

APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN YERBA BUENA GARDENS

EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of a group of real property assets commonly known as Yerba Buena Gardens (the “YBG Properties”). The YBG Properties are located in the central three blocks (“Central Block One or “CB-1,” Central Block Two or “CB-2” and Central Block Three or “CB-3”) of the former Yerba Buena Center Redevelopment Project Area D-1 (the “Project Area”), which was duly adopted in accordance with Community Redevelopment Law, and which expired by its own terms on January 1, 2011. See Attachment A, Department of Finance (“DOF”) Tracking Sheet for Yerba Buena Gardens for a detailed list of the YBG Properties and Attachment B, Map of Yerba Buena Gardens for the approximate location of the YBG Properties.

The former San Francisco Redevelopment Agency (“SFRA”) implemented a redevelopment program in the Project Area that centered on destination cultural facilities, public open spaces, museums, hotels, and market-rate and affordable housing. Since January 1, 2011, upon the expiration of the Project Area, no new development could be initiated and the SFRA moved into an asset management role for both its real property assets as well as other contractual obligations.

The YBG Properties are a collection of urban mixed-use spaces that include private uses (i.e., commercial and retail properties) and public uses (i.e., cultural facilities, performance venues, recreational venues, and vast amounts of public open space that includes garden areas, plazas, children’s play areas, artwork, a historic carousel, and fountains). The YBG Properties function as a self-financing set of properties, where the private uses are required to financially support the maintenance of the public uses and also the operations of the cultural facilities. For example, lease revenue from the ground leases with the Marriott Hotel and the Metreon is contractually obligated for this governmental purpose.

The Successor Agency proposes to transfer the YBG Properties to the City and County of San Francisco (the “City”) for a governmental purpose (i.e., parks, recreational facilities, children’s facilities, cultural facilities), since the properties were acquired and constructed with public funds and used for a public purpose. The City’s Office of the City Administrator has agreed to accept the YBG Properties for a governmental purpose and to manage them as a single, unified set of properties using a restricted revenue source generated from the YBG Properties (defined below). The Successor Agency’s restricted revenue stream and related enforceable obligations (also defined below) will be transferred along with the YBG Properties to the City, so the City can continue to fulfill the Successor’s Agency’s long-term obligations. Since the YBG Properties will be transferred to the City for a governmental purpose, the transfer value is zero dollars.

The YBG Properties are by far the largest and most complicated portfolio of properties that the Successor Agency owns and manages. Therefore, the Successor Agency is estimating the transfer date of the YBG Properties in either 2016 or 2017.

BACKGROUND

The YBG Properties were constructed by the SFRA between 1993 and 2008 with bond and land sale proceeds, and represent a civic investment of about \$175 million. The YBG Properties are a collection of urban mixed-use spaces that include commercial and retail properties, cultural facilities, performance venues, recreational venues, a child development center, and vast amounts of public open space that includes garden areas, plazas, children's play areas, artwork, a historic carousel, and fountains - including the Martin Luther King Jr. Memorial Fountain. Attachment C defines the YBG Properties in greater detail and has photographs of a few of the YBG Properties.

For almost thirty years, the SFRA and now the Successor Agency have owned and managed these public assets as an intact portfolio of financially self-sustaining properties and the Successor Agency is proposing to transfer the entire portfolio of YBG Properties intact as a group, along with a restricted long-term source of funding, to the City to fulfill a governmental purpose. The dedicated funding stream itself is an enforceable obligation of the Successor Agency's pursuant to an interlocking set of agreements¹ with the Successor Agency long-term tenants (e.g., the Marriott Hotel, the Metreon, and an affiliate of Millennium Partners) and other Yerba Buena Gardens stakeholders. See Attachment D, Enforceable Obligations Document Excerpts, for a summary of the provisions which define the Successor Agency's obligations in the governing documents listed in Footnote 1 below. These long-term agreements (ranging from 78 to 90 years) require the Successor Agency to operate, maintain, and program the open space, and fund cultural operations at Yerba Buena Gardens. The agreements also require the Successor Agency to deposit lease revenue and developer exactions funds from all Yerba Buena Gardens sources into a restricted, segregated account (the "Separate Account").

Additionally, the governing documents define and restrict expenditures from the Separate Account according to a distinct priority (first, to fund maintenance, operations, and security of Yerba Buena Gardens and activation of the open space, and second, to fund cultural operations in Yerba Buena Gardens). The former SFRA Commission solidified and funded this single ownership/management structure in its many actions over the years, and the underlying legal documents reflect this structure and its self-financing mechanism. The PMP disposition section below also discusses the Successor Agency's plan for these enforceable obligations.

¹ Documents defining the Successor Agency's enforceable obligations include the (1) Central Block 2 Entertainment and Retail Lease dated May 9, 1997 between the Successor Agency and Yerba Buena Entertainment Center LLC, (2) Yerba Buena Gardens Amended and Restated Construction, Operation and Reciprocal Easement Agreement and Agreement Creating Liens dated March 31, 1998 between the Successor Agency and YBG Associates LLC, and (3) Central Block 1 Retail Lease dated March 31, 1998 between the Successor Agency and CB-1 Entertainment Partners LP.

LONG-RANGE PROPERTY MANAGEMENT PLAN

Date of Acquisition

Land: From 1967 to 1983, the SFRA acquired, with federal urban renewal funds, land for development of the Yerba Buena Properties on CB-1, CB-2 and CB-3.

Improvements: Construction of SFRA-owned improvements on CB-1, CB-2, and CB-3 was completed between 1993 and 2008. The Successor Agency is using completion of construction as the “acquisition date” for its improvements, since that date is when an asset was placed into service for accounting purposes.

See Attachment A, the DOF Tracking Sheet for Yerba Buena Gardens for acquisition dates by property.

Value of Property at Time of Acquisition

The value of a property at the time of acquisition is based on (1) the land acquisition costs paid by SFRA when it purchased a property, and (2) construction costs incurred by SFRA to build its Yerba Buena Gardens improvements. See Attachment A, the DOF Tracking Sheet for Yerba Buena Gardens, for acquisition costs by property.

Estimate of the Current Value

See the “Estimate of Current Value” section below and Attachment A, the DOF Tracking Sheet for Yerba Buena Gardens for estimated current values for the YBG Properties.

Purpose for which the YBG Properties were Acquired

The YBG Properties were acquired for the purpose of satisfying the objectives of the Redevelopment Plan. The SFRA originally acquired the YBG Properties with urban renewal funds provided through a federal Contract for Loan and Capital Grant dated December 2, 1966 (Contract No. Calif. R-59) and approved by the U.S. Department of Housing and Urban Renewal (the “HUD Contract”). Under the HUD Contract, the SFRA was required to use the federal funds to carry out redevelopment activities in accordance with the Redevelopment Plan and the federal standards for urban renewal under Title I of the Housing Act of 1949.

Address/Location

See Attachment A, the DOF Tracking Sheet for Yerba Buena Gardens, for addresses/locations of the YBG Properties. A map showing the approximate location of the YBG Properties is attached as Attachment B, Map of Yerba Buena Gardens.

Lot Size

See Attachment A, the DOF Tracking Sheet for Yerba Buena Gardens, for the YBG Properties lot sizes.

Current Zoning

- **CB-1.** Since January 1, 2011, when the Redevelopment Plan expired, CB-1 has been subject to the zoning controls established by the City Planning Code within the Downtown Retail (C-3-R) District. The C-3-R District is a regional center for comparison shopper retailing and direct consumer services. The base Floor-Area-Ratio, or FAR, in the C-3-R District is 6.0 to 1. The base FAR can be increased to a maximum FAR of 9.0 to 1 with the purchase of transferable development rights.
- **CB-2 and CB-3.** Since January 1, 2011, when the Redevelopment Plan expired, CB-2 and CB-3 have been subject to the zoning controls established by the City Planning Code within the Downtown Support (C-3-S) District. The C-3-S District includes San Francisco's Convention Center, hotels, museums and cultural facilities, housing, retail, and offices arranged around public gardens and plazas. The base Floor-Area-Ratio, or FAR, in the C-3-S District is 5.0 to 1. The base FAR can be increased to a maximum FAR of 7.5.0 to 1 with the purchase of transferable development rights.

Estimate of the Current Value (Including Appraisal Information)

The estimate of current values for the individual YBG Properties are based on one of the following: (1) the book value reflected in the Successor Agency's annual audited financial statements; (2) fair market value based on recent comparable sales of local commercial properties and an analysis of retail value per square foot related to the comparables; or, (3) in the case of the improvements, the replacement values reflected in the property insurance schedule provided by the Successor Agency's insurance provider. According to the insurance provider, replacement values are based on periodic internal appraisals of the properties.

See Attachment A for estimates of current values for each property. The Successor Agency does not have current third-party appraisals for any of the YBG Properties.

Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)

As noted above, revenues generated by the YBG Properties come from existing short- and long-term commercial and ground leases, operating leases, and development exactions/fees (reflected as "Other Income" on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS")). Pursuant to the Yerba Buena Center Redevelopment Project Closeout Agreement ("YBC Closeout Agreement"), executed in 1983 by the SFRA and the City with HUD concurrence, this revenue stream is restricted and must be treated as program income under the Community Development Block Grant ("CDBG") program.

The Successor Agency maintains a Separate Account for these restricted funds pursuant to the enforceable obligations with its long-term tenants and other Yerba Buena Gardens stakeholders, and to track the CDBG program income pursuant to the YBC Closeout Agreement.

Revenue estimates range annually but in recent years have been between \$8.7 million and \$9.2 million depending on how well the economy is doing (i.e., Marriott Hotel rent is based on a

percentage of room and beverage sales). The private entities contributing the most to Yerba Buena Garden's operating revenues are the Marriott Hotel and the Metreon, which together contribute roughly 88% of Yerba Buena Gardens annual operating revenues. Yerba Buena Gardens expenses have typically ranged from \$7.4 to \$8 million annually (without capital expenses) over the past few years, and are paid from ROPS Item No. 141 (Property Management); Item No. 142 (Children's Creativity Museum); Item No. 143 (Yerba Buena Center for the Arts); Item No. 144 (Yerba Buena Arts and Events); Item No. 145 (CBD Assessment); and, Item No. 147 (Legal Fees).

In 1999, the SFRA established a capital reserve for Yerba Buena Gardens to ensure that adequate funds would be available to replace, repair, and renovate the public facilities at Yerba Buena Gardens over the coming decades. In the past, capital reserves were funded with periodic infusions of tax increment (which is no longer available) and a \$590,000 annual set-aside from operating revenues, which was not enough to cover the expected cost of future capital improvements at Yerba Buena Gardens (estimated at close to \$30 million through fiscal year 2032/33). The Successor Agency currently funds the capital reserve from excess operating revenue (if available), which is classified as "Other Income" on the Successor Agency's ROPS, and restricted Due Diligence Review of Non-Housing Assets ("DDR") reserve funds, which are classified as "Reserve Balances" on the ROPS. Capital improvements are paid from Other Income and Reserve Balances (until depleted) as identified on ROPS Item No. 140.

History of Environmental Contamination, Studies, Remediation Efforts

A general survey of environmental conditions was conducted as part of the 1995 Environmental Impact Report for the Yerba Buena Center ("EIR"), including the YBG Properties. The EIR identified that the area has an industrial past and there has been the use of unknown sources of fill dirt over the years to level the area. As a result of these past uses and practices, there could be soil contamination and other hazards, such as underground storage tanks, which are common in an urban setting. However, the EIR did not find that there were any known superfund sites in the area or other significant hazards requiring major remediation. As a result, the primary hazards for the YBG Properties are associated with the excavation and disposal of contaminated groundwater and soil. The EIR included mitigation measures to implement when the YBG Properties were redeveloped to ensure that if contamination was found at unsafe levels the appropriate remediation would be completed.

Potential for Transit-Oriented Development; Advancement of Planning Objectives

The YBG Properties were developed as a transit-oriented development and is well-served by public transit, with both local and regional service provided nearby. Local service is provided by the Muni bus lines, which can be used to access regional transit. Service to and from the East Bay is provided by BART, AC Transit, and ferries; service to and from the North Bay is provided by Golden Gate Transit buses and ferries; service to and from the Peninsula and South Bay is provided by Caltrain, SamTrans, and BART.

Under the City Planning Code, C-3-R Districts and C-3-S Districts are compact in area and easily traversed on foot. They are well-served by City and regional transit. In order to

encourage pedestrian activity and minimize conflicts between pedestrians and vehicles, parking facilities tend to be located at the periphery of C-3-R Districts.

History of Previous Development and Leasing Proposals

In the late 1960s, the SFRA developed conceptual plans for the development of the Project Area's central blocks, sought proposals, and selected Schlesinger-Arcon/Pacific as the master developer. However, the development never materialized, due to delays caused by ongoing legal challenges/lawsuits related to the development.

Beginning in the mid-1970s, the SFRA, together with the City and the community, resumed what turned out to be a lengthy planning process for the development of Yerba Buena Gardens. In the early 1980s, the SFRA selected Olympia and York Equity Corporation as the master developer for Yerba Buena Gardens. The plan for the central three blocks included a mixed-use neighborhood of office buildings, hotels, amusement/recreational uses, cultural uses, open spaces, parking, commercial retail spaces, and a convention center. However, by 1993, due to economic reasons and defaults by Olympia and York, only the Marriott Hotel at Fourth and Mission Streets had been completed. As a result, the SFRA severed its ties with Olympia and York and took on a more direct role in the development of Yerba Buena Gardens.

The SFRA entered into long-term leases (75 to 90 years) for most of its land in Yerba Buena Gardens, which are still in effect today, except for two small café spaces on Central Block 2. Due to a challenging second-floor location with low foot-traffic and difficulties with past tenants, the spaces remained empty for some time in the mid-2000s. In 2006, the SFRA hired a retail broker to market the café spaces to viable café/retail tenants. Since then, the café spaces have been leased pursuant to 10-year leases, which were recently extended, with DOF's approval², for an additional ten-year term.

Disposition of the YBG Properties

As mentioned above, the YBG Properties are a collection of urban mixed-use spaces that include private uses (i.e., commercial and retail properties) and public uses (i.e., cultural facilities, performance venues, recreational venues, and vast amounts of public open space that includes garden areas, plazas, children's play areas, artwork, a historic carousel, and fountains). The YBG Properties function as a self-financing set of properties, where the private uses are required to financially support the maintenance of the public uses and also the operations of the cultural facilities. For example, lease revenue from the ground leases with the Marriott Hotel and the Metreon is contractually obligated for this governmental purpose.

The Successor Agency proposes to transfer the YBG Properties, related enforceable obligations, and associated capital and operating reserve accounts (i.e., the Separate Account funds) to the City for a governmental purpose (i.e., parks, recreational facilities, children's facilities, cultural facilities). With the City's prior consent, the YBG Properties were funded with public dollars for

² Letter dated October 20, 2015 to Sally Oerth, Successor Agency Deputy Director, from Justyn Howard, Program Budget Manager, approving Successor Agency Oversight Board Resolution Nos. 2015-9 and 2015-10.

a public purpose (for the benefits and amenities provided to the Project Area and the City). The City further contemplated that the YBG Properties would be publically owned assets. See Attachment F, Board of Supervisors (“BOS”) Resolution 917-84, which was adopted by the BOS on December 3, 1984, for additional historical background on the City’s position on the YBG Properties.

Today, the City’s Office of the City Administrator has agreed to accept the YBG Properties for a governmental purpose and, in principal, to manage as a single, unified set of properties using the fees and payments currently generated from the YBG Properties. As mentioned earlier in this PMP, the Successor Agency has enforceable obligations related to the YBG Properties’ CDBG-restricted long-term revenue stream and the Separate Account funds. The Successor Agency’s enforceable obligations and Separate Account funds will be transferred along with the YBG Properties to the City, so the City can continue to fulfill the Successor’s Agency’s long-term obligations. In accepting the YBG Properties, the City will also be bound by the YBC Closeout Agreement requirements imposed on the revenue stream.

The City and YBG community stakeholders are currently working together to determine the best management structure for the YBG Properties. The community has expressed a strong preference for a management model that involves a newly created community-based non-profit entity managing the YBG Properties under a master lease/ground lease with the City; the City and community stakeholders are currently negotiating a term sheet based on this model. The City expects to finalize this process by summer 2016.

Transfer Value: The YBG Properties will be transferred to the City for a governmental purpose and therefore the transfer value is zero.

Transfer Date: The YBG Properties are by far the largest and most complicated portfolio of properties that the Successor Agency owns and manages. As a result, closing a real estate transaction of this magnitude will require a significant amount of time (drafting transfer documents and completing title work, etc.). Therefore, the Successor Agency is estimating the transfer date of the YBG Properties in either 2016 or early 2017.

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See section above.

- Attachment A: DOF Tracking Sheet for Yerba Buena Gardens
- Attachment B: Yerba Buena Gardens Map
- Attachment C: YBG Properties and Photographs
- Attachment D: Enforceable Obligations Document Excerpts
- Attachment E: Intentionally Omitted
- Attachment F: 1984 Board of Supervisors Resolution

Attachment A
DOF Tracking Sheet for Yerba Buena Gardens

LONG RANGE PROPERTY MANAGEMENT PLAN (PART 2): PROPERTY INVENTORY DATA - REVISED - YERBA BUENA GARDENS

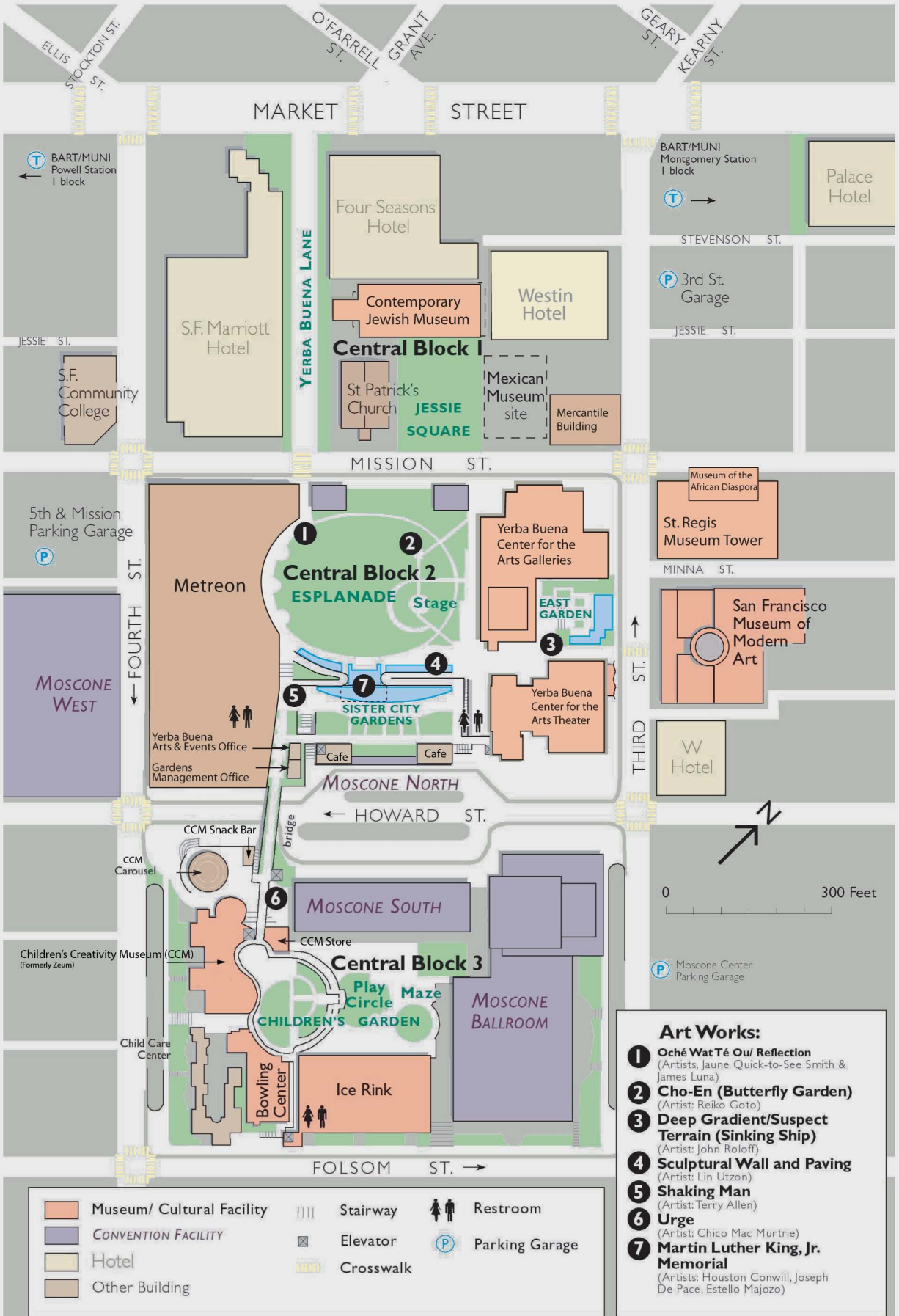
No.	Property Name	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)		Value Basis	Date of Estimated Current Value	SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)		
			Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase			Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency
Central Block 1 (CB-1)																						
Land (Fee)																						
1	Jessie Square Plaza	Park	Governmental Use	See Narrative	10/19/1967-12/2/1971	\$ 977,570	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	Fronting Mission Street between 3rd & 4th Streets	3706-277 (por)	46,528	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
2	Yerba Buena Lane	Roadway/Walkway	Governmental Use	See Narrative	4/17/1967-8/11/1983	Reflected in Marriott Hotel land value (line 8)	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	Mid-block pathway linking Market and Mission Streets	3706-119	3,177	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
3	"	"	"	See Narrative	"	"	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-120	17,177	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
4	"	"	"	See Narrative	"	"	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-121	993	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
5	"	"	"	See Narrative	"	"	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-122	454	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
6	"	"	"	See Narrative	"	"	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-123	137	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
7	"	"	"	See Narrative	"	"	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-124	9	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
8	Marriott Hotel	Commercial	Governmental Use	See Narrative	4/17/1967 - 8/11/1983	\$ 18,460,227	\$ 19,415,000	Book	2/1/2012	\$ 0	2016-2017	See Narrative	55 Fourth Street	3706-96 (por.)	127,000	3-C-R	\$19,415,000	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
Improvements																						
9	Jessie Square Plaza	Park	Governmental Use	See Narrative	2008	\$ 5,858,226	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	Fronting Mission Street between 3rd & 4th Streets	3706-277 (por)	46,528	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
10	Yerba Buena Lane	Roadway/Walkway	Governmental Use	See Narrative	2005	Included in the plaza construction costs on Line 9 above	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	Mid-block pathway linking Market and Mission Streets	3706-119, 120, 121, 122, 123, 124	21,947	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
Airspace Parcels																						
11	First Floor Marriott Retail Spaces	Commercial	Governmental Use	See Narrative	5/12/1970-8/11/1983	Reflected in Marriott Hotel land value (line 8)	\$ 2,345,460	Market	2/1/2012	\$ 0	2016-2017	See Narrative	760A - 760C Mission Street; 773B - 773H Mission Street; 773 Market Street	3706-103	9,009	3-C-R	\$2,345,460	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
12	"	"	"	See Narrative	"	"	"	Market	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-104	6,500	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
13	"	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-105	658	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
14	"	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-106	2,278	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
15	"	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-107	240	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
16	"	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-108	959	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
17	"	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-109	406	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
18	First Floor Marriott Retail Spaces	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-099	3,150	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
19	First Floor Marriott Retail Spaces	"	"	See Narrative	"	"	"	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-100	136	3-C-R	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
20	Second Floor Marriott classroom spaces	Commercial	Governmental Use	See Narrative	8/18/1969-8/11/1983	Reflected in Marriott Hotel land value (line 8)	\$ 1,676,160	Market	2/1/2012	\$ 0	2016-2017	See Narrative	55 Fourth Street	3706-110	10,784	3-C-R	\$1,676,160	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
21	"	"	"	See Narrative	"	"	included above	"	2/1/2012	\$ 0	2016-2017	See Narrative	"	3706-111	6,496	3-C-R	included above	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
22	Four Seasons Hotel Retail Spaces	Commercial	Governmental Use	See Narrative	10/17/2003	\$ 1.00	\$ 5,313,660	Market	2/1/2012	\$ 0	2016-2017	See Narrative	757 Market Street; 20 Yerba Buena Lane	3706-272	59,160	3-C-R	\$5,313,660	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
23	BART spaces under Market Street	Roadway/Walkway	Governmental Use	See Narrative	5/10/1971	Reflected in Marriott Hotel land value (line 8)	\$ 0	Market	2/1/2012	\$ 0	2016-2017	See Narrative	N/A	3706-101	2,952	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
24	"	"	"	See Narrative	5/10/1971	"	\$ 0	"	2/1/2012	\$ 0	2016-2017	See Narrative	N/A	3706-102	3,708	3-C-R	\$ 0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
Central Block 2 (CB-2)																						
Land (Fee)																						
25	All of the land on CB-2	Mixed-Use	Governmental Use	See Narrative	3/13/1967-7/13/1970	\$ 7,065,658	\$ 7,639,429	Book	2/1/2012	\$ 0	2016-2017	See Narrative	N/A	3723-113 3723-114 3723-115 3723-116 3723-117	487,481	3-C-S	\$7,639,429	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
26	Open Spaces	Park	"	See Narrative	"	Acquisition value is reflected above in line 23	Included in Line 23 above	Book	2/1/2012	\$ 0	2016-2017	See Narrative	N/A	3723-115 (por)	Included in line 23 above	3-C-S	Included in Line 23 above	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
27	Metreon	Commercial	"	See Narrative	"	"	"	Book	2/1/2012	\$ 0	2016-2017	See Narrative	101 Fourth Street	3723-114 3723-115 (por)	"	3-C-S	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
28	Marriott Hotel (ballroom, loading dock, Mission Street tunnel)	Commercial	"	See Narrative	"	"	"	Book	2/1/2012	\$ 0	2016-2017	See Narrative	55 Fourth Street	3723-113 3723-115 (por) 3723-116 3723-117	"	3-C-S	"	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
Improvements: Open Spaces & Support Facilities																						
29	Gardens & Support Facilities	Park	Governmental Use	See Narrative	1993	\$ 35,190,544.00	\$ 40,773,620	Appraised	2/1/2012	\$ 0	2016-2017	See Narrative	750 Howard Street	3723-115 (por)	239,580	3-C-S	\$40,773,620	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
30	East Garden	Park	Governmental Use	See Narrative	1993	included above in line 27	\$ 2,254,019	Appraised	2/1/2012	\$ 0	2016-2017	See Narrative	Mid-block garden fronting Third Street	3723-115 (por)	21,780	3-C-S	\$2,254,019	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative
Improvements: Cultural Facilities																						
31	Yerba Buena Center for the Arts - Forum Building	Other	Governmental Use	See Narrative	10/1993	\$ 10,889,000	\$ 15,817,024	Appraised	2/1/2012	\$ 0	2016-2017	See Narrative	701 Mission Street	3723-115 (por)	55,000	3-C-S	\$15,817,024	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative

LONG RANGE PROPERTY MANAGEMENT PLAN (PART 2): PROPERTY INVENTORY DATA - REVISED - YERBA BUENA GARDENS

No.	Property Name	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)		Value Basis	Date of Estimated Current Value	SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)					
			Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase			Estimated Current Value	Proposed Sale Value		Proposed Sale Date	Purpose for which property was acquired	Address		APN #	Lot Size				Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site
32	Yerba Buena Center for the Arts - Theatre Building	Other	Governmental Use	See Narrative	10/1993	\$ 8,249,000	\$ 17,436,513	Appraised	2/1/2012	\$0	2016-2017	See Narrative	700 Howard Street	3723-115 (por)	46,800	3-C-S	\$17,436,513	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
Improvements: Commercial Space																									
33	East Café (B Restaurant)	Commercial	Governmental Use	See Narrative	1993	included above in line 27	\$ 363,719	Appraised	2/1/2012	\$0	2016-2017	See Narrative	720 Howard Street	3723-115 (por)	2,096	3-C-S	\$363,719	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
34	West Café (Samovar Restaurant)	Commercial	Governmental Use	See Narrative	1993	included above in line 27	\$ 437,990	Appraised	2/1/2012	\$0	2016-2017	See Narrative	730 Howard Street	3723-115 (por)	2,524	3-C-S	\$437,990	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
Central Block 3 (CB-3)																									
Land (Fee & Leasehold)																									
35	LEASEHOLD: Rooftop Surface	Mixed-Use	Governmental Use	See Narrative	7/1/1996	\$1.00	\$0	Market	2/1/2012	\$0	2016-2017	See Narrative	N/A	3734-091 (por)	218,500	3-C-S	\$0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
36	FEE: Tunnel under Howard Street	Roadway/Walkway	Governmental Use	See Narrative	7/13/1988	\$0.00	\$0	Market	2/1/2012	\$0	2016-2017	See Narrative	N/A	3734-091 (por)	2,415	3-C-S	\$0	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
Improvements: Open Space																									
37	The Children's Garden: Open Space, Playground Areas, Gardens	Park	Governmental Use	See Narrative	1998	\$ 12,655,314	\$ 14,946,796	Appraised	2/1/2012	\$0	2016-2017	See Narrative	N/A	3734-091 (por)	130,000	3-C-S	\$14,946,796	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
Improvements: Children's Facilities																									
38	Child Development Center	Other	Governmental Use	See Narrative	1998	\$ 46,530,130	\$ 3,063,923	Appraised	2/1/2012	\$0	2016-2017	See Narrative	790 Folsom Street	3734-091 (por)	10,000	3-C-S	\$3,063,923	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
39	Children's Creativity Museum	Other	Governmental Use	See Narrative	1998	included above in line 36	\$ 11,464,317	Appraised	2/1/2012	\$0	2016-2017	See Narrative	221 Fourth Street	3734-091 (por)	41,000	3-C-S	\$11,464,317	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
Improvements: Recreational																									
40	Bowling Center	Commercial	Governmental Use	See Narrative	1998	included above in line 36	\$ 2,779,657	Appraised	2/1/2012	\$0	2016-2017	See Narrative	750 Folsom Street	3734-091 (por)	10,000	3-C-S	\$2,779,657	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			
41	Ice Skating Center	Commercial	Governmental Use	See Narrative	1998	included above in line 36	\$ 8,690,692	Appraised	2/1/2012	\$0	2016-2017	See Narrative	750 Folsom Street	3734-091 (por)	32,000	3-C-S	\$8,690,692	See Narrative	See Narrative	See Narrative	See Narrative	See Narrative			

Attachment B
Yerba Buena Gardens Map

YERBA BUENA GARDENS



- Art Works:**
- 1** **Oché Wat Té Ou/ Reflection**
(Artists: Jaune Quick-to-See Smith & James Luna)
 - 2** **Cho-En (Butterfly Garden)**
(Artist: Reiko Goto)
 - 3** **Deep Gradient/Suspect Terrain (Sinking Ship)**
(Artist: John Roloff)
 - 4** **Sculptural Wall and Paving**
(Artist: Lin Utzon)
 - 5** **Shaking Man**
(Artist: Terry Allen)
 - 6** **Urge**
(Artist: Chico Mac Murtrie)
 - 7** **Martin Luther King, Jr. Memorial**
(Artists: Houston Conwill, Joseph De Pace, Estello Majoza)

Museum/ Cultural Facility	Stairway	Restroom
CONVENTION FACILITY	Elevator	Parking Garage
Hotel	Crosswalk	
Other Building		

Attachment C
The YBG Properties and Photographs

The YBG Properties and Photographs

The YBG Properties are defined below by the original central block designations (CB-1, CB-2 and CB-3) used by the SFRA in the 1960s to describe the Project Area. The YBG Properties have many leases, operating agreements, reciprocal agreements, and other legal documents/enforceable obligations are associated with the properties. See Exhibit 1 to this Attachment C for a list of these documents.

Central Block One (“CB-1”)

The Successor Agency owns significant property on this block and leases most of it to affiliates of Millennium Partners and Marriott Corporation, which operate large hotels and commercial properties on this block. The properties OCII owns on this block includes:

Jessie Square Plaza – Completed in 2008, Jessie Square Plaza is improved with an expansive fountain, outdoor seating, and landscaping and is used frequently for public events.

Yerba Buena Lane – This landscaped public footpath linking Mission and Market Streets was completed in 2005 and is adjacent to Jessie Square Plaza.

The Marriott Hotel Land and Second Floor Classroom Parcels – The Marriott Hotel sits on about 127,000 square feet of land owned by the Successor Agency, along with about 17,000 square feet of space on the second floor of the hotel used for classroom/conference space. The land and the second floor space are leased to the hotel operator.

Commercial Airspace Parcels – The Successor Agency owns a group of airspace parcels scattered around CB-1 and leases (along with Yerba Buena Lane) to a single tenant. These parcels include retail spaces in the Four Seasons Hotel, retail spaces under the Marriott Hotel fronting Yerba Buena Lane, and parcels under Market Street that were going to provide access to local transit stops from Yerba Buena Gardens.

Central Block Two (“CB-2”)

CB-2 is home to the biggest concentration of public open space amenities in the surrounding Yerba Buena neighborhood. The Successor Agency owns all the land and buildings on this entire block, except for the Metreon building at the corner of Fourth and Mission Streets, and the mostly below-ground Moscone Center North Convention Center, which is owned by the City. The Successor Agency either maintains these properties as open space and support facilities, or leases them to cultural operators, restaurants, and other private parties. These properties include:

Public Open Space and Support Facilities – This six-acre public open space and gardens, with a large central grassy knoll, includes several terraced gardens, plazas and fountains, an upper terrace loggia, associated outdoor furnishings and artwork, an outdoor performance area and stage, and an elevated pedestrian bridge connecting CB-2 and CB-3. Open spaces of this magnitude require supporting facilities and these include administration offices, a green room and dressing rooms for performers, public restrooms, and numerous underground rooms that house mechanical equipment, engineering offices, fountain equipment, and supplies/materials.

Yerba Buena Center for the Arts – The Successor Agency owns the Forum and Theatre buildings at Yerba Buena Center for the Arts and has a long-term operating agreement with a non-profit cultural institution to operate the center. The Forum is a two-story building that includes three galleries, a media screening room, administrative offices, and a multi-use forum space used for performances, dancing, lectures, meetings, and special events. The building has full theatrical lighting and sound, stages, audio visual equipment, backstage dressing rooms, and a box office.

The Theater Building is a 755-seat proscenium theater with dual-level lobbies, a stage, orchestra pit, projection room, and an extensive technical inventory. The improvements also include backstage dressing rooms with restrooms and showers, a green room, a wardrobe room, a rehearsal studio, and amenities such as a wet bar, concession stand, box office, and coat check room.

Café Spaces – The Successor owns and leases two small café spaces (about 2,000 square feet each) on the upper terrace above the MLK Memorial Fountain.

The Land under the Metreon Building and an Underground Section of Mission Street – The Successor Agency owns the land the Metreon building sits on and leases it to the owners of the Metreon building. The property below the Metreon is leased to Marriott Corporation for access to its hotel loading dock and ballroom space. The Successor Agency’s pedestrian tunnel under Mission Street is also leased to the hotel, creating a continuous link between the hotel’s CB-1 and CB-2 properties.

Central Block Three (“CB-3”)

The Successor Agency leases a portion of the rooftop of the Moscone Convention Center (South) from the City. On this leased land, the SFRA constructed various improvements, mostly designed for children. The Successor Agency continues to own and operate these improvements, described below:

The Children’s Garden – The Children’s Garden, is located in the center of CB-3, and includes about 100,000 square feet of outdoor space with grassy areas, gardens, a child-size labyrinth made of hedges, an outdoor amphitheater, play circles, a sand circle, a play stream, and assorted playground equipment.

The Children’s Creativity Museum – The Children’s Creativity Museum is a two-story building that includes a 200-seat theatre, 3,000 square feet of exhibition/gallery space, several classrooms, digital/sound/animation studios, screening room, patio areas, and administration offices. The Successor Agency has an operating agreement with a nonprofit to run the museum, which also includes a separate gift shop, snack bar space, and a 1906 Charles Loeff Carousel.

The Bowling Center – The Bowling Center is a two-story building with 12-lanes, a snack bar, and a full service restaurant and terrace area on second story. The building also has mechanical and equipment rooms and storage rooms.

The Ice Skating Center – The Ice Skating Center is located next to the Bowling Center and includes a regulation-sized ice rink and spectator seating for 300, a snack bar, pro shop, locker area, dressing rooms, and mechanical equipment and storage rooms. The Successor Agency has an operating lease with an entity that manages both centers.

The Child Development Center – The Child Development Center is a three-story, building with a large landscaped courtyard in the center. The facilities also include a free-standing pavilion with multi-purpose activity space for children, meeting space, many small-scale rooms, classrooms with private landscaped courtyards, a kitchen and laundry room, offices and a staff lounge. The Successor Agency has an operating agreement with a nonprofit to run the center.

Additionally, the Successor Agency owns a fee interest in an underground portion of Howard Street that is used as an access tunnel between CB-2 and CB-2 and serves the loading docks for the Yerba Buena Gardens, the Metreon, and the Marriott Hotel on CB-2.

Central Block One (“CB-1”)



Jessie Square Plaza at Night

Central Block Two (“CB-2”)



Loggia



Fountain



Pedestrian Bridge



Aerial of Yerba Buena Gardens Open Space



Yerba Buena Center for the Arts

Central Block Three (“CB-3”)



Aerial of the Children’s Garden



Children’s Creativity Museum Carousel

Exhibit 1 to Attachment C
List of Legal Documents/Enforceable Obligations

	Doc. Date	Document Title	Other Party/Parties	Property/Site
1	8/26/1986	Lease for the Yerba Buena Center Hotel	YBG Associates LLC	Marriott Hotel
2	3/1/1988	1988 Coordination Agreement	City and County of San Francisco	CB-3
3	3/1/1988	1988 Reciprocal Easement Agreement	City and County of San Francisco	CB-3
4	7/13/1988	Second Amendment to Project Lease	City and County of San Francisco	Tunnel under Howard Street
5	7/1/1996	Yerba Buena Gardens Central Block Three Agency Rooftop Surface Lease	City and County of San Francisco	CB-3 Rooftop Surface
6	7/1/1996	Yerba Buena Gardens Central Block Three Coordination Agreement	City and County of San Francisco	CB-3
7	7/1/1996	Amendment to 1988 Reciprocal Easement Agreement and Restatement of Certain Provisions of the 1988 REA, as Amended, and Further Definition of Certain Other Existing Easements Pertaining to Central Block Three (CB-3)	City and County of San Francisco	CB-3
8	5/9/1997	Central Block 2 Entertainment and Retail Lease	Star-West	Metreon
9	7/11/1997	Operating Agreement Youth Arts and Education Center Yerba Buena Gardens	Yerba Buena Gardens Studio for Technology and the Arts	Children's Creativity Museum
10	8/19/1997	Agreement for Working Capital Funding and Operation of a Child Care Center (Yerba Buena Gardens)	South of Market Child Care, Inc.	Child Development Center
11	3/31/1998	Yerba Buena Gardens Amended and Restated Construction, Operation and Reciprocal Easement Agreement and Agreement Creating Liens	YBG Associates LLC; CB-1 Entertainment Partners LP; The Contemporary Jewish Museum	CB-1, CB-2, CB-3
12	3/31/1998	Central Block 1 Retail Lease	CB-1 Entertainment Partners LP	First Floor Marriott Caves, Yerba Buena Lane, Market Street Retail Parcel, BART Parcels, Connector Parcels
13	5/19/1998	Operating Lease	VSC Sports, Inc.	Ice Rink/Bowling Center
14	1/10/1999	Sublease Agreement	YBG Associates	Marriott Corridor Parcel
15	5/25/1999	Disposition and Development Agreement (St. Regis Hotel)	CC California LLC	CB-1, CB-2, CB-3
16	7/11/2000	Yerba Buena Gardens Programming Agreement	Yerba Buena Arts and Events	CB-1, CB-2, CB-3
17	6/15/2004	Amended and Restated Agreement for Operation of Cultural Facilities	Yerba Buena Center for the Arts	Yerba Buena Center for the Arts
18	10/18/2005	Commercial Retail Lease	Samovar Tea Lounge Yerba Buena, LLC	West Café
19	1/17/2006	Commercial Retail Lease	Gourmet Provisions, LLC	East Café
20	7/1/2009	Personal Services Contract	MJM Management Group	CB-2, CB-3
21	7/16/2013	Agreement for Purchase and Sale of Real Estate	706 Mission Street Co LLC	CB-1, CB-2, CB-3

The documents listed above are the primary documents that comprise the Successor Agency's enforceable obligations related to the YBG Properties. This list does not include amendments and other ancillary legal documents to these primary documents (such as assignments, etc.), deeds, legally-binding side letters, or any other documents that might be discovered during a comprehensive title search.

Attachment D
Enforceable Obligations Document Excerpts

Yerba Buena Gardens Separate Account

The Successor Agency's obligation to establish the "Separate Account" is set forth in the following governing documents:

1. CB-2 Entertainment and Retail Lease ("Metreon Lease") – May 9, 1997
2. CB-1 Retail Lease (for the Yerba Buena Lane commercial parcels) – March 31, 1998
3. Amended and Restated Construction, Operation and Reciprocal Easement Agreement and Agreement Creating Liens ("CB-1 REA") – March 31, 1998

The Separate Account is a restricted, segregated account, into which Yerba Buena Gardens lease revenue and developer exactions are deposited, and from which funds are disbursed. The Separate Account and restrictions on use of its funds are defined in the following excerpts from the governing documents:

THE METREON LEASE

Section 2.14(b): "Because of the integrated nature of the development of CB-2 and the CB-3 Gardens Parcel; and because of the importance to the Landlord that the uses on such real property be successfully operated as part of the integrated development; and because appropriate operation of the cultural activities by Landlord's cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcels is necessary to the integration and feasibility of the development, directly benefits Tenant and is important to Tenant, and, in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the uses and CB-2 and the CB-3 Gardens Parcel, Landlord shall establish a separate bank account (the "**Separate Account**") into which:

- (i) Tenant, shall pay its share of the GMOS, as provided in Section 2.15;
- (ii) Tenant shall pay Rent;
- (iii) Landlord shall deposit all rent received from the tenant under the Hotel Lease [Marriott Lease] or other tenants of the CB-2 Hotel Parcel; and
- (iv) Other tenants of Landlord may deposit rent and other sums.

Section 2.14(e): "Until the same [GMOS] has been in full for any calendar year, the Landlord shall pay the **CMO** (Agency's annual payments to Agency's cultural tenants or operators...for operating, maintaining and securing the Agency-owned Cultural Parcels) and the **GMOS** (annual expenditure of maintenance costs for the Gardens for the maintenance, operation and security of the Gardens Parcels ... and costs of Promotional Events in the Gardens) from the Separate Account and shall not use funds in the Separate Account for any other purpose. Until GMOS for any Lease Year has been paid in full, Landlord shall use that portion of the GMOS paid to Landlord by Tenant solely for uses required by this Lease."

Section 2.14(f): “After payment in full of the applicable CMO and GMOS for any calendar year, at the option of the Landlord, unexpended and legally uncommitted amounts remaining in the Separate Account may be paid to Landlord or carried forward.”

Section 2.14(g): “Landlord shall maintain, repair and operate the Gardens Parcels as a first-class open space, consistent with the level of maintenance, repair and operation required of Tenant with respect to the Premises.”

THE CB-1 RETAIL LEASE

Section 2.7(b): “Because of the integrated nature of the development of CB-1 and the Gardens Parcels; and because of the importance to the Landlord that the uses on such real property be successfully operated as part of the integrated development; and because appropriate operation of the cultural activities by Landlord’s cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcels is necessary to the integration and feasibility of the development, directly benefits Tenant and is important to Tenant, and, in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the uses and CB-1, CB-2 and the Gardens Parcels, Landlord shall, in accordance with term and provisions of the CB-2 Lease, establish a separate bank account (the “**Separate Account**”) into which:

- (i) Tenant, shall pay its share of the GMOS, as provided in Section 2.8;
- (ii) Tenant shall pay Rent;
- (iii) Landlord shall deposit all rent received from the tenant under the Hotel Lease [Marriott Lease] or other tenants of the CB-1; and
- (iv) Other tenants of Landlord may deposit rent and other sums.

Section 2.7(a)(i): “GMOS means the [Agency’s] annual expenditure of maintenance costs for the Gardens Parcels to be made pursuant to the Gardens Budget for maintenance, operation and security of the Gardens Parcels necessary to maintain, operate and secure the Gardens Parcels in a first-class condition, and costs of promotional, marketing, cultural and recreational events in the Gardens Parcels limited, however, to the funds annually available for such purposes from the Separate Account.

Any income from promotional, marketing, cultural and recreational events in the Gardens Parcels shall be utilized to offset the costs thereof and any excess after the payment of such costs shall be deposited into the Separate Account.

Section 2.7(e): “...the Landlord shall pay the GMOS from the Separate Account and shall not use funds in the Separate Account for any other purpose. Until GMOS for any Lease Year has been paid in full, Landlord shall use that portion of the GMOS paid to Landlord by Tenant solely for uses required by this Lease.”

Section 2.7(f): “After payment in full of the applicable GMOS for any calendar year, at the option of the Landlord, unexpended and legally uncommitted amounts remaining in the Separate Account may be paid to Landlord or carried forward.”

Section 2.7(g): “...Landlord shall maintain, repair and operate the Gardens Parcels as a first-class open space, consistent with the level of maintenance, repair and operation ...”

THE CB-1 REA

Section 7.7.(2): “A separate account (the “**Separate Account**”) shall be established by SFRA at a bank or trust company designated by SFRA having an office in San Francisco, California, and which has capital and surplus of at least Fifty Million Dollars (\$50,000,000), into which SFRA shall deposit all amounts received by it which comprise Net Cash Flow [i.e., rent revenue, any revenue in connection with the use of any portion of the CB-1 Real Property, or any portion of CB-2 or CB-3, and interest earnings].”

Section 7.7(2): “Funds from the Separate Account shall be applied by SFRA in the following order and priority, to the extent that SFRA does not pay such obligations from sums obtained from other sources:

- (a) First, to the payment of all costs of maintenance, operation and security of gardens and open space uses developed by SFRA on CB-2 and CB-3;
- (b) Then, to the payment of SFRA to SFRA’s cultural tenants or operators, in such amount as SFRA shall be obligated to pay such cultural tenants and/or operators for operating, maintaining, repairing and securing SFRA-owned cultural parcels and/or SFRA’s subleased property located on CB-2;
- (c) Then, to the payment by SFRA of its Allocable Share of Allocable Costs as Owner under this Section 7.7(2), first to the extent of any unpaid portion thereof for the Accounting Period preceding the current Accounting Period..., and thereafter to its Allocable Share of Allocable Costs for the current Accounting Period;
- (d) Then, to the payment of rent to the City and County of San Francisco, if applicable, under SFRA’s lease of all portions of CB-3;
- (e) Then in such manner as SFRA shall determine in its sole and absolute discretion.”

Attachment E
INTENTIONALLY OMITTED

Attachment F
1984 Board of Supervisors Resolution

Office of the Clerk of
BOARD OF SUPERVISORS
City Hall

San Francisco, California

To: REDEVELOPMENT AGENCY

Your attention is hereby directed to the following passed by the
Board of Supervisors of the City and County of San Francisco:

STATE OF CALIFORNIA
City and County of San Francisco

I, John L. Taylor, Clerk of the Board
of Supervisors of the City and County of
San Francisco do hereby certify that the

annexed Res. No. 917-84, Approved 12-3-84
is a full, true and correct copy of the
original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto
set my hand, and affixed the official
seal of the City and County this

14th day of December, 1984

JOHN L. TAYLOR
Clerk of the Board of Supervisors
City and County of San Francisco

By Jean Sun

FILE NO. 91-84-10

RESOLUTION NO. 917.84

[YERBA BUENA]

1 FINDING THAT CULTURAL FACILITIES AND OTHER IMPROVEMENTS AND
2 FACILITIES ARE OF BENEFIT TO THE YERBA BUENA CENTER APPROVED
3 REDEVELOPMENT PROJECT AREA D-1 AND THAT NO OTHER REASONABLE
4 MEANS OF FINANCING THESE FACILITIES AND IMPROVEMENTS IS
5 AVAILABLE TO THE COMMUNITY EXCEPT FINANCING BY THE
6 REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

7 WHEREAS, The Redevelopment Agency of the City and County
8 of San Francisco (the "Agency") is implementing the Redevelop-
9 ment Plan (the "Plan") for the Yerba Buena Center Redevelop-
10 ment Project (the "Project") pursuant to, and in accordance
11 with, the Community Redevelopment Law of the State of
12 California; and

13 WHEREAS, The Agency is the owner of various parcels of
14 land in the Project, and has received and accepted, (subject
15 to certain conditions) an offer to purchase, lease and develop
16 certain of said parcels from YBG Associates, a California
17 limited partnership of which Olympia & York California Eq-
18 uities Corp., a Delaware corporation, and the Marriott Corpo-
19 ration, a Delaware corporation, are the general partners,
20 which Limited Partnership is hereinafter called the "Develop-
21 er"; and

22 WHEREAS, The Developer's offer is contained in a proposed
23 Disposition and Development Agreement ("DDA") which has been
24 executed by the Developer and approved by the Agency (subject
25 to certain conditions), attached to which are descriptions of
26 the parcels of land the Developer has offered to purchase,
27 lease and develop; and

28 WHEREAS, All significant environmental effects attendant
29 the proposed development described in the DDA and other
30 aspects of the development in the Project have been fully and

1 adequately analyzed in the environmental documentation refer-
2 enced in Resolution No. 915-84, adopted by this Board on
3 November 26, 1984 at which time this Board also
4 adopted findings including environmental mitigation measures
5 which form part of said Resolution No. 915-84. Resolution
6 No. 915-84 is incorporated herein by reference. This Board
7 has considered the environmental effects described in said
8 documentation as they relate to the findings and determina-
9 tions and approvals in this resolution; and

10 WHEREAS, Under the DDA the Agency obligates itself to use
11 purchase price proceeds received from the Developer to con-
12 struct (i) a portion of the landscaped open space on the block
13 between Mission, Howard, Third and Fourth Streets (CB-2) and
14 pedestrian bridge over Mission Street ("CB-2 Gardens") which
15 CB-2 Gardens are located and described in the DDA, and (ii)
16 also on CB-2, a portion of the cultural facilities located and
17 described in the DDA, which CB-2 Gardens and cultural facil-
18 ities will be publicly owned; and

19 WHEREAS, The Agency has also stated its intent to use
20 other funding available to it after meeting outstanding
21 obligations particularly from additional purchase price
22 proceeds received by it from the Developer and others in the
23 entire Project to complete the CB-2 Gardens and the cultural
24 facilities on CB-2 and landscaped open space on the block
25 between Howard, Folsom, Third and Fourth Streets (CB-3) and
26 one or two pedestrian bridges over Howard Street ("CB-3
27 Gardens") which CB-3 Gardens and cultural facilities will be
28 publicly owned; and

29 WHEREAS, Said cultural facilities will consist of build-
30 ings, structures and other improvements and said Gardens will

include a fountain and may include other appropriate improvements, structures and buildings; and

WHEREAS, Said publicly owned Gardens and cultural facilities are of benefit to the development contemplated by the DDA and to the Project and thus to the area in which the Project is being implemented ("Project Area") and to the City and County of San Francisco not only by reason of the benefits and amenities they will provide the public but also because certain CB-2 retail, amusement, recreational and entertainment development obligations of the Developer specified in the DDA are conditioned upon the financing and construction of that portion of the CB-2 Gardens and cultural facilities specified in the DDA, and similar obligations of the Developer on CB-3 are conditioned upon the financing and construction of the CB-3 Gardens; and

WHEREAS, It appears from the foregoing that the Agency has or will be able to obtain the financing for these Gardens and cultural facilities and no other reasonable means of financing them is available to the community; and

WHEREAS, The Agency has found and determined that said publicly owned facilities described above "Gardens and Cultural" will be of benefit to the Project Area and that there are not other reasonable means available for the financing thereof by the community except by the Agency as noted above, which findings were made pursuant to the California Community Redevelopment Law Section 33445; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby finds and determines that the provision of the cultural buildings, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3

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Gardens) by the Agency pursuant to the DDA is of benefit to the Project Area and that no other reasonable means of financing such facilities is available to the community, and the Agency is hereby authorized to pay for all of the costs, of land for and the installation and construction of such cultural buildings, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3 Gardens), and that such findings and determinations are based upon the DDA, the financial information prepared and submitted by the Agency, and upon other material, all on file with this Board; and be it

FURTHER RESOLVED, That the Agency be, and it is hereby authorized to pay for all of the costs of installation and construction of such cultural buildings, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3 Gardens) described in the DDA which will be publicly owned.

APPROVED AS TO FORM:
GEORGE AGNOST, CITY ATTORNEY

By: Robert A. Demas