

1 [Conditional Purchase Agreement - City Office Project - 1500 Mission Street]

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3 **Resolution ratifying the Conditional Purchase Agreement for the City’s Acquisition of**  
4 **an Office Project at 1500 Mission Street and authorizing the Director of Property and**  
5 **City staff to proceed with the Proposed Office Project; confirming the City’s**  
6 **authorization to issue commercial paper and/or certificates of participation to pay for**  
7 **the land acquisition and complete the Proposed Office Project; adopting environmental**  
8 **findings under the California Environmental Quality Act; and making findings of**  
9 **consistency the General Plan, and with the eight priority policies of Planning Code,**  
10 **Section 101.1.**

11

12 WHEREAS, On December 9, 2014, the Board of Supervisors adopted Ordinance  
13 No. 254-14 approving a conditional purchase agreement (the “Conditional Purchase  
14 Agreement”) with Goodwill SF Urban Development, LLC, a Delaware limited liability company  
15 (“Developer”) for the planning and potential purchase of real property at 1500 Mission Street,  
16 located at the corner of South Van Ness Avenue and Mission Street (Assessor’s Block Parcel  
17 No. 3506, Lot Nos. 2 and 3) (the “Property”) and, if purchased, the development of a City  
18 office building on the Property (the “Proposed Office Project”); and

19 WHEREAS, At the time the City approved the Conditional Purchase Agreement, the  
20 City had not yet completed environmental review under the California Environmental Quality  
21 Act (“CEQA”) (California Public Resources, Code Sections 21000 et seq.), the CEQA  
22 Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.), and Chapter 31  
23 of the San Francisco Administrative Code (hereinafter referred to as “Environmental Review”)  
24 for the Proposed Office Project; and

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1           WHEREAS, Under the Conditional Purchase Agreement, City was required to  
2 complete Environmental Review of the Proposed Office Project and Developer was required  
3 to seek numerous project entitlements for the Proposed Office Project; and

4           WHEREAS, Nothing in the Conditional Purchase Agreement required the City's  
5 Planning Commission or Board of Supervisors to grant any entitlement or approve the  
6 Proposed Office Project, and the City would not consider any such entitlements until the City  
7 completed Environmental Review in accordance with applicable law; and

8           WHEREAS, As set forth in Ordinance No. 254-14, upon the City's completion of  
9 Environmental Review, the City's Director of Property and Developer committed to seek  
10 certification of the adequacy of the Environmental Review documents and approval of the  
11 proposed entitlements for the Proposed Office Project, and the Board of Supervisors, at the  
12 same meeting, were to take action, by resolution, to either (i) ratify the Conditional Purchase  
13 Agreement and proceed with the City's acquisition of the Office Parcel and Developer's  
14 completion of the Proposed Office Project for the City or (ii) reject the Conditional Purchase  
15 Agreement and not to proceed with the City's acquisition of the Office Parcel solely on the  
16 basis of the environmental impacts of the Proposed Office Project disclosed in the  
17 Environmental Review documents that have not been adequately avoided, mitigated, or  
18 overridden under CEQA; and

19           WHEREAS, As set forth in Ordinance No. 254-14 and in the Conditional Purchase  
20 Agreement, the Director of Property and Director of Public Finance were also required to  
21 seek, at the same meeting, Board of Supervisors' authorization for the City's issuance of  
22 certificates of participation or other debt in an amount needed to pay for the land acquisition  
23 and complete the Proposed Office Project; and

24           WHEREAS, On March 21, 2017, the Board of Supervisors approved the sale and  
25 leaseback of City-owned properties at 1660-1680 Mission Street (Resolution No. 94-17; Clerk

1 of the Board of Supervisors File No. 170213) and 30 Van Ness Avenue (Resolution No. 95-  
2 17; Clerk of the Board of Supervisors File No. 170214) (collectively, the “City Property Sales”);  
3 and

4 WHEREAS, On or before the date of this Resolution, the Board is considering separate  
5 legislation (Clerk of the Board of Supervisors File No. 170408) to allocate the proceeds from  
6 the City Property Sales to pay part of the cost of the Proposed Office Project, and to authorize  
7 the issuance of commercial paper and/or certificates of participation to pay for the remainder  
8 of the cost (the “Appropriations Ordinance”); and

9 WHEREAS, The Planning Department prepared a Final Environmental Impact Report  
10 for the Proposed Office Building; and

11 WHEREAS, On March 23, 2017, the Planning Commission reviewed and considered  
12 the Final Environmental Impact Report and certified that the contents of said report and the  
13 procedures through which the report was prepared, publicized, and reviewed comply with the  
14 provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code  
15 (Motion No. 19883); and

16 WHEREAS, This Resolution is related to companion legislation that amends two  
17 General Plan height maps for the Proposed Office Project at 1500 Mission Street (Assessor’s  
18 Block Parcel No. 3506, Lot Nos. 006 and 007); and

19 WHEREAS, The companion legislation that amends the General Plan is on file with the  
20 Clerk of the Board of Supervisors in File No. 170408 and incorporated herein by reference;  
21 and

22 WHEREAS, The legislation that amends the General Plan provides a description of the  
23 Proposed Office Project and adopts CEQA findings and findings that the Proposed Office  
24 Project is consistent, on balance, with the General Plan, and the eight priority policies of  
25 Planning Code, Section 101.1; now, therefore, be it

1 RESOLVED, That the Board of Supervisors adopts the CEQA findings and the General  
2 Plan and Planning Code Section 101.1 findings from the General Plan amendment legislation  
3 and incorporates such findings in this Resolution; and, be it

4 RESOLVED, As set forth in Ordinance No. 254-14, the Board of Supervisors ratifies  
5 the Conditional Purchase Agreement and removes the CEQA Contingency on the basis that  
6 the environmental impacts of the Proposed Office Project disclosed in the Final Environmental  
7 Impact Report Review documents have been adequately avoided, mitigated, or overridden  
8 under CEQA and authorizes the Director of Property and City staff to proceed with the City's  
9 acquisition of 1500 Mission Street and completion of the Proposed Office Project in  
10 accordance with the terms of the Conditional Purchase Agreement; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
12 Property and other City staff to take such actions as are necessary to effectuate the purpose  
13 and intent of this Resolution and to perform the City's obligations under the Conditional  
14 Purchase Agreement to complete the Proposed Office Project, including the execution and  
15 delivery of the reciprocal easement agreement and other closing documents, and to grant or  
16 accept easements and accept permit conditions required to fulfill code-requirements; and, be  
17 it

18 FURTHER RESOLVED, As set forth in the Appropriations Ordinance, the Board of  
19 Supervisors confirms the City's authorization to issue commercial paper and/or certificates of  
20 participation to pay for the land acquisition and complete the Proposed Office Project.

21 RECOMMENDED:  
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24 Naomi Kelly, City Administrator

24 John Updike, Director of Property

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