

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 72-2015

CONDITIONALLY APPROVING THE MAJOR PHASE AND BASIC CONCEPT / SCHEMATIC DESIGN APPLICATIONS FOR A GOLDEN STATE WARRIORS EVENT CENTER AND MIXED-USE DEVELOPMENT ON BLOCKS 29-32 IN MISSION BAY SOUTH, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, On September 17, 1998, by Resolution No. 190-98, the Commission of the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (“Plan”). On the same date, the Redevelopment Agency Commission adopted related documents, including Resolution No. 193-98 authorizing execution of an Owner Participation Agreement (as subsequently amended, the “South OPA”) and related documents between Catellus Development Corporation, a Delaware corporation (“Catellus”), and the Redevelopment Agency. On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), by Ordinance No. 335-98, adopted the Plan. The Plan and its implementing documents, as defined in the Plan, constitute the “Plan Documents”; and,
- WHEREAS, Catellus, the original master developer of the Mission Bay North and South Redevelopment Project Areas, has sold most of its remaining undeveloped land in Mission Bay to FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, a large investment management firm. The sale encompassed approximately 71 acres of land in Mission Bay, and the remaining undeveloped residential parcels in the Mission Bay South Project Area (“Project Area”). FOCIL-MB assumed all of Catellus’s obligations under the South OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco (“City”); and,
- WHEREAS, On February 1, 2012, state law dissolved the former Redevelopment Agency and required the transfer of certain of its assets and obligations to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”), and on June 27, 2012, state law clarified that successor agencies are separate public entities, Cal. Health & Safety Code §34170 et seq. (“Redevelopment Dissolution Law”); and,
- WHEREAS, Redevelopment Dissolution Law required creation of an oversight board to the successor agency and provided that with approval from its oversight board and the State Department of Finance (“DOF”), a successor agency may continue to implement “enforceable obligations” such as existing contracts, bonds and leases, that were executed prior to the suspension of redevelopment agencies’ activities. On January 24, 2014, DOF finally and conclusively determined that the Mission

Bay North and South Owner Participation Agreements and Mission Bay Tax Increment Allocation Pledge Agreements are enforceable obligations pursuant to Health and Safety Code Section 34177.5(i); and,

WHEREAS, On October 2, 2012, the Board of Supervisors of the City, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which Implementing Ordinance was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City, and (b) established the Successor Agency Commission, also known as the Commission on Community Investment and Infrastructure (“CCII ” or “Commission”) and delegated to it the authority to (i) act in place of the Redevelopment Agency Commission to, among other matters, implement, modify, enforce and complete the Redevelopment Agency’s enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this OCII Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors’ delegation to CCII includes the authority to grant approvals under the specified land use controls for the Project Area consistent with the approved Plan and enforceable obligations; and,

WHEREAS, The Plan and the Plan Documents include the Design Review and Document Approval Procedure, designated as Attachment G to the Mission Bay South OPA (“DRDAP”); the DRDAP provide that development proposals in the Project Area will be reviewed and processed in “Major Phases,” as defined in and consistent with the Plan and the Plan Documents, and that individual projects will be reviewed and processed through a series of submissions, including Basic Concept Design, Schematic Design, Design Development Documents and Final Construction Documents; and,

WHEREAS, On September 20, 2011, by Resolution No. 97-2011, the Agency Commission approved a Major Phase Application for Blocks 26-34 submitted by salesforce.com (the “salesforce.com Major Phase”); and,

WHEREAS, On January 31, 2012, the Agency Commission approved Combined Basic Concept and Schematic Design applications for proposed commercial buildings located on Blocks 29-32 (the “salesforce.com BC/SD”); and,

WHEREAS, On October 9, 2015, salesforce.com transferred Project Area Blocks 29-32 to its current owner, GSW Arena LLC (“GSW”), an affiliate of the Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team and is bound by the terms of the South OPA; and,

WHEREAS, Pursuant to the Plan and Plan Documents, including the DRDAP, GSW submitted a Major Phase application (the “Blocks 29-32 Major Phase”) dated December 10, 2014, attached hereto as Exhibit A, that supplants the salesforce.com Major Phase only as to Blocks 29-32. The Blocks 29-32 Major Phase allows the construction of a project consisting of a multi-purpose Event Center with seating capacity of approximately 18,000, two mixed-use office/research and development (R&D) buildings each containing a 90’ podium component and a 160’ tower component,

retail uses including but not limited to sit-down restaurants, casual food restaurants, food hall space, and soft goods retailers, multiple levels of enclosed on-site parking with approximately 950 parking stalls, located below the office buildings and plaza areas (at-grade and below-grade), and large open plazas, landscaped (green) space, elevated view points and a public promenade walkway throughout the site (the “Project”), all of which is consistent with the Plan and South OPA Amendments; and,

WHEREAS, Pursuant to the Plan and Plan Documents, including the DRDAP, GSW has also submitted a combined Basic Concept & Schematic Design Application for Blocks 29-32, dated as of November 3, 2015, in six volumes (collectively, the “Blocks 29-32 BC/SD”, hereto attached as Exhibits B-G) that supplants the salesforce.com BC/SD with respect to Blocks 29-32. The Blocks 29/32 BCSD consists of Basic Concept and Schematic Design packages for the (1) Event Center; (2) the 16th Street Office/Retail tower; (3) the South Street Office/Retail tower; (4) Northeast Retail along South Street and Terry A Francois Boulevard; (5) Open Space, Gatehouse, and Parking and Loading facilities on-site, which includes landscaping information for the full Blocks 29-32 development (not further elaborated upon in other Blocks 29-32 BC/SD packages); and (6) a common book of Background Appendices for all of these submittals, including utility information, wind and shadow studies for the full development, vicinity plans, and site diagrams for additional reference; and,

WHEREAS, Certain refinements to the design of the Project were made by GSW between the submittal of the Blocks 29-32 Major Phase and the Blocks 29-32 BC/SD, including, without limitation: (i) further articulation of building façades and construction materials on Office buildings, Retail, and Event Center; (ii) removal of columns below reduced-sized Bayfront Terrace; (iii) relocation of 300-stall indoor bicycle valet; (iv) refinement of below-grade service loading area; (v) revisions to streetscape and infrastructure plans; (v) addition of arches and retail kiosks along pedestrian path extending around north side of Event Center; (vi) updated utility plans; (vii) refined driveway design; (viii) increased Plaza areas; (ix) updated landscape design; and (x) reduction of levels of Food Hall from three to two; and,

WHEREAS, In connection with the Project, GSW has also submitted requests to OCII for administrative variances to the Streetscape Plan and minor amendments to the Infrastructure Plan to permit development of the Project in accordance with the proposed Blocks 29-32 Major Phase and proposed Blocks 29-32 BC/SD, including, among other things, the location of tree wells, grade of the pedestrian sidewalk and location of new and/or relocated utility lines; and,

WHEREAS, In connection with the Project, GSW has also submitted requests to the Executive Director of OCII for a determination under Section 302 of the Redevelopment Plan that the Event Center is a permitted secondary use within the Commercial Industrial/Retail land use district under Section 302.4.B of the Plan; and,

WHEREAS, In connection with the Project, as of the date of this Resolution, the Commission adopted certain amendments to the Mission Bay South Design for Development that address the unique design features of the Event Center and its integration into the remainder of Blocks 29-32 and the surrounding neighborhood, which amendments are attached as Exhibit A to Commission Resolution No. 71-2015 (“Amended D for D”); and,

WHEREAS, The Plan includes general limitations on overall development, such as the limitation of 5,000,000 leasable square feet within Zone A of the Mission Bay South Redevelopment area, which is the area where the Project is proposed. Further, the Design for Development provides that up to 942,200 square feet of net land area may be developed in Height Zone 5 (“HZ-5”). A staff review of leasable square footage authorized or built to date in Zone A and developable square footage authorized or built to date in HZ-5 shows that the Project does not exceed any of the square footage limitations in the Plan or the Design for Development. Memorandum, Sally Oerth, OCII, Deputy Director, to Tiffany Bohee, OCII, Executive Director, Re: “Review of square footage limitations applicable to the Golden State Warriors Event Center and Mixed-Use Project” (Oct. 27, 2015). (See also GSW DSEIR, pp. 4-5 to 4-6.) Therefore, the size of the Project is consistent with the Plan’s general limitation on the amount of overall Plan Area development.

WHEREAS, The Successor Agency is the lead agency that administers environmental review for projects in Mission Bay North and South Redevelopment Plan Areas in compliance with the requirements of CEQA; and,

WHEREAS, On June 5, 2015, OCII released for public review and comment the Draft Subsequent Environmental Impact Report for the Project (OCII Case No. ER-2014-919-97, Planning Department Case No. 2014.1441E, State Clearinghouse No. 2014112045, the “GSW DSEIR”), . This document is tiered from the certified Mission Bay Final Subsequent Environmental Impact Report that the Redevelopment Agency and City and County of San Francisco certified on September 17, 1998 (State Clearinghouse No. 7092068, the “Mission Bay SEIR”). The Mission Bay SEIR document provided programmatic environmental review of the overall Mission Bay Redevelopment Plan (consisting of approximately 300-acre Mission Bay North and South Redevelopment Plan Areas); and,

WHEREAS, OCII prepared a Final Subsequent Environmental Impact Report (“FSEIR”) for the Project consisting of the GSW DSEIR, the comments received during the review period, any additional information that became available after the publication of the GSW DSEIR, and the Responses to Comments Document, all as required by law; and,

WHEREAS, On November 3, 2015, the Commission reviewed and considered the FSEIR and, by Resolution No._____, certified the completion of the FSEIR for the Project; and,

WHEREAS, In accordance with the approval of the Blocks 29-32 Major Phase and BC/SD contemplated by this Resolution, this Commission adopted Resolution No._____making findings under the California Environmental Quality Act (California Public Resources Code sections 21000 et seq.) regarding the alternatives, mitigation measures and significant environmental impacts analyzed in the FSEIR, and adopting mitigation measures and a mitigation monitoring and reporting program, and a statement of overriding considerations, and rejecting infeasible alternatives(the “FSEIR Findings”). A copy of such Resolution is on file with the Secretary of this Commission and is incorporated herein by reference; and

WHEREAS, GSW has assumed certain obligations under the South OPA and has agreed to comply with, among other things, the requirements of (i) the First Source Hiring Program, (ii) the Diversity Program, (iii) the CEQA Mitigation Measures, (iv) the Transportation Management Plan, and (v) the Redevelopment Requirements applicable to the Transferred Property that relate to any new or increased

Development Fee or Exaction, including but not limited to the Transportation Development Impact Fee (“TIDF”), to the extent required under Section 304.9C(ii) of the Plan; and,

WHEREAS, OCII staff has reviewed the Blocks 29-32 Major Phase and the Blocks 29-32 BC/SD submitted by GSW, finds that the Major Phase and the Blocks 29-32 BC/SD are, on balance, consistent with the Commercial Industrial Guidelines of the Mission Bay South Design for Development, by being consistent with the overall height limit of 160 feet, providing a termination of a view corridor with an important architectural opportunity, and reconfiguring roadway locations through and across Blocks 29-32 in a manner which provides an equivalent or greater amount of privately-owned and publicly accessible pedestrian access and open space; finds that the leasable square footage for both commercial and retail uses and the developable area square footage of the Project are within the allowable allocations under the Plan and Design for Development. The Blocks 29-32 Major Phase approval supersedes the salesforce.com Major Phase only as to Blocks 29-32; the salesforce.com Major Phase remains in places as it affects Block 26 (Parcel 1), Block 27 (Parcel 1), Block 33 and Block 34. The Blocks 29-32 BC/SD supersedes the salesforce.com BC/SD as it affects Blocks 29-32.

WHEREAS, OCII staff recommends that the Commission approve the Blocks 29-32 Major Phase and the Blocks 29-32 BC/SD submitted by GSW; now, therefore, be it

RESOLVED, That the Commission finds and determines that the Blocks 29-32 Major Phase and the Blocks 29-32 BC/SD are within the scope of the Project analyzed in the FSEIR; and be in further

RESOLVED, That the Commission hereby approves the BC/SD Findings Blocks 29-32 Major Phase and the Blocks 29-32 BC/SD pursuant to the South OPA subject to the following conditions:

1. The Project shall comply with the Mitigation Monitoring and Reporting Program, adopted by the Commission by Resolution No. _____.
2. The Project is subject to the Improvement Measures as identified in the Mitigation Monitoring and Reporting Program, adopted by the Commission by Resolution No. _____.
3. The Blocks 29-32 Major Phase approval is contingent on the Executive Director of OCII’s finding that the Event Center use is a permitted secondary use for Blocks 29-32 under, and in accordance with, the Mission Bay South Redevelopment Plan.
4. Prior to approval of Design Development Documents, the Project shall obtain the approval of the Executive Director, or her designee, of administrative variances to the Streetscape Plan and the Infrastructure Plan to permit development of the Project in accordance with the proposed Blocks 29-32 Major Phase and proposed Blocks 29-32 BC/SD, including, among other things, the location of tree wells, grade of the pedestrian sidewalk and location of new and/or relocated utility lines.

5. Prior to issuance of a Certificate of Occupancy for each of the Gatehouse, the Event Center, the South Street Tower, the 16th Street Tower, the Food Hall and the retail buildings along Terry A. Francois Blvd. and South Street, the applicable owner, GSW or its successors, shall record a notice of special restrictions in such form approved by the Executive Director and Agency counsel (the “NSRs”), restricting the use of certain personal services, retail and restaurant spaces that do not exceed 5,000 square feet and that are excluded from the definition of Gross Floor Area under the Plan and Amended D for D within each such building to personal services, restaurant or retail use for the life of the building shall provide that limiting this excluded space in total to not exceed 75% of the ground floor of the building plus the ground level, on-site open space where such spaces are located.
6. Prior to approval of Design Development Documents by the Executive Director or her designee, submit the following for the Executive Director’s review and approval (or here designee):
 - a. Design standards and guidelines for the retail components of the proposed development that will apply to future tenant improvements, including minimum depth and minimum and maximum frontages, transparency, textures, colors and such other relevant considerations as reasonably requested by OCII staff;
 - b. A lighting plan for the open spaces that includes specific consideration for: Third Street Gardens and Plazas, Main Plaza, Pedestrian Path, Bayfront Overlook, Southeast Plaza and the 16th Street setback and ramp.
 - c. A lighting plan for the Event Center building;
 - d. A procedures manual to protect and maintain the Media Pedestals along 16th Street and other furniture within publicly accessible areas within the Project site.
7. Submit for Commission review and approval a signage plan for the Project and related amendments to the Mission Bay South Signage Master Plan applicable to the Project, which shall include at a minimum the following: (1) Event Center and Project signage; (2) signage for the retail and restaurant frontages facing the publicly accessible private open spaces (consisting of the Plaza, Pedestrian Path, 16th Street ramp, Third Street gardens and the Bayfront Overlook); and (3) wayfinding signage plans for pedestrians and for vehicular movement within the parking garage and the periphery of the proposed development on Blocks 29-32.
8. Further develop and refine the design of the retail spaces fronting Terry A. Francois Blvd. for review and approval by the Executive Director, or her designee; special consideration shall be given to the treatment of the

setback areas in order to facilitate successful business, including, but not limited to, frontages, awnings, pavement, furniture, wind screens, and plantings.

9. Prepare mock-ups displaying the proposed materials, colors and textures of exterior walls, visible structural elements, window systems (including mullions and glazing materials), louvers, doors, soffits and all visible elements of the different buildings comprising the proposed development for review and approval by the Executive Director, or her designee, prior to installation.
10. Payment of new or increase Development Fee of Exaction, including but not limited to the TIDF, to the extent required under Section 304.9C(ii) of the Plan and at the time required under the applicable City Regulation.

I hereby certify that the foregoing resolution was adopted by the OCII Commission at its meeting of November 3, 2015.

Commission Secretary

- Exhibit A: Blocks 29-32 Major Phase
- Exhibit B: Blocks 29-32 BC/SD – Event Center
- Exhibit C: Blocks 29-32 BC/SD – 16th Street Office/Retail Tower
- Exhibit D: Blocks 29-32 BC/SD – South Street Office/Retail Tower
- Exhibit E: Blocks 29-32 BC/SD – Northeast Retail along South Street and Terry A. Francois Boulevard
- Exhibit F: Blocks 29-32 BC/SD – Open Space
- Exhibit G: Blocks 29-32 BC/SD – Background Appendices