Approved During Allocation Period
1994-1995	1994.105	101 Second Street	3721-072	386,695	13886	doesn't count	n/a	Reapproved in 1997 under Case No. 1997.484
1995-1996								No Projects Approved During Allocation Period
1996-1997	1997.484	101 Second Street	3721-72.75 into 3721-089	368,800	14454	complete	2000	
1997-1998	1997.215	55 Second Street	3708-019A/033/034 into 3708-096	283,301	14542	complete	2002	aka One Second Street
	1996.643	244-256 Front	0236-018	58,650	14601	complete	2001	aka 275 Sacramento Street
	1997.787	650 Townsend	3783-009	269,680	14520	complete	2001	aka 699-08th Street
	No Case	455 Golden Gate	0765-002/003	420,000	none	complete	1998	State office building. See also case no. 1993.707.
	1997.674	945 Battery	0135-001	52,715	14672	complete	1998	
	1997.470	475 Brannan	3787-031	61,000	14685	complete	2001	
	1998.144	250 Steuart	3741-028 into 3741-035	540,000	14604	complete	2002	aka 2 Folsom/250 Embarcadero
1998-1999	1998.135	One Market	3713-006	51,822	14756	complete	2000	
	1998.843	524 Howard	3721-013	201,989	14601	doesn't count	n/a	revoked 6/11 under Case No. 2011.0503
	1998.646	Pier One	9900-001	88,350	none	complete	2003	Port office building

LARGE OFFICE APPROVALS - STATUS OF ALL PROJECTS

COMPLETE
REVOKED
18 MOS. EXPIRED
NO INFORMATION / NOT APPLICABLE
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	1998.321	554 Mission	3708-015/017/018 into 3708-095	645,000	14893	complete	2003	aka 560/584 Mission
	1999.167	700 Seventh	3799-001 into 3799-008	273,650	14895	complete	2006	aka 625 Townsend
	1999.566	475 Brannan	3787-031	2,500	14884	complete	2001	addition to previous approval - 1997.470
	1998.268	631 Folsom	3750-090	170,000	14750	doesn't count	n/a	project converted to residential - allocation revoked 12/00
1999-2000	1999.106	670 Second	3788-043/044	60,000	14907	complete	2001	
	1999.027	160 King	3794-025	176,000	14956	complete	2002	
	1998.714	350 Rhode Island	3957-001	250,000	14988	complete	2004	
	1998.902	First & Howard	3721; 3736; 3737	854,000	15006	complete/approved	405 Howard - 2005; 505-525 Howard - under review; 500 Howard - 2003	18 mos exp 9/2/01. Includes 3 of 4 buildings at First & Howard (see bldg #1 - 400 Howard - below): bldg #2 - 405 Howard (3737-030) - 460,000 gsf office - 200002172133 - complete); bldg #3 - 505-525 Howard (3736-121/114) - 178,000 gsf office - 200610316514 currently (8/4/08) under review by Planning (see also 2008.0001 for additional allocation); bldg #4 -500 Howard (3721-119) - 216,000 gsf office - 200006172952 - complete).
	1999.176	235 Second	3736-061 into 3736-123	180,000	15004	complete	2002	

LARGE OFFICE APPROVALS - STATUS OF ALL PROJECTS

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Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	2000.127	500 Terry Francois	3838; 3839 into 8721-001/010	280,000	15010	complete	2008	MB 26a
	1998.766	535 Mission	3721-068	252,000	15027	doesn't count	n/a	revoked and reapproved as residential
	1998.635	2101 Bryant	4080-007	148,000	15044	doesn't count	n/a	project converted to residential - allocation revoked 1/10/05
	2000.329	550 Terry Francois	3839; 3840 into 8721-001/011	225,004	15055	complete	2002	MB 28
	1999.583	899 Howard	3733-079	153,500	15062	complete	2005	
2000-2001	1998.902	First & Howard	3720-008	295,000	16069	complete	2008	First & Howard - Building #1 (400 Howard)
	2000.1293	550 Terry Francois	3839; 3840 into 8721-001/011	60,150	16110	complete	2002	addition to 2000.329.
	2000.1295	Mission Bay 26/2	3840; 3841 into 8721-001-012	145,750	16111	doesn't count	n/a	AKA MB 26 East. returned to cap for approval of 2002.0301
	1999.603	555 Mission	3721-69,70,78...	499,000	16130	doesn't count	n/a	project revised - allocation revoked and reapproved under Case No. 2007.0795.
	2000.277	801 Market	3705-48	112,750	16140	doesn't count	n/a	project abandoned per letter from sponsor
2001-2002	2000.541	350 Bush	269-2,2a,3,22...	344,500	16273	approved	n/a	18mos exp 5/8/03 - CPC received project status update on 10/11/07 (associated with 500 Pine Street - Small Office Approval). Sponsor email reports that 18-month period expired May 22, 2005 due to appeals. Building permit application no. 200708078938 currently under review by DBI/FD/DPW.
	2001.0444	88-44 Tehama	3736-111	75,000	16280	complete	2003	
	2000.319	235 Second	3736-61,62,64-67	64,000	16279	complete	2002	modify 1999.176 - convert warehouse from PDR to office.
	2001.0689	250 Brannan	3774-25	113,540	16285	complete	2002	
	2001.0798	555 Mission	3721-69,70,78-81, 120	549,000	16302	complete	2008	
	2002.0301	Mission Bay 42/4	8709-10	80,922	16397	doesn't count	n/a	revoked and reapproved as 2002.1216 (1600 Owens)
	2002.0300	1700 Owens	8709-007	0*	16398	complete	2007	Alexandria District (160,100). West Campus. 164,828
2002-2003	No Case	7th/Mission GSA	3702-15 ...	514,727	none	complete	2007	Federal Building
	2002.0691	499 Illinois/201-16th Street	3940-001	429,542	16483	doesn't count	n/a	revoked and reapproved as 2006.0384 (201 16th Street) MB Block X4

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2003-2004	2001.1039	55 9th Street	3701.063	268,000	16760	doesn't count	n/a	200406111247 issued 5/19/05 - Authorization REVOKED by Planning Commission Motion Nos. 17521 and 17522 for proposal to convert project to residential use.
	2000.1229	Pier 30-32	3770-001	370,000	none	doesn't count	n/a	E, K & I cases created, no B case created. BCDC permit approved in 2003 and allocation made for accounting purposes, but permit never acted upon. 2/09 - 370,000 added back to cap because project does not appear to be moving forward.
	No Case	Presidio - Letterman Digital Arts		839,301	none	complete	2006	
2004-2005								No Projects Approved During Allocation Period
2005-2006	2006.0384	201-16th Street	3940-001	430,000	17223	complete	2008	aka 1409-1499 Illinois/MB Block X-4. 18 mos exp 10/6/07. Project (200607186938) complete 11/19/08
2006-2007	2006.1212	1500 Owens	8709-006	0*	17333	complete	2009	Alexandria District - West Campus (158,500); 200611298694 issued 5/24/07 (aka MBS Blk 41-43, Parcel 5). Under construction. Estimated completion in March 2009.
	2006.1216	1600 Owens	8709-004/010	0*	17332	approved	n/a	Blk 41-43, Parcel 4. 200711097802 issued 6/3/08. Piles driven, no further work performed. Not currently active 5/18/2011
	2006.1509	Alexandria District - North Campus (MB 26/1-3; 1455 Third Street/455 Mission Bay South Blvd/450 South Street)	8721-012/8720-011/016/017	0*	17401	complete/approved	n/a	MBS Blk 26, Parcels 1-3, project proposes 3 buildings - building permit application no. 200704279921 (455 Mission Bay South Blvd.) COMPLETE on 11/17/09 for 5 story office/lab; 200705090778 (450 South Street) COMPLETE on 10/23/09 for "parking garage with 7 stories new building." 200806104062 filed on 6/10/08 for new 10-story office building - Issued 4/23/10, but not under construction.
	2006.1536	1515 Third Street	8721-012	0*	17400	approved	n/a	MBS Blk 27, Parcel 1 see also 2006.1509. 200806265407 filed 6/26/08 for 6-story office building - currently (9/29/08) being reviewed by SFFD. Sold to salesforce.com with 202,983 sf allocation as of April 2011.
	2005.1062	650 Townsend	3783-009	375,151	17440	complete	2009	18 mos exp 12/7/08. 200705151356 issued 2/20/08 - Conversion of existing structure into office - no major construction required. Final Inspection (3/16/09)

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	2006.0616	120 Howard	3717-019	67931	17466	complete	n/a	Construction completed in 2012
	2006.1273	535 Mission	3721-068, 083	293,750	17470	approved	n/a	18 mos exp 2/2/09; 2/12/08 - 200508049463 issued by CPB on 8/21/08. Appealed to Board of Permit Appeals on 8/29/08 (Appeal No. 08-137) - appeal withdrawn and permit reinstated on 8/29/08. Separate permits issued for pile indicators, site cleanup and fencing. 10/24/08 - Construction started in early 2013.
2007-2008	2006.0660	100 California	0236-017	76,500	17544	approved	n/a	18 mos exp 7/31/09. No building permit on file as of 5/18/11. Beacon Capital started the process and then allegedly sold to Broadway Partners, who are reputed to be current owners- no current status 6/16/14 update - Broadway Partners website lists the property as theirs. No building permits relating to project on file. Site visit on 6/17/14 shows no signs of upcoming construction activity.

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	2008.0001	505-525 Howard	3736-001,004/114/121	74,500	17641	approved	n/a	18 mos exp 12/26/09. 200610316514 for new construction COMPLETED on 3/11/14. "First & Howard", bldg 3 - see 1998.902, 2005.0733 on file to legalize existing surface parking lot.
	No Case	680 Folsom Street	3735-013	117,000	none	approved	n/a	Redevelopment (Yerba Buena)
	2008.0850	Alexandria District	various	1122980	17709	approved	n/a	Establishes Alexandria Mission Bay Life Sciences and Technology Development District ("Alexandria District") to consolidate previous and future allocations.
	2008.0484	600 Terry Francois	8722-001	0*	17710	approved	n/a	Alexandria District - East Campus (312,932) - schematic design.
	2008.0483	650 Terry Francois	8722-001	0*	17711	approved	n/a	Alexandria District - East Campus (291,367) - schematic design.
	2008.0690	1450 Owens	8709-006	0*	17712	approved	n/a	Alexandria District - West Campus (61,581) - schematic design as of 4/2011
2008-2009								No Projects Approved During Allocation Period
2009-2010	2009.1026	850-870 Brannan Street	3780-006/007/007A/072	138,580	18095	complete	2013	aka 888 Brannan Street
	2007.0946	Candlestick Point - Hunter's Point	Candlestick Point and Hunter's Point Shipyard	800000	18102	approved	n/a	NO ALLOCATION GRANTED YET. First 800,000 gsf of office development within the Candlestick Point - Hunter's Point Project Area to receive priority office allocation over all projects except the Transbay Transit Tower or those within Mission Bay South.
	2006.1106	222 Second Street	3735-063	430,650	18170	approved	n/a	BPA No. 200711309386
2010-2011	No Case	Alexandria District	various	200000	17709	approved	n/a	additional allocation per terms of Motion 17709 by Letter of Determination
	2006.1524	350 Mission Street	3710-017	335,000	18268	approved	n/a	
	2007.0903	Treasure Island	1939-001/002	0	18332	approved	n/a	Priority Resolution Only for 100,000gsf.
2011-2012	No Case	Alexandria District	various	27020	17709	approved	n/a	additional allocation per terms of Motion 17709 by Letter of Determination
	2011.0583	850-870 Brannan Street	3780-006, 007, 007A, and 072	113,753	18527	approved	2013	aka 888 Brannan Street
	2011.1147	601 Townsend Street	3799-001	72,600	18619	approved	n/a	BPA No. 201408063120 approved by Planning on 8/8/14, but not yet issued by DBI.
	2009.0885	1100 Van Ness Ave	0694-010	242,987	18599	doesn't count	n/a	CPMC - Cat Hill MOB; rescinded & reallocated in 2013 cycle
	2011.0895	460-462 Bryant St	3763-015A	59,475	18685	under construction	n/a	BPA No. 201312194664 issued on 5/22/14.
	2012.0041	444 DeHaro St	3979-001	90500	18653	under construction	2013	BPA No. 201312194626 issued on 12/31/13.
	2012.0409	185 Berry St	3803-005	101,982	18690	under construction	n/a	aka China Basin Landing

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	2012.0371	100 Potrero Ave.	3920-001	70070	18704	complete	2013	EN Legitimization. BPA No. 201212286973 issued 5/6/13.
	2009.0886	3615 Cesar Chavez	6576-021	99,848	18595	doesn't count	n/a	CPMC - St. Luke's MOB; rescinded & reallocated in 2013 cycle
2012-2013	2012.0257	101 1st Street	3720-001	1,370,577	18725	under construction	n/a	Transbay Tower, aka 425 Mission St. BPA No. 201303132080.
	2007.0456	181 Fremont Street	0308-001	361038	18764	under construction	n/a	BPA No. 201305015894 issued 12/26/13.
	2012.1046	1550 Bryant Street	3923-006	108,399	18732	complete	2013	EN Legitimization. BPA No. 201302069627
	2012.1482	1800 Owens	8727-005	700000	18807	approved	n/a	currently under review at OCII, DBI and SFFD. Approved 2/14/13
	2009.0885	1100 Van Ness Ave	0694-010	242987	18890	under construction	n/a	CPMC - Cat Hill MOB
	2009.0886	3615 Cesar Chavez	6576-021	94,799	18886	approved	n/a	CPMC - St. Luke's MOB
	2007.0385	345 Brannan Street	3788-039	102285	19000	under construction	n/a	Construction started in early 2014.
	2012.0799	270 Brannan Street	3774-026	189000	18988	under construction	n/a	BPA No. 201312174402 issued on 4/25/14. Foundation and Superstructure Addendum approved. Architectural Addendum under review by DBI/DPW/PUC. "Groundbreaking" in August 2014.
	2012.0906	333 Brannan Street	3788-042	175,450	18952	under construction	n/a	BPA No. 201306280744 issued 1/5/14. Planning approved Arch addendum on 2/20/14.
	2013.0276	350 Mission Street	3710-017	79,680	18956	under construction	n/a	Salesforce (No. 2). BPA No. 201108011461 issued 9/5/12. Planning approved Arch addendum on 9/11/14.
	2013.0585	999 Brannan Street	3782-003	143292	18950	complete	2014	EN Legitimization. BPA No. 201306280728 issued 4/28/14.
2013-2014	2012.0605	300 California Street	0238-002	56459	19034	approved	n/a	Approved 12/5/13. No BPA filed.
	2013.0226	665 3rd Street	3788-041	123,700	19012	complete	2013	BPA No. 201311222636 issued on 12/31/13 to legalize office space.
	2013.0544	410 Townsend Street	3785-002A	76000	19062	approved	n/a	BPA No. 201306260587 approved by Planning on 7/30/14, but now "in hold" at DBI as of 12/3/14.
	2013.0493	888 Brannan Street	3780-006, 007, 007A and 072	10000	19049	complete	2014	AirBnB (No. 2) to convert GF parking to office.
	2013.0007	81-85 Bluxome Street	3786-018	55,000	19088	under construction	n/a	BPA No. 201404072588 issued 12/17/14. Arch addendum approved by all agencies except Planning.
2014-2015	2012.1187	501-505 Brannan Street	3786-038	137446	19295	approved	n/a	No BPA filed. The approved six-story office building project recently submitted a PPA to Planning proposing a "Phase II" for an additional 11 stories and 168,820 sf of office space.
	2012.0203	100 Hooper Street	3808-003	284471	19315	approved	n/a	BPA Nos. 201410239755 and 201410209377 approved by Planning on 4/13/15, approved by DBI 6/24/15. Currently under review by SFFD and SFPUC.

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

November 2, 2015

Tiffany Bohee
Executive Director
Office of Community Investment and Infrastructure
One S. Van Ness Ave., 5th Floor
San Francisco, CA 94103

Subject: Response to Comments on the DSEIR for the Event Center & Mixed-Use Development at Mission Bay Blocks 29-32 (Project).

Dear Ms. Bohee:

The Bay Area Air Quality Management District (Air District) is willing to assist the City and County of San Francisco (City) by administering an off-site mitigation program to reduce this Project's significant air quality impacts to the extent feasible. As we have discussed extensively with City staff, the $321,646 identified in M-AQ-2b is not sufficient to achieve the 17 tons per year of ozone precursor emission reductions needed for this Project. Due to the nature of air quality impacts that need to be mitigated, comparison of the Air District off-site mitigation program identified for this Project to other air district programs is inappropriate and incorrect.

The amount of funds required to reduce 4.4 tons of reactive organic gases (ROG) and 12.6 tons of oxides of nitrogen (NOx), including a 5 percent administration fee, is $620,922. This amount is based on a study of the Air District's Vehicle Buy Back (VBB) program funds spent over the last 3 years and represents the average cost of reducing ROG and NOx during that three year period. Only through the VBB program can the Air District achieve the contemporaneous emission reductions and other conditions set forth in M-AQ-2b.

Air District staff continues to be willing to assist the City in implementing an off-site mitigation program. However, the Final Environmental Impact Report Response to Comments includes the following statement: "Acceptance of this fee by the BAAQMD shall serve as an acknowledgement and commitment by the BAAQMD to: (1) implement an emissions reduction project(s) within one year of receipt of the mitigation fee to achieve the emission reduction objectives specified above [i.e. 17 tons of ozone precursors per year]". Given this language, unless the City amends M-AQ-2b to fund this feasible mitigation measure at the $620,922 level previously discussed with City staff, the Air District will be unable to participate in offsetting this Project's air quality impacts.

EXHIBIT 4

If you have any questions, please contact Alison Kirk, Senior Environmental Planner, at (415) 749-5169 or akirk@baaqmd.gov.

Sincerely,

Jean Roggenkamp
Deputy Executive Officer

cc: BAAQMD Vice Chair Eric Mar
BAAQMD Director John Avalos
BAAQMD Director Edwin M. Lee

OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

DATE: November 2, 2015

TO: Tiffany Bohee, OCII Executive Director

FROM: Chris Kern, City Planning Department
Sally Oerth, OCII Staff

SUBJECT: BAAQMD November 2, 2015 letter re Ozone Precursors Offset Mitigation Fee

The City Planning Department and the staff of the Office of Community Investment and Infrastructure (OCII) have reviewed the November 2, 2015 letter from the Bay Area Air Quality Management District regarding the Warriors Event Center and Mixed Use Development Subsequent Environmental Impact Report (SEIR). The letter states that the $18,030 per weighted ton per year plus a 5% administrative fee mitigation fee identified in Mitigation Measure M-AQ-2b of the SEIR is insufficient to achieve the required reduction of 17.0 tons per year of ozone precursors. The letter proposes that the mitigation fee should be based on the BAAQMD's Vehicle Buy Back Program, at a cost of $620,922 (or approximately $36,525 per weighted ton per year) to achieve the required emissions reduction.

As discussed in the Draft SEIR (pages 5.4-41 through 5.4-42) and the Responses to Comments document (pages 13.13-65 through 13.13-69), the offset fee identified in Mitigation Measure M-AQ-2b is based on the California Air Resources Board (CARB) Carl Moyer program cost-effectiveness criteria. These criteria were developed by CARB to establish the upper limit for emissions offset projects eligible to receive funding through the Carl Moyer program.

Planning staff has been in communication with BAAQMD with regard to its suggestion that a higher fee may be warranted to offset project emissions to a less than significant level and found that BAAQMD could not establish that an increased rate beyond that of the Carl Moyer Program plus a five percent administrative fee could meet the "rough proportionality" standard required under CEQA. The Carl Moyer fee structure was reviewed and updated by CARB in March of 2015 and became fully implemented on July 1, 2015. The offset costs cited in Mitigation Measure M-AQ-2b Emission Offsets are consistent with those of the CARB and other operating California air districts. For example, in the Sacramento Metropolitan Air Quality Management District, the off-site construction mitigation fee rate is $18,030 per ton of excess NOx emissions as of July 1, 2015 (plus an administrative fee of 5 percent) and is based on the cost effectiveness formula established in California's Carl Moyer Incentive Program. In the San Joaquin Valley Air Pollution Control District, the Indirect Source Review (ISR) program requires that an offsite reduction fee of $9,350/ton plus a 4 percent administration fee be applied

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EXHIBIT 5

for NOx emission reductions that cannot be achieved through onsite emission reduction measures. Furthermore, the offset costs in Mitigation Measure M-AQ-2b is consistent or even higher than comparable offset programs in the SFBAAB.[1]

The BAAQMD's November 2, 2015, letter does not establish that the CARB cost-effectiveness criteria are inappropriate for determining the offset costs under Mitigation Measure M-AQ-2b. Based on the information and analysis presented in the Draft SEIR, the Responses to Comments and supporting technical analyses, Planning Department and OCII staffs continue to believe that the offset fee established in Mitigation Measure M-AQ-2b is sufficient to achieve the required emissions offsets. In addition, as discussed in the Responses to Comments document, Mitigation Measure M-AQ-2b has been revised since publication of the Draft SEIR to allow the project sponsor to directly implement an emissions offset project as an alternative to entering into an agreement with the BAAQMD.

Therefore, for the reasons summarized above and discussed in greater detail in the SEIR and Responses to Comments, the November 2, 2015, letter from the BAAQMD does not alter the analysis or conclusions reached in the SEIR.

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[1] Keinath, Michael, Rambol Environ, 2015. Analysis of the Proposed Offset Program for the Golden State Warriors. October 19, 2015.

UCSF
University of California
San Francisco

Received in Committee 11/9/15

September 22, 2015

The Honorable Edwin M. Lee
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Golden State Warriors Arena and Events Center in Mission Bay

Dear Mayor Lee,

We write as faculty members at UCSF who are also members of the US National Academy of Sciences. Many of us either are, or have previously been, leaders on this Campus. We have seen this University rise to true excellence over the course of the past 40 years, and we look forward to an even greater future for UCSF and the exciting private biotech and medical organizations that it has attracted to Mission Bay. But we are seriously concerned that this future is threatened by the plan to construct a very large sports, entertainment, and event arena in our midst.

As you know, the plan for Mission Bay approved by the Board of Supervisors (October 1998) states, as one of the major objectives of this visionary project:

> Facilitating emerging commercial and industrial sectors including those expected to emerge or expand due to the proximity to the new UCSF site, such as research and development, bio-technical research, telecommunications, business service, multi-media services, and related light industrial...

And indeed, Mission Bay has rapidly become one of the most prominent academic-industry biotechnology/medical complexes in the world. But we cannot stop here: we face increasing competition from other rapidly growing complexes of this type, both in the US and abroad. It will be critical to keep moving aggressively forward, if we are to continue to attract the very best talent – both academic and private sector – to San Francisco.

It is absolutely clear to us that the planned new Golden State Warriors Arena and Events Center in Mission Bay would severely degrade the environment for the many thousands of researchers and private sector biomedical scientists who come to work at Mission Bay each day. It would also curtail the beehive-like, daily exchanges of personnel – from the South Bay and elsewhere – on which the success of the Mission Bay biomedical complex depends. Our major fear is that the Mission Bay site will lose its appeal – not only for the new biomedical enterprises that the city would like to attract here, but also for most of its current occupants. The result could critically harm not only UCSF, but also the enormously promising, larger set of biomedical enterprises that currently promises to make San Francisco the envy of the world.

Much attention has been properly focused on how traffic gridlock caused by the new stadium would affect access to the three new UCSF hospitals that are immediately adjacent to the site, one of which houses one of only two Children's Emergency

rooms in San Francisco. It is unavoidable that terrible, and possibly even life-threatening, traffic congestion will be associated with the planned complex, given that it is intended to be the site of some 220 events per year, held both in the evening and during the day (*New York Times*, September 6, 2015; business section, pages 1, 4 and 5). Many of us have experienced the hours-long gridlock that paralyzes all Mission Bay streets before and after San Francisco Giants home games. The absolute paralysis that it creates is already a non-trivial problem, which the planned stadium promises to both greatly expand and intensify.

The presence of the 41,000-seat AT&T Park less than a mile (a 15-minute walk) from UCSF Mission Bay has not been sufficiently factored into the plans to build the Warriors' huge new sports/entertainment complex. The ballpark already significantly impacts life and work at Mission Bay, with nearly 50 San Francisco Giants home weekday games per season. Due to these events, it can take cars and UCSF shuttle buses over an hour to exit from the UCSF parking lot onto the streets, and a 20-minute trip may require two hours.

The widespread traffic impact of AT&T Park games is noted on the website for the San Francisco Municipal Transportation Agency (SFMTA):

> "Motorists are advised to avoid the increased congestion in downtown San Francisco related to these special events and advises commuters to use transit, taxis, bicycles or walk and to avoid using the Bay Bridge in the two hours before or after these games. ... As a reminder to fans, in order to reduce congestion on city streets after all events at AT&T Park, the SFMTA will close eastbound King Street between 3rd and 2nd streets from the seventh inning until after the post-game traffic has died down. Additionally, the northbound portion of the 4th Street (Peter R. Maloney) Bridge will be closed to all traffic except streetcars, buses, taxis and bicycles during the post-game period. (https://www.sfmta.com/news/press-releases/sfmta-weekend-transit-and-traffic-advisory)

Adding an 18,500-seat Warriors complex on top of what is already a transportation mess is asking for disaster. We are highly skeptical of any plan that proposes to segment traffic by restricting 4th street and other routes for "UCSF business only," since those of us at Mission Bay have experienced the unruly behavior of frustrated drivers stuck for long times in traffic jams. In fact, there is no believable transportation solution for two very large complexes placed in such close proximity at Mission Bay.

Imagine dropping a 41,000-seat stadium anywhere within a 1-mile radius of San Francisco City Hall, and then tripling the capacity of Bill Graham Civic Auditorium. It would make no sense, for the same reason that it makes no sense to squeeze the planned Warriors facility into the Mission Bay neighborhood. The resulting perfect storm of traffic would make it miserable for both the existing neighborhood and for sports fans – in addition to threatening the entire future of UCSF as the center of a world-class academic/ biotech/medical complex.

In summary, we urge you and the city to reconsider the wisdom of proceeding with

current construction plans.

Sincerely yours,

Bruce Alberts, Chancellor's Leadership Chair in Biochemistry and Biophysics for Science and Education
Elizabeth Blackburn, Professor of Biochemistry and Biophysics, and Nobel laureate
James Cleaver, Professor of Dermatology and Pharmaceutical Chemistry
John A. Clements, Professor of Pediatrics and Julius H. Comroe Professor of Pulmonary Biology, Emeritus
Robert Fletterick, Professor of Biochemistry, Pharmaceutical Chemistry, and Cellular and Molecular Pharmacology
Carol Gross, Professor of Microbiology
Christine Guthrie, Professor of Biochemistry and Biophysics
Lily Jan, Professor of Physiology, Biochemistry and Biophysics
Yuh-Nung Jan, Professor of Physiology
Alexander Johnson, Professor of Microbiology and Immunology, and Biochemistry and Biophysics
Cynthia Kenyon, Emeritus Professor, UCSF, and Vice President, Aging Research, Calico Life Sciences
Gail Martin, Professor Emerita, Department of Anatomy
Frank McCormick, Professor Emeritus, UCSF Helen Diller Family Comprehensive Cancer Center, David A. Wood Distinguished Professorship of Tumor Biology and Cancer Research
Ira Mellman, Professor (Adjunct) of Biochemistry and Biophysics
William J. Rutter, Chairman Emeritus, Department of Biochemistry, and Chairman, Synergenics LLC
John Sedat, Professor Emeritus, Department of Biochemistry & Biophysics
Michael Stryker, William Francis Ganong Professor of Physiology
Peter Walter, Professor of Biochemistry and Biophysics
Arthur Weiss, Professor of Medicine, and of Microbiology and Immunology
Zena Werb, Professor of Anatomy

Cc: Tiffany Bohee

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File # 150994-150997
Received in Committee 11/9/15

November 9, 2015

SENT BY U.S. MAIL AND EMAIL (Board.of.Supervisors@sfgov.org)

Budget and Finance Committee
City and County of San Francisco
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Comments on November 9, 2015 Agenda Item Nos. 1-4 re: Warriors Event Center at Mission Bay, Mission Bay Transportation Improvement Fund and Related Actions

Dear Budget and Finance Committee Members:

This firm represents the Mission Bay Alliance (the "Alliance") with respect to the Warriors Event Center Project ("Project"). These comments address the Final Subsequent Environmental Impact Report for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 ("SEIR") as well as the Budget and Finance Committee's consideration and approvals for the Project itself.

As explained in this firm's November 3, 2015, Letter to the San Francisco Municipal Transportation Agency ("MTA"), Board of Directors regarding their November 3, 2015, Agenda Item No. 13, the SEIR is defective as an informational document with respect to the analysis and public disclosure of impacts and mitigation measures regarding transportation under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq. ("CEQA")). Specifically, the SEIR does not describe the approval of the Mission Bay Transportation Improvement Fund ("MBTIF") as a mitigation measure. Yet the MBTIF is essential to the City's attempts to mitigate the Project's transportation-related impacts. The City's strategy of conflating analysis of the Project's design features and mitigation measures violates CEQA. (See, e.g., *Lotus v. Department of Transportation* (2014) 223 Cal.App.4th 645.) The prejudice associated with the City's strategy, in addition to obscuring the City's public subsidy for the Project, is that the EIR "fail[s] to consider whether other possible mitigation measures would be more effective." (*Id.* at 657.)

The City also appears to rely on the incorporation of the MBTIF into the Project description in order to conceal from the public the City's failure to require full mitigation of the Project's impacts from the applicant. A fundamental principle of CEQA is that

development projects should mitigate their impacts to the extent feasible. (See, e.g., Pub. Resources Code, § 21002; see also CEQA Guidelines, § 15126.4.) With respect to the Project's transportation impacts, the City deviates from this principle and instead adopts an odd, ad hoc "fair share" fee program to mitigate Project-level impacts. (*Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173 (*Anderson First*).) As a threshold matter, the SEIR never discloses to the public that it essentially relies upon "fair share" payments from the Project in order to mitigate its Project-level transportation impacts, which renders the SEIR defective as an informational document. Had the SEIR described the Project's approach to mitigating transportation impacts, it would have been apparent that the SEIR failed to disclose necessary information about this fair share program.

The payment of "fair share" impact fees may constitute adequate mitigation if the payments "are part of a reasonable plan of actual mitigation that the relevant agency commits itself to implementing." (*Id.* at 1188-1189.) The *Anderson First* decision identified the information that is required in an EIR to establish the adequacy of a "fair share" mitigation measure, which includes the following:

(i) An identification of the required improvement;
(ii) An estimate of the cost of the required improvement;
(iii) Sufficient information to determine how much the project would pay towards the improvement; and
(iv) The fees must be part of a reasonable, enforceable plan or program sufficiently tied to the actual mitigation of the impacts at issue.

(*Ibid.*)

The SEIR fails to provide this necessary information, and never even mentions the MBTIF. While the SEIR does mention the Transportation Management Plan ("TMP") and Transit Service Plan ("TSP") as addressing the Project's transportation impacts, the SEIR fails to identify the total costs of the improvements, the Project's allocated contribution, and the enforceable plan or program to contribute the Project's "fair share." The new information contained within this Committee's agenda packet regarding the MBTIF and other related matters cannot substitute for full disclosure of the selected approach to mitigation of transportation related impacts in the SEIR.

In addition, the actions on November 6, 2015, by the MTA, and this Committee's planned actions today with respect to approval of the MBTIF and the grant of street and easement vacations are contrary to California public disclosure laws with respect to economic development subsidies. California law requires the City to provide public notice and a public hearing, as well as detailed information about the purpose, nature, extent and effect subsidies, prior to commitment. (Gov. Code, § 53083.) The Budget and

Legislative Analyst's Memorandum ("BLA Memo"), along with the SFMTA Cost Estimate spreadsheet make clear that there is an estimated revenue shortfall of $29,916,666, which will be financed through sale of SFMTA revenue bonds or other City financing source. (BLA Memo, pp. 7-8.) Payment of these Project mitigation costs by the City is an economic development subsidy, even if the loan is eventually repaid. (Gov. Code, §53083, subd. (g)(1).) Moreover, the summary vacation of streets and easements likely has value, yet no value is disclosed. Thus, the City must now comply with the substantive and procedural mandates of Government Code section 53083 prior to approving subsidies in the form of loans and other benefits included in the MBTIF and other related City actions and approvals, that provide transportation, infrastructure, public safety and other mitigation for Project impacts.

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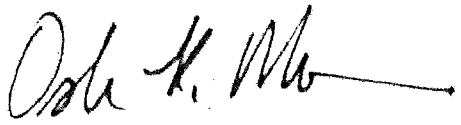
Please feel free to contact my office with any questions about the information contained in this letter.

Very truly yours,

SOLURI MESERVE
A Law Corporation

By: 

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Warriors Stadium Economics: Uncertainty and Alternatives

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November 2, 2015

Contents

Executive Summary

In order for the Golden State Warriors (GSW) to move to San Francisco, the City must make significant infrastructure investments in transit and commit to providing over $6 million in support each year that the new arena operates. Although estimates of the costs to the City and estimates of City revenues exist, a cash flow analysis of this project has not been produced. Nor has the project been subject to a comparison with plausible alternatives. With a project of this magnitude and with the significant external costs imposed on San Francisco, it is deserving of such an analysis.

This report provides both a cash flow analysis of the arena development and a comparison with a plausible alternative. It also provides a discussion of some of the assumed revenues associated with the project. In particular, the assumptions regarding hotel/motel tax revenues and parking taxes are optimistic. The reality could be millions of dollars less than expected.

Although the cash flow analysis suggests that the project will turn a surplus of revenue in the fourth year of arena operations, a comparison with an alternative development suggests that from a financial perspective the City could do much better. If a biotech facility were constructed in place of the arena, it is possible that City revenues over the course of 22 years (two years of construction and 20 years of operation) could be more than $39.9 million higher in net present discounted value terms, or $1.8 million per year over 22 years. This comparison is with a conservative investment. With a more aggressive development option, the net present discounted value of revenues could be as much as $150 million higher, or nearly $7 million per year.

It is worth noting that the effective subsidy provided by the City of San Francisco to provide transit infrastructure and traffic mediation amounts to roughly $150 million over the same 22 years, again in present discounted value terms. Were this subsidy not necessary, the Warriors development project would have a revenue impact to the City comparable to that of the more aggressive development option. Unfortunately, the Warriors development project requires the extensive subsidy while a biotechnology center would not. The biotechnology center, whether using conservative or aggressive assumptions, provides greater net revenues to the City of San Francisco than does the development including the Arena, by between $1.8 and $7 million per year.

These figures can be thought of as the amount that San Franciscans are paying to bring the Warriors to town. It is the amount of revenues that the City would forgo with the GSW project, relative to a plausible alternative. This is not to say that the project is a bad idea, but merely to point out what is being given up in order to accommodate the Warriors' move.

Key Findings

1. A cash flow analysis of the arena through the first twenty years of operation suggests net revenues for San Francisco of $96 million. This is net of City expenses of approximately $150 million during this time for transit and traffic mitigation.

2. This $150 million of City spending in support of the Arena represents an implicit subsidy to the project. The City is funding transit infrastructure and the mitigation of traffic and transportation issues related to the functioning of the arena.

3. Although the Arena generates significant revenues for San Francisco, the City's costs will exceed its revenues from the development for at least the first three years of Arena operation, putting the taxpayers on the hook for the difference.

4. There are elements of the estimates of City revenues that are filled with uncertainty. In particular, the hotel/motel and parking revenues are highly speculative. This uncertainty may imply a broader burden for City taxpayers.

5. If hotel/motel revenues are overstated by half, which is possible, that would reduce City revenues by $13.2 million in the first 20 years of Arena operation.

6. If an alternative development, one suited to biotechnology, were pursued, the City's net revenues would be nearly $40 million higher and possibly as much as $150 million higher over 22 years, or $7 million per year.

7. An alternative development would have considerably larger economic impacts for the rest of the San Francisco Economy than would an arena, and would generate significantly more jobs, more than 2,000 on-site. Oracle Arena currently generates just 494 jobs.

8. An alternative development would generate as much as $1 billion in direct economic activity on-site and perhaps as much as an additional $1 billion in ancillary benefits to the broader San Francisco economy.

9. Forgoing the biotechnology development and pursuing the Arena reduces net revenues to the City of San Francisco by $2 to $7 million per year.

1: Introduction

In 2017, the Golden State Warriors are expected to begin playing in San Francisco. Although this is an exciting development for the City of San Francisco, the economics of the Warriors presence in the City are unclear. There are likely to be significant revenue benefits for the City, but welcoming the Warriors will also involve significant infrastructure investments and ongoing expenses for the City and County of San Francisco. The net effects of these revenues and costs have not been adequately addressed.[1]

It is not clear whether San Francisco is importing a lucrative asset or a financial burden; that is, it is not clear whether the revenues associated with the Warriors play in San Francisco exceed the considerable upfront investments that the City must make. It is also an open question as to what exactly the City might be giving up in order to host the Warriors. The 12-acre parcel on which the arena is to be built is a valuable piece of real estate. In 2010, Salesforce paid $278 million for a 14-acre site that includes the property in question. The property, located as it is across the street from UCSF and near a variety of biotech companies, seems a likely candidate for a biotech friendly building.[2] Were this to happen, it would yield significant benefits for the City. Whether or not these financial benefits exceed those associated with the Warriors is the subject of this report.

The report proceeds to review the costs and benefits associated with the Warriors, as they have been made public. This is followed by an estimate of the likely benefits of a biotech development occupying the same space. The benefits of the GSW plan are then examined from a perspective of robustness, whether or not they are likely to come to pass.

This report provides a cash flow analysis of the GSW project and compares that analysis with an alternative development that includes a biotechnology-oriented commercial structure in place of the arena. The GSW project is cash flow positive, but not until at least the fourth year of operations. Relative to the alternative development, even after 20 years of operating, the GSW project falls short in terms of net government revenues by approximately $39.9 million, or $1.8 million per year over 22 years. Alternative developments, with more aggressive assumptions, though still plausible, suggest that City revenues could increase by as much as $151.6 million after 22 years, or $6.9 million per year, without the need for heavy subsidization on the part of the City in the early years. From a purely financial perspective, the GSW project is a significant drain on City revenues relative to what alternative developments might yield.[3]

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[1] Accepting the team also results in a significant revenue hole for the City of Oakland in that most events that currently take place at Oracle Arena are projected to move to the new arena.

[2] Its neighbors would include UCSF, Celgene Corporation, National Multiple Sclerosis Society, venBio, Nurix, Clovis Oncology, FibroGen, and Illumina, among others.

[3] The methodology used in this report is comparable to the methods and assumptions used by EPS in producing its fiscal impact analysis of the GSW arena. The Appendix provides a set of tables that indicate where common assumptions are used.

2: Benefits and Costs of Hosting the Warriors

– Benefits/Revenues

As with any economic activity, there are certainly financial benefits for the City of San Francisco associated with hosting the Warriors. A report has been produced for the City of San Francisco that provides a fiscal analysis of the GSW project.[4] These benefits are derived from one-time revenues from the purchase of the land and arena construction and ongoing benefits associated with the events that the stadium hosts. The ongoing benefits also include revenues from commercial and retail activity built into the project, as well as parking revenues both on-site and off-site and off-site hotel and motel taxes. Table 1 provides a summary of an estimate of those benefits. Annually, stadium, retail, and office operations associated with the development are estimated to provide just over $14.1 million in revenues to the City of San Francisco.

Table 1. Summary of San Francisco Revenues from Ongoing Stadium Operations (Thousands of 2014 dollars)

Annual Project-Generated Revenues	General Fund Revenues	Dedicated and Restricted Accounts	All Accounts
Revenues From on-Site Businesses	$9,626 (84%)	$1,883 (73%)	$11,509 (82%)
Revenues From off-Site Hotels and Parking	$1,887 (16%)	$714 (27%)	$2,601 (18%)
Total Annual Project-Generated Revenues	$11,513 (100%)	$2,597 (100%)	$14,110 (100%)

Source: EPS and Keyser Marston Associates

Of these $14.1 million in revenues, $11.5 million are associated with the arena and on-site businesses. Although the majority of these revenues accrue to the general fund ($9.6 million), nearly $2 million goes directly to dedicated and restricted accounts. At the same time, nearly $2.6 million are estimated to be from off-site sources, $714 thousand of which are destined for dedicated and restricted accounts.

Table 2 provides estimates of detailed categories of revenues associated with ongoing economic activity once the development is completed. The largest categories of revenue include the stadium admission tax ($4.3 million), gross receipts taxes ($2.5 million) property taxes ($2.5 million, including both general fund and MTA revenues), hotel/motel or transient occupancy taxes ($1.7 million), and parking taxes ($2.4 million). These five categories account for the vast majority of revenues associated with the development.

As mentioned, there will also be one-time revenues associated with the construction of the arena and the accompanying office and retail space (Table 3). These benefits amount to just over $27.6 million, the vast majority of which is associated with the TIDF, or Transportation Impact Development

[4]Economic Planning Systems, *San Francisco Multi-Purpose Venue Project - Fiscal Impact Analysis: Revenues*, 9/25/15. (EPS)

Table 2. Details of San Francisco Revenues from Ongoing Stadium Operations (2014 dollars)

Item	Amount
Annual General Revenue	
Property Tax (General Fund)	$912,000
Property Tax in Lieu of VLF	$868,000
Sales Tax	$521,000
Hotel/Motel Tax (General Fund)	$1,667,000
Parking Tax	$482,000
Stadium Admission Tax	$4,336,000
Gross Receipts Tax	
On-site	$2,431,000
Off-site	$42,000
Utility User Tax	$254,000
Subtotal	$11,513,000
Annual Other Dedicated and Restricted Revenue	
Special Fund Property Taxes (Children's, Library, and Open Space)	$148,000
Public Safety Sales Tax	$260,000
San Francisco County Transportation Authority Sales Tax	$260,000
MTA Parking Tax	$1,929,000
Subtotal	$2,597,000
Total Ongoing Revenues	$14,110,000

Source: EPS, 9/25/15, Table 1

Fee.[5] Another significant source of one-time revenue comes in the form of a Property Transfer Tax, $4.2 million. Sales taxes and gross receipts taxes collected during construction add another $5.4 million.

[5] http://www.sf-planning.org/ftp/files/legislative_changes/new_code_summaries/120523_TIDF_Transportation_Impact_Development_Fee_Update.pdf Medical and Health Services, and Retail/Entertainment economic activity categories was increased to $13.30 per square foot, except that the rate for museums, a subcategory of CIE, are $11.05 per square foot, a reduction from the current amount. The rate for the Management, Information and Professional Services (MIPS) and Visitor Services economic activity categories was increased to $12.64 per square foot, and the rate for the Production/Distribution/Repair (PDR) category was reduced to $6.80 per square foot.

Table 3. Summary of One-Time Revenues from Stadium Construction (2014 dollars)

Item	Difference
City Fees (per gross building sq. ft.)	
Child Care	$662,000
Transit Impact Development Fee	$17,436,000
Other One-Time Revenues	
Sales Taxes During Construction	$2,355,000
Gross Receipts Tax During Construction	$2,953,000
Property Transfer Tax from Initial Land Sale	$4,200,000
Total One-Time Revenues	$27,605,000

Source: EPS, 9/25/15, Table 2. Revised by Marin Economic Consulting to reflect changes in Table A-6 of the EPS report.

– Costs

As with the benefits, there are also one-time and ongoing costs. The one-time costs are primarily those associated with enhancing transportation infrastructure and amount to $55.3 million.[6] These costs include Transit Investments (the purchase of light rail vehicles), the installation of crossovers, the construction of a new center boarding platform, power augments to idling event trains, traffic/signals engineering investments, and a Mariposa Street restriping study.

These expenses are spread out over a four-year period, with the vast majority of expenses occurring in the 2016-17 MTA fiscal year. A major expenditure on light rail vehicles is slated to take place in the 2017-18 FY, when the Event Center begins operating. The costs to MTA are heavily loaded in the early years of the project, before ongoing revenues have begun. Estimated one-time revenues will be available during this time to cover expenses, but they will fall short of the total by approximately $30.2 million.[7] This difference will be covered by contributions from San Francisco's General Fund, whether all at once or through the financing of these expenditures that are net of revenues.

Table 4 provides the details of the City's estimates of ongoing expenses related to the operation of the Event Center. As of early October, estimated annual net ongoing costs associated with operations at the Event Center amount to $6.2 million.[8] The vast majority, $5.1 million, are associated transit costs. It is worth noting that this estimate has decreased by $0.4 million between May and

[6]One-time costs are from SFMTA, **Capital and Operating Cost Estimates for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32**, 10/6/2015. Estimates are in 2014 dollars.

[7]This figure is the difference between $57.8 million, the total estimated capital uses estimate (not just that allocated to the project), and the total one-time revenues from Table 3.

[8]Ibid. The word "net" is included because the City has estimated revenues from fares and parking from riders going to events at the arena. These revenues amount to approximately $1.8 million, split roughly evenly between the two sources.

October of this year. Other expenses are reported as they were presented in May, including nearly $1 million in additional policing, and $200 thousand in expenses incurred by DPW.

Table 4. Ongoing Costs of the Arena (millions of 2014 dollars)

Agency	May 18 Estimates	October 6 Revisions
SFMTA	$5.5	$5.1
SFPD	$0.9	
DPW	$0.2	
Total	$6.6	$6.2

Source: Golden State Warriors Arena: Event Management OCII Commission Presentation, May 18, 2015, and MTA, October 6, 2015.

– Net Benefits

The project comes with considerable costs and benefits. Both upfront net costs and ongoing net revenues are considerable. It is our view that the original EPS report was incomplete in not considering the implications of the project over time. It failed to provide a comparison of overall costs and benefits associated with the GSW project. The reviewer, Keyser Marston Associates, appeared to agree with the EPS approach, saying that a "cash flow approach is appropriate to evaluate a multi-phase project, which does not apply to this project." We respectfully disagree. There are two stages to this project: first, the one-time infrastructure investments and revenue implications of construction and parcel purchase, and second, the ongoing costs and revenues. The project's benefits to the City come inherently in two stages. If both stages yielded a net benefit, the need for a cash flow approach would not be nearly as acute. As the first stage is significantly negative, the overall net benefits must be evaluated over time in order to properly evaluate the project.

This has not been publicly done. Here, we consider a 20-year period following the construction of the Event Center. Given that many of these revenues accrue many years in the future, it is necessary to discount them to today's dollars. The bottom line is the present discounted value of the net stream of revenues to the City of San Francisco.

Assumptions crucial to the present value discount calculation:

1. Discount Rate: 4.0%
2. Rate of inflation: 2.5% (2% for property taxes, as per Proposition 13)

Table 5 provides an estimate of the present discounted value of net revenues to the City of San Francisco, using estimates from the EPS report of September 25, 2015 and from documents from the City of San Francisco. Once the facility has been operating for 20 years, net revenues are ex-

pected to be on the order of $95.7 million, or approximately $4.3 million per year over a 22-year period including two years of construction and 20 years of operation. This estimate includes the upfront expenses incurred by the City as well as the ongoing expenses associated with event traffic mitigation.

Table 5. Net Benefits of GSW Event Center Project over 22 years (Millions of Present Discounted 2014 dollars)

	Benefits	Costs	Net Benefits
One-Time	$27.6	$55.3	−$27.7
Ongoing	$221.4	$98.0	$123.4
Total	$249.1	$153.3	$95.7

Source: Calculations by Marin Economic Consulting.

The project pencils out as estimated. This calculus, however, begs two important questions:

1. This is a 12-acre plot of land in the middle of a biotechnology hub. Are there better uses for this land from a revenue perspective?
2. Estimating the costs associated with event management is a more certain endeavor than estimating the benefits. How certain is it that the benefits will materialize?

For a project of this magnitude, it is vitally important to evaluate the potential for plausible alternatives to provide more benefits than the project in question. It is also important to consider robustness tests for the revenues in question. Neither of these issues has been publicly addressed. This report will present plausible revenues associated with an alternative development, a space designed with biotech in mind, and will discuss weak points in the revenue estimates presented above.

3: On the Economics of Biotech as an Alternative

When evaluating the benefits of an economic endeavor, an exploration of alternatives is vital to understanding the full implications of an investment. Suppose that instead of building a 750,000-square-foot arena, the amount of commercial space on the property were doubled. In this section, we consider such an investment. In this exercise, we follow as closely as possible the assumptions contained in the EPS estimate of revenues associated with the GSW project.

Important assumptions associated with this analysis include:

1. Instead of a 750,000-square-foot arena, a commercial facility is constructed that provides 522,000 square feet of space. This constitutes an exact doubling of the commercial space in the GSW plan. This alternative development is otherwise comparable to the Warriors plan, including the original commercial, retail, and parking structures.

2. The space is designed with biotechnology in mind, which brings with it significant laboratory space. As such, it has a relatively high amount of space per worker associated with it: 250 square feet per employee.[9]

3. The transaction price for the land is unchanged at $172.5 million.[10]

4. It is assumed that just two-thirds of the biotech revenues generated onsite are subject to gross receipts taxation in San Francisco.[11]

5. It is also assumed that a commercial facility would have ancillary benefits in terms of indirect and induced economic activity in San Francisco. Consistent with the EPS report, it is assumed that 90% of the ancillary output generated is subject to the Gross Receipts Tax.[12]

With the addition of these assumptions, an exercise analogous to that undertaken by EPS is performed for the new development. The new development includes the same retail revenues and costs, the same parking revenues, and essentially double the revenues associated with commercial development. Doubling the office space and maintaining other assets leads to an assessed value of at least $605.5 million. This is considerably less than the project's assessed value with an arena.

Support for the notion that this construction is feasible comes not only from the 750,000-square-foot arena that the buildings will be replacing, but also from a similar planned development. UCSF was planning to build 500,000 square feet on four acres of blocks 33-34, right next to the site.[13] A new building of the size being considered is clearly feasible on the space currently to be occupied by the arena.

Table 5 presents a comparison of the one-time revenues and expenditures associated with the Event Center versus doubling the commercial space on the 12-acre property. While the Event Center brings with it a need for considerable infrastructure to accommodate the development, it is not clear that a doubling of the commercial space does. Accordingly, the Event Center brings with it a net upfront cost of $37.5 million, relative to a commercial facility in place of the Center.

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[9]This is an extremely conservative assumption. Some estimates suggest that a ratio of 150 to 11 is possible. This would considerably increase employment and hence output at the site, increasing the resulting income to both City residents and City coffers.

[10]The actual transaction price has been announced as $150 million. San Francisco Times, **Warriors buy Mission Bay arena site from Salesforce**, 10/13/2015. In this analysis, the transaction price is kept at $172.5 million to maintain comparability with the original EPS study. The change in sales price does have an effect on revenue estimates, but the effect is the same for both the Warriors plan and for the alternative, so it does not affect comparisons between the two.

[11]There are several avenues through which revenues may be exempt from gross receipts taxes in San Francisco. This analysis is extremely conservative in assuming that this is more likely the case for biotechnology firms (perhaps because of significant revenues accruing through pass-through companies) than for firms in other industries.

[12]Estimates of these benefits are derived from the 2013 San Francisco County model of IMPLAN. It should be noted that the EPS report does not provide estimates of the ancillary effects of the commercial aspect of the current project. This report similarly omits those benefits for the existing commercial development, but does include them for the commercial property that could be built in place of the stadium. These ancillary benefits are also reduced by one-half to provide a conservative estimate of the development's contribution to net revenues.

[13]**UCSF, Salesforce in talks for S.F. Mission Bay land deal**, SFGate, March 15, 2014.

Table 5. Summary of One-Time Revenues from Development
(Thousands of 2014 Dollars)

Category	Biotech	GSW Arena	Difference
Property Transfer Tax	4,200	4,200	0
City Fees - TIDF	10,902	17,436	-6,534
- Child Care	1,263	662	601
Construction			
- Sales Taxes	1,617	2,354	-737
- Gross Receipts Taxes	2,028	2,953	-925
Total	20,010	27,605	-7,595
One-Time Expenses Associated with Development			
Infrastructure Improvements	10,901	55,308	-44,407
Net One-Time Revenues Associated with Development			
Immediate Net Revenue Impact	9,108	-28,410	37,518

Source: EPS Report (9/25/15) and calculations by Marin Economic Consulting.

Although capital expenditures related to the Event Center are significantly higher than the revenues brought in through the TIDF, such is not expected to be the case for additional commercial space. The TIDF was put in place with developments such as this alternative in mind. Therefore, the transit costs associated with the development are better approximated using the TIDF taxation formula. The TIDF collected from the hypothetical alternative development (including the commercial, retail and parking in the GSW project) will serve as our estimate of related transit costs, $10,901.

In the analysis above, the sales price for the property on which the event center and accompanying commercial and retail structures will be built is the same as in the EPS report: $172,546,000. Property transfer tax would result regardless of the purchaser and the end use, but conceivably at a higher price. Salesforce originally paid $278 million dollars for 14 acres (including the space in question) in 2010. The current sales price is $172.5 million for 12 acres (actual is $150 million). The plot of land in question represents the majority of the plot originally purchased by Salesforce, and is the largest single contiguous piece. Property values have also increased substantially since the original purchase by Salesforce.[14] It seems likely then that the value of the land would have increased significantly over the last five years as San Francisco is currently starved for commercial real estate. In the end, the price that the Warriors have paid for the land is surprisingly low. It represents the bulk of a property that was valued at $278 million in 2010 and market values have only increased in the intervening years. Therefore, the actual market value of the land may well be higher than the price the Warriors have been offered and have paid, with correspondingly higher transfer taxes resulting from some alternative development.

[14] **Salesforce.com Is Said to Plan Sale of San Francisco Land**, Bloomberg Business, March 11, 2014.

Table 6 provides an analysis of the annual City revenues and expenses that can be attributed to each of the projects.[15] The first column is for the alternative development which targets the biotechnology industry. The second column reflects estimates regarding the current Golden State Warriors project, and the final column presents the difference in expected revenue between the two.

Table 6. Summary of Annual Revenues and Expenses (in Thousands of 2014 Dollars)

Category	Biotech	GSW Arena	Difference
Annual Direct General Revenue			
Property Tax (General Fund)	$603	$912	-$309
Property Tax in Lieu of VLF	$570	$868	-$298
Sales Tax	$253	$521	-$268
Hotel/Motel Tax (General Fund)	$0	$1,667	-$1,667
Parking Tax	$243	$482	-$239
Stadium Admission Tax	$0	$4,336	-$4,336
Gross Receipts Tax			
On-site	$4,078	$2,431	$1,647
Off-site	$0	$42	-$42
Utility User Tax	$249	$254	-$5
Subtotal	$5,996	$11,513	-$5,517
Annual Other Dedicated and Restricted Direct Revenue			
Special Fund Property Taxes (Children's, Library, and Open Space)	$98	$148	-$50
Public Safety Sales Tax	$127	$260	-$133
San Francisco County Transportation Authority Sales Tax	$127	$260	-$133
MTA Parking Tax	$971	$1,929	-$958
Subtotal	$1,322	$2,597	-$1,275
Total Revenues	$7,318	$14,110	-$6,792
Annual Development-Related Expenses			
SFMTA	$0	$5,100	-$5,100
SFPD	$0	$900	-$900
DPW	$0	$200	-$200
Total Expenses	$0	$6,200	-$6,200
Net Annual Revenues	$7,318	$7,910	–$592
Ancillary Benefits Associated with Each Project			
Gross Receipts Tax	$754	$0	$754
Total Annual Net Revenue Expectation	$8,071	$7,910	$162

Source: EPS Report and calculations by Marin Economic Consulting.

In most categories, the annual revenues are greater for the Event Center than for a development with additional commercial space. The exception is in the Gross Receipts Taxes, where a biotech firm occupies the additional commercial space. Taken as a whole, annual revenues from a purely

[15]This alternative is chosen because it will allow the use of most of the EPS parameters and assumptions in producing annual revenues for the alternative project. See the Appendix for a comparison of calculations between this project and the EPS report.

commercial development are $6.8 million less than for the project under consideration. Once the expenses related to the activities at the Event Center are taken into consideration, annual net revenues are nearly identical. However, expanding the commercial element of the development has considerable ancillary benefits. Most economic functions both make purchases from the broader economy and also compensate workers, who then in turn make purchases from the broader economy. The gross receipts taxes associated with output in the San Francisco economy that is related to activities in the additional commercial space are estimated to be $754,000 per year.[16] Once these benefits have been considered, the commercial development results in $162,000 more in revenues annually than would the arena (last line of Table 6). From a net revenue perspective, a commercial development dominates the Event Center.

As discussed above, merely calculating the one-time costs and an estimate of the ongoing revenue is insufficient. Were it sufficient, a commercial project focused on biotech would clearly dominate the current project. Table 7 provides an evaluation of the 22-year net benefits of an alternative development with space devoted to biotechnology comparable to the evaluation for the current project.

Table 7. Net Benefits of Alternative Developments after 22 Years
(Millions of Present Discounted 2014 Dollars)

	Biotechnology		Net Benefits		
	Benefits	Costs	Biotech	GSW	Difference
One-Time	$20.0	$10.9	$9.1	−$27.7	$36.8
Ongoing	$126.5	$0.0	$126.5	$123.4	$3.1
Total	$146.5	$10.9	$135.6	$95.7	**$39.9**

Source: Calculations by Marin Economic Consulting

According to these calculations, an alternative development would provide an extra $39.9 million in revenues for the City of San Francisco (as in Table 7). Net present discounted revenues for the project with an Event Center are $95.7 million, while a project with commercial space devoted to attracting biotechnology firms has a discounted value of net revenues expected to be $135.6 million, a difference of $39.9 million dollars, or an additional $1.8 million each year on average over the 22 years.

From a cash flow perspective, there is a deep hole early on with the Event Center. The first three columns of Table 8 present annual present discounted flows of revenues into San Francisco City coffers. The final three columns provide a cash flow, or cumulative contribution to City coffers. Several things are immediately apparent from the table:

1. The Event Center puts an enormous hole in the City's budget in the first year (row 1, column 4).

[16]This is half of what is implied by IMPLAN in order to maintain the conservative nature of these estimates.

2. Substituting a commercial development is cash flow positive in the first year (row 3, column 5).

3. It will take four years of operation of the Event Center to dig the City out of the hole (column 6).

4. Although the gap in annual discounted net revenue closes over time, it remains significant even in year 20 (last row, column 4).

5. In year 20 of Event Center operations, there remains a surplus of revenue in the amount of $39.9 million for the biotechnology development (last row, last column), which continues to grow in subsequent years.

A final issue that differentiates a biotechnology-centric development over an arena is one of economic impact. It is clear from the economics literature that sports stadiums and arenas provide little economic boost to the local economy. At the same time, it is clear that these facilities are responsible for generating some local economic activity. The failure to add to a region's economy is because they tend to displace other entertainment purchases from the broader economy rather than to stimulate new spending. An individual may go to a basketball game instead of to a play, opera, symphony, or rock concert. These facilities are therefore not additive to the economy.

Nonetheless, it has been estimated that economic activity associated with Oracle Arena accounts for $44.9 million in economic Activity and 494 jobs in Alameda County.[17] It seems likely that the impact of the new arena will be of a similar magnitude.

By comparison, a 522,000 square foot biotechnology facility, with a ratio of space to employee of 250 to 1 can accommodate more than 2,000 employees. That represents four times more employment for biotechnology than for the Arena. It is also consistent with an estimate of economic output on the order of $1 billion, an order of magnitude higher than for the Arena. Accordingly, the biotechnology development can serve as a much more significant engine of economic growth for the region than can the new event center. Ancillary (indirect and induced) economic benefits for the City of San Francisco are estimated to similarly be in excess of $1 billion. The gross receipts tax implications for the City of San Francisco are conservatively estimated to be $754,000 per year.[18]

[17]Memo to Patrick Soluri, Attorney at Law, from Philip King; Ph.D., regarding Urban Decay Analysis of Proposed Relocation of Golden State Warriors from Oakland to San Francisco, page 9.

[18]These estimates are from the 2013 San Francisco County model of IMPLAN and have been scaled to 2014 dollars. The actual estimates of ancillary output generated were divided by two in order to keep the estimates conservative. The actual revenues could be significantly greater.

Table 8. Stream of Net Revenues over Time
(Thousands of 2014 Discounted Dollars)

	Annual			Cumulative		
Year	Biotech	GSW	Difference	Biotech	GSW	Difference
One-Time Net Revenues:						
2016	$9,108	-$27,704	$36,812	$9,108	-$27,704	$36,812
Start of Ongoing Revenues:						
2017	$7,600	$7,440	$160	$16,708	-$20,264	$36,972
2018	$7,450	$7,290	$160	$24,158	-$12,974	$37,132
2019	$7,302	$7,142	$160	$31,460	-$5,831	$37,292
2020	$7,157	$6,998	$159	$38,618	$1,167	$37,451
2021	$7,016	$6,857	$159	$45,633	$8,024	$37,609
2022	$6,877	$6,718	$158	$52,510	$14,742	$37,768
2023	$6,740	$6,583	$157	$59,250	$21,325	$37,925
2024	$6,607	$6,450	$157	$65,857	$27,775	$38,082
2025	$6,476	$6,320	$156	$72,333	$34,095	$38,238
2026	$6,348	$6,192	$155	$78,681	$40,288	$38,393
2027	$6,222	$6,068	$154	$84,903	$46,355	$38,547
2028	$6,099	$5,945	$154	$91,001	$52,300	$38,701
2029	$5,978	$5,825	$153	$96,979	$58,126	$38,854
2030	$5,860	$5,708	$152	$102,839	$63,834	$39,006
2031	$5,744	$5,593	$151	$108,583	$69,427	$39,157
2032	$5,630	$5,480	$150	$114,213	$74,907	$39,307
2033	$5,519	$5,370	$149	$119,732	$80,277	$39,456
2034	$5,410	$5,262	$148	$125,142	$85,538	$39,603
2035	$5,303	$5,156	$147	$130,444	$90,694	$39,750
Year 20 of Event Center operation:						
2036	$5,198	$5,052	$146	$135,642	$95,746	$39,896

Source: Marin Economic Consulting

4: Questioning the Benefits and Costs of the GSW Project

There are few guarantees with economic endeavors. Assuming that the conditions that exist today will exist tomorrow, the day after that, or 20 years from now is of dubious merit. Conditions change. The level of success of a basketball team ebbs and flows (though hopefully not for the Warriors), the economy grows and shrinks, modes of transportation change, and the availability of hotel rooms may decline as demand grows but supply does not.

This certainly holds true for the construction of an arena. While it is quite likely that the Warriors will play at the arena for the foreseeable future and experience a high level of success for some time, it is not certain that the estimated revenues will materialize. As a case in point, the EPS study assumes a sales price for the land of $172,546,000. It has just been announced that the sales price was $150,000,000. That represents a reduction in sales price of 13%, with a corresponding reduc-

tion in revenues that are tied to the sales price: transfer taxes and ongoing property taxes. Although the long-term implications of a decline in ongoing property taxes is likely small, the transfer tax is reduced from $4.2 million to $3.65 million, a reduction in one-time revenues of $549,000. Granted, this is just one percent of the one-time transit costs associated with the project, but it is more than half a million dollars no longer available for other city needs.

Two categories of revenue are particularly suspect: hotels and parking. With regard to hotels, it is not immediately clear that moving the venue from Oakland to San Francisco will necessarily lead to a significant increase in demand for hotel rooms in San Francisco. With regard to parking, the demand for parking ebbs and flows with the economy. It is also likely that demand for parking will decline significantly in the coming years. Estimates included in the EPS report are therefore likely biased upward and those revenues will not fully materialize.

– Hotel/Motel Occupancy Tax

There are primarily two concerns related to forecasts of increased demand for hotel rooms in San Francisco resulting from the construction of the Event Center. First, San Francisco hotel occupancy rates for much of the year are very high, implying little excess capacity to be filled by basketball fans. During times of high demand for hotel rooms in San Francisco, many of those staying overnight for an event at the arena may choose to stay outside of the City. Alternatively, the demand resulting from arena events may well divert others to hotel rooms outside of the City. Second, it is also likely that many overnight visitors for the Warriors games currently stay in San Francisco, despite attending a game played in Oakland. Despite the change of venue to San Francisco, it is not clear that this shift will result in a significant net increase in demand for San Francisco hotel rooms.

The EPS estimates of revenues associated with the GSW project indicate an increase in hotel room occupancy. However, San Francisco is generally regarded as having a significant shortage of hotel rooms and to be operating near full capacity. Indeed, occupancy rates for San Francisco are high by any standard. San Francisco ranks third nationally in occupancy rates; New York is ranked #1.

The EPS report assumes that 10% of Event Center attendees are potential overnight visitors but that only half of them will constitute new demand for hotel rooms in San Francisco. This assumption represents an increase in demand for hotel rooms of approximately 50,000. However, it is likely that many current overnight visitors to Oracle Arena stay in San Francisco. It is entirely possible that a new arena will have a much smaller net impact on the demand for hotel rooms in San Francisco. This puts some $1.7 million in expected additional revenues in question. If half of this demand does not materialize, or is displacement of other demand for hotel rooms in the City, this could reduce overall revenues by half, or by $800,000 to $900,000 in each year of operation, amounting to more than $13 million in present discounted terms over 20 years of arena operation.

– Parking

Going forward, the use of personal vehicles and hence the demand for parking, as well as transit services, is going to be subject to significant disruption. In particular, ride-sharing services continue to grow, especially in San Francisco. With the use of these vehicles, the demand for parking at an event site will likely decline. There is also growing evidence that autonomous vehicles will be available in the near future. Several automobile and tech companies have announced a target date of 2020 for making these cars, or cars with this capacity, available to the general public. The growth of ride-sharing and the development of autonomous vehicles will likely reduce the demand for parking, particularly the demand related to attending events. The advent of autonomous cars being used in car-sharing will significantly increase the rate at which parking demand declines. Current estimates are that the Event Center will result in the demand for parking spaces on the order of 422,000 per year. Some of this demand for parking is likely to evaporate over time.

There could also be a significant decline in the demand for public transportation resulting from increased car-sharing. This has several implications. First, planned investments in infrastructure designed to expand transit availability to serve events may be rendered to some extent obsolete as people move away from transit and toward the use of autonomous vehicles, whether shared or privately owned. This represents a move away from transit toward private vehicles. Despite the projected decline in parking demand, this represents increased need for traffic mitigation of some sort. There will likely be an increase in vehicular traffic to and from the Event Center that could have implications for the arena's neighbors.

With the advent of autonomous vehicles and greater use of ride-sharing services, it is possible that demand for parking could decline significantly over the coming years. If we assume that it declines at a rate of 1% each year, that would reduce revenues associated with parking by $3.8 million over the 20-year time horizon. It will also reduce parking demand for a biotechnology development, but by less, just $1.9 million over 20 years. Should parking demand decline more quickly (5%/year), revenues could decline by as much as $15 million

– Net Benefits

The point of this discussion is that estimated revenues are suspect, while estimated costs are much more likely accurate. Fixed investments, in particular, are known and not subject to market whims. However in this case, there are unknowns lurking in the cost estimates. It is likely that the revenue implications are biased high, resulting in uncertainty over their future stream with more downside risk than upside. It is already the case that actual one-time revenues have turned out to be less than anticipated (such as the transfer tax, which was lower by $549,000) and that the City has revised its

estimates of one-time costs upward (by nearly $16 million) and its estimates of ongoing expenses upward (by $1.4 million in each year). Clearly, there is great uncertainty in almost all of these estimates.

5: Some Sensitivity Analysis

In each case, the revenue estimates relating to the GSW project and the revenue estimates relating to a biotechnology center are uncertain. It is therefore worthwhile to experiment with basic assumptions to better understand the implications for City revenues. Table 9 offers some evidence for the implications of particular assumptions. We provide four separate alternatives that relax in different ways the assumptions inherent in the baseline analysis. The top line of the table presents the baseline results of the analysis, the estimates of present discounted net revenues accruing to the City (corresponding to the last row in Table 7). In the case of the biotechnology development net present discounted revenues are $135.6 million whereas they are just $95.7 million for the GSW project, a difference of $39.9 million.

Table 9. Summary of Net Present Discounted Value Associated with Alternatives (22 Years, 2015-2036) Comparing the Multi-Purpose Venue with a Biotechnology Center (Millions)

Item	Biotech	GSW	Difference Over 22 Years	Difference Per Year
Baseline	$135.6	$95.7	$39.9	$1.8
Alternative 1	$135.6	$82.6	$53.1	$2.4
- Hotel/Motel Revenues are overstated by 50% in EPS report		*OverBaseline* :	$13.2	
Alternative 2	$147.0	$95.7	$51.2	$2.3
- Area to employee ratio for Biotech of 200/1		*OverBaseline* :	$11.3	
Alternative 3	$154.5	$95.7	$58.7	$2.7
- Add 200,000 sq ft to New Commercial Space (722,000 total)		*OverBaseline* :	$18.0	
Alternative 4 (Extreme)	$234.2	$82.6	$151.6	$6.9
- Area to employee ratio for Biotech of 150/1		*OverBaseline* :	$111.7	
- 100% of Biotech revenues are subject to GRT				
- Hotel/Motel Revenues are overstated by 50%				
- Add 200,000 sq ft to New Commercial Space (722,000 total)				

Source: Marin Economic Consulting

The first alternative scenario assumes that one-half of the demand for hotel rooms in San Francisco fails to materialize with the GSW project. This results in a reduction of approximately $13.2 million

in net present discounted revenues. The revenues associated with the biotechnology development are unchanged because there are no transient occupancy tax revenues assumed to occur.

The second alternative assumes a greater density of employment in the new commercial facility, leaving the existing commercial plans constant. If there are 200 square feet per employee, rather than 250, revenues associated with the new facility increase by more than $11.3 million relative to the baseline. This increase in revenue stems largely from an increase in the output produced by the building's occupants, resulting in increased gross receipts tax revenues. It also increases the occupants interactions with the broader San Francisco economy, having a positive impact on ancillary benefits. Further reducing the space per employee will have correspondingly larger increases in revenues.

A third alternative assumes a larger facility is constructed, with 722,000 square feet of space rather than 522,000 square feet of space. This increases the number of employees working in the space by nearly 40%, holding the assumption that 250 square feet per employee is required. With greater space comes increased employment and increased output and increased demand for the output of the rest of the San Francisco economy. Accordingly, revenues are estimated to increase by nearly $18.0 million with an expanded space. Under this scenario, the net discounted value of City revenues increases by $58.7 million relative to the GSW project. Even larger spaces would have a correspondingly larger impact on City revenues.

Finally, an extreme alternative is offered. Alternative 4 allows for a 150 to 1 ratio of square feet to employees, assumes that all of the revenues accruing to the biotech occupants are subject to the GRT, reduces by one-half assumed hotel/motel TOT revenues associated with the Event Center, and involves a building with 722,000 square feet. Under this alternative, City revenues increase by $111.7 million relative to the baseline, with biotechnology revenues exceeding GSW revenues by nearly $151.6 million over 22 years and $6.9 million per year.

These alternatives are not put forward to suggest that there is $151.6 million being left on the table (though there may be), but rather to illustrate the range of differences that underlying assumptions can make. At the same time, even the extreme alternative is plausible.

6: Re-Evaluating the Net Benefits of Hosting the Warriors

There are two fundamental points made in this report:

1. Estimates of costs and revenues are highly speculative, and the evidence suggests that there is more downside risk to the GSW project than upside.

2. There is significant revenue that is forgone by the City in order to bring the Warriors to town.

Both of these points raise significant questions about the Warriors arena project from a financial perspective. First, how comfortable are taxpayers in their understanding of the implications of this development? Second, is this the right development?

The respective answers are "not very" and "quite possibly no." There is uncertainty in the information available and replacing the Event Center in the project with additional commercial space has the potential to increase City revenues significantly.

Another way of thinking about the differences in revenues between the GSW project and a biotechnology development is that these differences reflect the price the City is paying in order to bring the Warriors to town. There are certainly other more tangible costs, but these costs are also real.

The above analysis indicates that even with relatively conservative assumptions, in particular those surrounding employment in the new development and the size of the new development, a biotechnology center would increase City revenues significantly relative to the Event Center. Under the baseline scenario, the difference is $39.9 million over 22 years. Under the most extreme, yet plausible, scenario presented, an additional $151.6 million could be raised over the 22-year period. This analysis presents a range of increases of between $1.8 and $6.9 million per year. It should be noted that the extreme alternative does not include the possibility of a larger facility. Were it to do so, the forgone annual revenues would be significantly higher. This suggests that the City of San Francisco is likely paying more than $1.8 million and possibly upwards of $7 million per year in forgone revenues in each of the next 22 years to accommodate the Warriors.

Every economic development represents a choice. That choice is between the proposed development and plausible alternatives. The City has chosen to pursue a basketball team without exploring or disclosing the relative merits of the project compared with plausible alternatives. This report is not designed to condemn the choice, but rather to better inform the debate on the implications of this choice.

APPENDIX: Details of Annual Revenue Calculations for Biotech in Comparison with the Warriors Project

This appendix provides tables illustrating key differences in the assumptions and results between the analysis presented in the EPS report of 9/25/15 and the biotechnology project discussed in the text. The tables very closely mirror those in the EPS report and reproduce assumptions and results from that report. Some tables are not applicable to the biotechnology project and are omitted. In particular, Tables A-9 through A-11 are omitted. It should also be noted that these tables have not been updated to reflect the actual purchase price paid by the Warriors. It does, however, include updates to the City's estimates of one-time and ongoing costs.

Table A-1. San Francisco Revenue Summary (Thousands of 2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	GSW	Biotech	Difference
Annual General Revenue			
Property Tax (General Fund)	$912	$603	-$309
Property Tax in Lieu of VLF	$868	$570	-$298
Sales Tax	$521	$253	-$268
Hotel/Motel Tax (General Fund)	$1,667	$0	-$1,667
Parking Tax	$482	$243	-$239
Stadium Admission Tax	$4,336	$0	-$4,336
Gross Receipts Tax			
On-site	$2,431	$4,078	$1,647
Off-site	$42	$0	-$42
Utility User Tax	$254	$249	-$5
Subtotal	$11,513	$5,996	-$5,517
Annual Other Dedicated and Restricted Revenue			
Special Fund Property Taxes (Children's, Library, and Open Space)	$148	$98	-$50
Public Safety Sales Tax	$260	$127	-$133
San Francisco County Transportation Authority Sales Tax	$260	$127	-$133
MTA Parking Tax	$1,929	$971	-$958
Subtotal	$2,597	$1,322	-$1,275
TOTAL REVENUES	$14,110	$7,318	-$6,792

Source: EPS and Marin Economic Consulting

Table A-2. San Francisco City One-Time Fee Revenue Summary (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	GSW	Biotech	Difference
New Gross Building Area (sq.ft.)		1,156,500	
City Fees (per gross building sq.ft.)			
Child Care	$661,870	$1,263,240	$601,370
Transit Impact Development Fee	$17,435,765	$10,901,655	−$6,534,110
Total Development Impact Fee	$18,097,635	$12,164,895	−$5,932,740
Other In-Lieu Impact Fees			
Other One-Time Revenues			
Sales Taxes During Construction	$2,354,634	$1,617,159	−$737,475
Gross Receipts Tax During Construction	$2,953,050	$2,027,835	−$925,215
Property Transfer Tax from Initial Land Sale	$4,200,000	$4,200,000	$0

Source: EPS and Marin Economic Consulting

Note: The gross building area for the biotechnology development includes four commercial buildings with 1,044,000 square feet and retail of 112,500 square feet.

Table A-3. San Francisco Property Tax Estimates (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	Assumptions	GSW	Biotech	Difference
Secured Assessed Value				
Multi-Purpose Venue		$550,000,000	$0	$550,000,000
Other Development				
Event Management/Team Operations Space		$14,500,000	$0	$14,500,000
Retail		$41,343,750	$41,343,750	$0
Office		$302,760,000	$605,520,000	−$302,760,000
Parking		$33,250,000	$33,250,000	$0
Subtotal		$941,853,750	$680,113,750	$261,740,000
New Taxable Value				
Gross Secured Possessory Interest/Property Tax	1.0% of new AV	$9,418,538	$6,801,138	$2,617,400
Unsecured Tax from the Warriors		$183,333	$0	$183,333
Unsecured Tax from Other Uses		$391,854	$0	$391,854
Subtotal		$9,993,725	$6,801,138	$3,192,587
(less) Existing Taxes		−$1,795,169	−$1,795,169	$0
Total		$8,198,556	$5,005,969	$3,192,587
Property Tax				
Tier 1 Property Tax Pass Through	20.00%	$1,639,711	$1,001,194	$638,517
Tier 2 Property Tax Pass Through	16.8%	$1,377,357	$841,003	$536,355
Tier 1 and 2 Property Tax Pass Throughs	36.80%	$3,017,068	$1,842,196	$1,174,872
Net New General Fund Share (after ERAF)	55.59% property tax tier 1 pass through	$911,515	$556,564	$354,952
Special Funds	9.00% property tax tier 1 pass through	$147,574	$90,107	$57,467
SF Unified School District	7.70% property tax pass through	$232,314	$141,849	$90,465
Affordable Housing Set Aside		$1,639,711	$1,001,194	$638,517

Source: EPS and Marin Economic Consulting

Table A-4. Property Tax in Lieu of VLF Estimates (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	GSW	Biotech	Difference
Citywide Total Assessed Value (millions $)	$172,489	$172,489	
Total Assessed Value of Project (millions of $)	$941.85	$680.11	$261.74
(less) Existing Value	−$179.52	−$179.52	
Net Increase in Project Assessed Value (millions $)	$762.34	$500.59	$261.75
Growth in Citywide AV due to Project	0.442%	0.290%	
Total Property Tax in Lieu of Vehicle License Fee (VLF) (FY2014-15)	$196,480,000	$196,480,000	
New Propety Tax in Lieu of VLF	$868,372	$570,220	$298,152

Source: EPS and Marin Economic Consulting

Table A-5. Property Transfer Tax (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	Assumptions	GSW	Biotech
One-Time Transfer Tax			
Estimated Land Sale		$172,546,000	$172,546,000
One-Time Transfer Tax	$24.34 per $1,000 value	$4,199,770	$4,199,770

Source: EPS and Marin Economic Consulting

Note: The actual transaction price for the property is $150 million.

Table A-6. Sales Tax Estimate (thousands of 2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	Assumptions	GSW	Biotech	Difference
Taxable Sales from Multi-Purpose Venue				
Warriors Game Concessions and Merchandise	$21.60 per attendee	$15,768		
Other Event Concessions	$11.00 per attendee	$12,859		
Total		$28,627		
Sales Tax to General Fund	1.0% of taxable sales	$286		
(less) Existing Sales Shift		−$18		
Net New Sales Tax		$267		
Taxable Sales From Commercial Space				
Retail	$450 per sq ft	$50,625	$50,625	$0
Sales Tax to San Francisco	1.0% of taxable sales	$506	$506	$0
(less) Shift From Existing Sales		−$253	−$253	$0
Net New Sales Tax		$253	$253	$0
Annual Sales Tax after Shift of Existing Sales				
Sales Tax to the City General Fund	1.00%	$521	$253	−$268
Public Safety Sales Tax	0.50% of taxable sales	$260	$126	−$133
San Francisco County Transportation Authority	0.50% of taxable sales	$260	$127	−$134
SF Public Fnancing Authority (Schools)	0.25% of taxable sales	$130	$63	−$67
One-Time Sales Taxes on Construction Materials and Supplies				
New Taxable Value		$941,854	$680,114	−$261,740
Supply/Materials Portion of Development Value	50.00%	$470,927	$340,057	−$130,870
San Francisco Capture of Taxable Sales	50.00%	$235,463	$170,028	−$65,435
Sales Tax to San Francisco	1.0% of taxable sales	$2,355	$1,700	−$654

Source: EPS and Marin Economic Consulting

Table A-7. Transient Occupancy Tax Estimates Estimate (2014 dollars)
The implications of over-estimating hotel and motel occupancy.

Item	Assumptions	GSW	50% of GSW	Difference
Overnight Attendees in San Francisco for Multi-Purpose Venue Events				
Events per Year		205	205	0
Total Turnstile Attendance		1,899,000	1,899,000	0
Potential Overnight Visitors		189,900	189,900	0
Net New Overnight Visitors	50% (25%)	94,950	47,475	−47,475
Hotel Room Demand	1.90 people per room	49,974	24,987	−24,987
Off-Site Hotel/Motel Room Proceeds	$238 per-room night	$11,907,203	$5,946,868	−$5,960,335
Total Hotel/Motel Tax Revenue	14% of room revenue	$1,667,012	$832,562	−$834,450

Source: EPS and Marin Economic Consulting

Table A-8. Parking Tax Estimates (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	Assumptions	GSW	Assumptions	50% of GSW	Difference
Total Spaces On-Site		950		950	
Parking Revenues On-Site					
Total	$25 per day	$8,668,750	$20 per day	$6,935,000	
(less) Vacancy	30%	−$2,600,625	30%	−$2,080,500	
Total		$6,068,125		$4,854,500	
Spaces Off-Site					
Annual Demand (spaces)		$178,791			$0
Total Parking Revenue	$20 per day	$3,575,821			$0
San Francisco Parking Tax	25% of annual revenue	$2,410,987	25% of annual revenue	$1,213,625	−$1,197,362
Parking Tax Allocation to Gen'l Fund/Special Projects	20% of tax proceeds	$482,197	20% of tax proceeds	$242,725	−$239,472
Parking Tax Allocation to Municipal Transportation Fund	80% of tax proceeds	$1,928,789	80% of tax proceeds	$970,900	−$957,889

Source: EPS and Marin Economic Consulting

Table A-12. Parking Tax Estimates (2014 dollars)
Comparing the Multi-Purpose Venue with a Biotechnology Center

Item	Assumptions	GSW	Biotech	Difference
Arena Utility Cost		$1,490,000	$0	–$1,490,000
Other Uses				
Retail	$2.87 per sq.ft.	$322,875	$322,875	$0
Office (Including Event Management and Team Operations)	$2.87 per sq.ft.	$1,569,890	$2,996,280	$1,426,390
Total Annual Commercial Utility Cost		$3,382,765	$3,319,155	–$63,610
Utility User Tax	7.5% of commercial utility cost	$253,707	$248,937	–$4,771

Source: EPS and Marin Economic Consulting

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, November 09, 2015 9:15 AM
To: BOS-Supervisors; Wong, Linda (BOS); Somera, Alisa (BOS); CPC-WarriorsAdmin
Subject: File 150994 - 150997 FW: Comments on agenda Items 1-4, Nov. 9th Budget and Transportation Committee
Attachments: Ltr BOS Budget and Finance Comm. Agenda Items 1-4 11.9.15 Final.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

The following communication will be placed in the file, cpages and the Warriors website. Thank you.

From: Osha Meserve [mailto:osha@semlawyers.com]
Sent: Monday, November 09, 2015 9:00 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Mae Ryan Empleo <mae@semlawyers.com>; Tom Lippe <lippelaw@sonic.net>; Susan Brandt-Hawley <susanbh@preservationlawyers.com>; patrick@semlawyers.com
Subject: Comments on agenda Items 1-4, Nov. 9th Budget and Transportation Committee

Dear Ms. Calvillo,
Please find attached a comment letter pertaining to the Budget and Transportation Committee meeting today at noon.
Sincerely,
Osha

Osha R. Meserve
Soluri Meserve
1010 F Street, Suite 100
Sacramento, CA 95814

☎ *tel:* 916.455.7300 ▪ *fax:* 916.244.7300 ▪ *mobile:* 916.425.9914 ▪ ✉ *email:* osha@semlawyers.com

SOLURI MESERVE
a law corporation

tel: 916.455.7300 · fax: 916.244.7300
1010 F Street, Suite 100 · Sacramento, CA 95814

November 9, 2015

SENT BY U.S. MAIL AND EMAIL (Board.of.Supervisors@sfgov.org)

Budget and Finance Committee
City and County of San Francisco
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Comments on November 9, 2015 Agenda Item Nos. 1-4 re: Warriors Event Center at Mission Bay, Mission Bay Transportation Improvement Fund and Related Actions

Dear Budget and Finance Committee Members:

This firm represents the Mission Bay Alliance (the "Alliance") with respect to the Warriors Event Center Project ("Project"). These comments address the Final Subsequent Environmental Impact Report for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 ("SEIR") as well as the Budget and Finance Committee's consideration and approvals for the Project itself.

As explained in this firm's November 3, 2015, Letter to the San Francisco Municipal Transportation Agency ("MTA"), Board of Directors regarding their November 3, 2015, Agenda Item No. 13, the SEIR is defective as an informational document with respect to the analysis and public disclosure of impacts and mitigation measures regarding transportation under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq. ("CEQA")). Specifically, the SEIR does not describe the approval of the Mission Bay Transportation Improvement Fund ("MBTIF") as a mitigation measure. Yet the MBTIF is essential to the City's attempts to mitigate the Project's transportation-related impacts. The City's strategy of conflating analysis of the Project's design features and mitigation measures violates CEQA. (See, e.g., *Lotus v. Department of Transportation* (2014) 223 Cal.App.4th 645.) The prejudice associated with the City's strategy, in addition to obscuring the City's public subsidy for the Project, is that the EIR "fail[s] to consider whether other possible mitigation measures would be more effective." (*Id.* at 657.)

The City also appears to rely on the incorporation of the MBTIF into the Project description in order to conceal from the public the City's failure to require full mitigation of the Project's impacts from the applicant. A fundamental principle of CEQA is that

development projects should mitigate their impacts to the extent feasible. (See, e.g., Pub. Resources Code, § 21002; see also CEQA Guidelines, § 15126.4.) With respect to the Project's transportation impacts, the City deviates from this principle and instead adopts an odd, ad hoc "fair share" fee program to mitigate Project-level impacts. (*Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173 (*Anderson First*).) As a threshold matter, the SEIR never discloses to the public that it essentially relies upon "fair share" payments from the Project in order to mitigate its Project-level transportation impacts, which renders the SEIR defective as an informational document. Had the SEIR described the Project's approach to mitigating transportation impacts, it would have been apparent that the SEIR failed to disclose necessary information about this fair share program.

The payment of "fair share" impact fees may constitute adequate mitigation if the payments "are part of a reasonable plan of actual mitigation that the relevant agency commits itself to implementing." (*Id.* at 1188-1189.) The *Anderson First* decision identified the information that is required in an EIR to establish the adequacy of a "fair share" mitigation measure, which includes the following:

(i) An identification of the required improvement;
(ii) An estimate of the cost of the required improvement;
(iii) Sufficient information to determine how much the project would pay towards the improvement; and
(iv) The fees must be part of a reasonable, enforceable plan or program sufficiently tied to the actual mitigation of the impacts at issue.

(*Ibid.*)

The SEIR fails to provide this necessary information, and never even mentions the MBTIF. While the SEIR does mention the Transportation Management Plan ("TMP") and Transit Service Plan ("TSP") as addressing the Project's transportation impacts, the SEIR fails to identify the total costs of the improvements, the Project's allocated contribution, and the enforceable plan or program to contribute the Project's "fair share." The new information contained within this Committee's agenda packet regarding the MBTIF and other related matters cannot substitute for full disclosure of the selected approach to mitigation of transportation related impacts in the SEIR.

In addition, the actions on November 6, 2015, by the MTA, and this Committee's planned actions today with respect to approval of the MBTIF and the grant of street and easement vacations are contrary to California public disclosure laws with respect to economic development subsidies. California law requires the City to provide public notice and a public hearing, as well as detailed information about the purpose, nature, extent and effect subsidies, prior to commitment. (Gov. Code, § 53083.) The Budget and

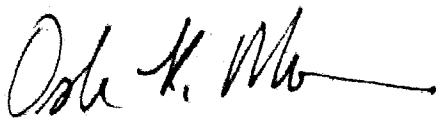
Legislative Analyst's Memorandum ("BLA Memo"), along with the SFMTA Cost Estimate spreadsheet make clear that there is an estimated revenue shortfall of $29,916,666, which will be financed through sale of SFMTA revenue bonds or other City financing source. (BLA Memo, pp. 7-8.) Payment of these Project mitigation costs by the City is an economic development subsidy, even if the loan is eventually repaid. (Gov. Code, §53083, subd. (g)(1).) Moreover, the summary vacation of streets and easements likely has value, yet no value is disclosed. Thus, the City must now comply with the substantive and procedural mandates of Government Code section 53083 prior to approving subsidies in the form of loans and other benefits included in the MBTIF and other related City actions and approvals, that provide transportation, infrastructure, public safety and other mitigation for Project impacts.

* * *

Please feel free to contact my office with any questions about the information contained in this letter.

Very truly yours,

SOLURI MESERVE
A Law Corporation

By: 

Osha R. Meserve

ORM/mre

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, November 09, 2015 8:21 AM
To: Allen Jones
Cc: Somera, Alisa (BOS); Wong, Linda (BOS); Farrell, Mark (BOS); Tang, Katy (BOS); Mar, Eric (BOS)
Subject: File 150994 RE: Golden State Warriors Project

Dear Mr. Jones,

I have re-directed and forwarded your communication to the Budget and Finance Clerk (to place in file) and the Budget and Finance Committee Members. The Special Budget and Finance Meeting will meet today at 12:00 p.m. in Room 263. Please see the link to the meeting, Agenda Item #1, 150994. Thank you.

https://sfgov.legistar.com/View.ashx?M=A&ID=443298&GUID=280A85EE-285B-4287-AC2E-DBDBDC151E6F

Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

Complete a Board of Supervisors Customer Service Satisfaction form by clicking
http://www.sfbos.org/index.aspx?page=104

From: Allen Jones [mailto:jones-allen@att.net]
Sent: Sunday, November 08, 2015 11:26 AM
To: Cohen, Malia (BOS) <malia.cohen@sfgov.org>; CohenStaff, (BOS) <cohenstaff@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>
Cc: Mission Bay Alliance <info@missionbayalliance.emailnb.com>; metro@sfchronicle.com; newstips@sfexaminer.com; J. Cote <jcote@sfchronicle.com>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; ldudnick@sfexaminer.com
Subject: Golden State Warriors Poject

Attention All Land Use and Transportation Committee Members,

I would like my observation and opinion of the matter involving the EIR, for the proposed Golden State Warriors arena at SF Mission Bay to be added to the record. And I acknowledge that I have no standing in filing an appeal of the Golden State Warriors Project EIR.

I am a longtime resident of San Francisco (1960) and a Warrior fan; Go Warriors! I've seen enough political shenanigans by those so intent on a particular project in city to reject common sense, to be 100% opposed to this project in any part of the city.

However, my latest observation convinces me that this project; if built at Mission Bay, tells me that San Franciscans have lost its mind.

When Mayor Ed Lee sent a letter to the Golden State Warriors, suggesting team owners look at a piece of property on the Embarcadero, the end result was voters basically saying "No" blocking view of the water. Now, with the help of $60 million promise for traffic relief, the EIR is sailing across the bay; pardon the pun.

What does this mean?

Despite the promised $60 million for traffic relief, which in my opinion is a farce, San Franciscans are basically saying, no to blocking of views of water, but "Yes" to blocking of traffic next to a hospital that has an emergency room (ER).

All EIRs are so easily manipulated simply because they do not account for basic common sense logic. And my observation, which can't be placed in an Environmental Impact Report is proof.

Furthermore, before this EIR was started, people were seeing how ridiculous it is to place a sports arena across the street from what should be a quiet zone.

Therefore, I suggest this committee be aware of the possibility of a ballot measure that would be a vote for common sense, where all San Franciscans have a real opinion on this project. I envision the ballot measure asks voters to **ban the building of any sports or entertainment facility within one mile of a hospital that has an ER.**

What this scam of an EIR does not address, should be addressed by voters, aka, all San Franciscans who understand the purpose of an ER and possess enough common sense to fend off what most view as another SF City Hall bait and switch tactic ($60 million).

Sincerely,

Allen Jones
(415) 756-7733
jones-allen@att.net

The only thing I love more than justice is the freedom to fight for it!
--Allen Jones--

Wong, Linda (BOS)

From: Board of Supervisors, (BOS)
Sent: Monday, November 09, 2015 9:15 AM
To: BOS-Supervisors; Wong, Linda (BOS); Somera, Alisa (BOS); CPC-WarriorsAdmin
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November 9, 2015

SENT BY U.S. MAIL AND EMAIL (Board.of.Supervisors@sfgov.org)

Budget and Finance Committee
City and County of San Francisco
Board of Supervisors
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* * *

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Very truly yours,

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A Law Corporation

By: 

Osha R. Meserve

ORM/mre