

1 [Option Contract for the Sale of Real Property]

2 ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY
3 ACT; DECLARING THE BERNAL PROPERTY TO BE SURPLUS; APPROVING AN OPTION
4 CONTRACT FOR THE SALE OF THE BERNAL PROPERTY TO GHC BERNAL
5 INVESTORS, LLC.

6 WHEREAS, The City and County of San Francisco (the "City"), by and through the
7 jurisdiction of the Public Utilities Commission (the "PUC"), owns fee title to that certain real
8 property consisting of approximately 500 acres located in Alameda County and the City of
9 Pleasanton known as the Bernal Property (the "Bernal Property"); and,

10 WHEREAS, In August 1996, the PUC, on behalf of the City, obtained certain land use
11 entitlements from Alameda County, and subsequently sought to obtain other land use
12 entitlements from the City of Pleasanton, to permit a mixed-use residential and commercial
13 development on the Bernal Property; and,

14 WHEREAS, The Board of Supervisors enacted Ordinance No. 98-1254 to initiate the
15 sales process for the Bernal Property, which Ordinance exempts the sale of the Bernal
16 Property from Article 1, Chapter 23 of the San Francisco Administrative Code and allows for
17 the sale of all or part of the Bernal Property pursuant to a bid process administered by the
18 PUC, subject to the final approval of the sale by the Board of Supervisors by resolution; and,

19 WHEREAS, The PUC issued a request for qualifications and bids in November 1998
20 (the "RFQ/B") and accepted twelve bidders as qualified to purchase and develop the Bernal
21 Property in February 1999; and,

22 WHEREAS, The PUC continued to negotiate with the City of Pleasanton in order to
23 maximize the value of the Bernal Property, and the RFQ/B provided that the PUC would
24 accept final bids to purchase the Bernal Property after the PUC obtained land use
25 entitlements from the City of Pleasanton; and,

Supervisor Kaufman
PUBLIC UTILITIES COMMISSION
SUPERVISOR KAUFMAN

1 WHEREAS, In March 2000 the PUC sought to sell part of the Bernal Property to the
2 City of Pleasanton for Fifty Million Dollars (\$50,000,000) and the remainder of the Bernal
3 Property to a private developer for a price of not less than Fifty Million Dollars (\$50,000,000),
4 for a total combined purchase price of not less than One Hundred Million Dollars
5 (\$100,000,000), but the City of Pleasanton voters failed to approve a required bond issuance
6 for the City of Pleasanton's purchase ("Pleasanton Measure I"); and,

7 WHEREAS, Following the defeat of Pleasanton Measure I, the PUC determined that it
8 was in the best interests of the City to select a developer to purchase the entire Bernal
9 Property and to allow the selected developer to complete negotiations with the City of
10 Pleasanton for the development of the Bernal Property; and

11 WHEREAS, The PUC amended the RFQ/B to allow for the selection of a developer
12 and the execution of an option contract with such developer for the sale of the Bernal Property
13 (the "Option Contract"), a copy of which is on file with the Clerk of the Board, so that the
14 selected developer could continue negotiations with the City of Pleasanton for the land use
15 approvals during the option period; and

16 WHEREAS, After a competitive bidding process as set forth in the amended RFQ/B,
17 the PUC, by Resolution No. 00-0144 on May 31, 2000, selected GHC Bernal Investors, LLC
18 as the most qualified bidder for the Option Contract, and authorized the sale of the Bernal
19 Property to GHC Bernal Investors, LLC per the terms of the Option Contract, subject to the
20 approval of the Board and the Mayor; and,

21 WHEREAS, Under the Option Contract, GHC Bernal Investors, LLC has a right to buy
22 the Bernal Property for a purchase price of One Hundred Twenty-Six Million, Two Hundred
23 Eighty-Eight Thousand, Eight Hundred Dollars (\$126,288,800) by exercising the option on or
24 before September 29, 2000 with a Two Million Dollar (\$2,000,000) deposit and closing on or
25 before October 31, 2000; and,

1 WHEREAS, The Board believes that, given the current status of the land use
2 entitlements and the contemplated development project, it is in the best interests of the City to
3 enter into the Option Contract at this time; and,

4 WHEREAS, On August 1, 1996, Alameda County certified an Environmental Impact
5 Report (SCH. No. 94-103029) (the "Alameda County EIR") in accordance with the California
6 Environmental Quality Act ("CEQA") relative to certain proposed development on the Bernal
7 Property; and,

8 WHEREAS, The City is a responsible agency under CEQA for purposes of the
9 Alameda County EIR, and, in accordance with CEQA Guidelines (Title 14 of the California
10 Code of Regulations) Section 15096, the City adopted certain CEQA findings as set forth in
11 PUC Resolution No. 96-0151 and Board of Supervisor Resolution No. 918-96, which findings
12 are incorporated herein by this reference as though fully set forth herein; and,

13 WHEREAS, On February 15, 2000, the City of Pleasanton certified an Environmental
14 Impact Report for the Bernal Property (SCH No. 96-013005)(the "Pleasanton EIR") in
15 accordance with CEQA, as set forth in City of Pleasanton City Council Resolution No. 00-
16 0013; and,

17 WHEREAS, The City is a responsible agency under CEQA for purposes of the
18 Pleasanton EIR, and, in accordance with CEQA Guidelines Section 15096, the City adopted
19 certain CEQA findings as set forth in PUC Resolution Nos. 00-061 and 00-0144, which
20 findings are incorporated herein by this reference as though fully set forth herein; and,

21 WHEREAS, the Alameda EIR and the Pleasanton EIR are available in the office of the
22 PUC's Secretary for public review; now, therefore, be it

23 RESOLVED, That the Board hereby finds and declares (a) that it has reviewed and
24 relied upon the Alameda County EIR, the Pleasanton EIR and the CEQA findings set forth
25 above, and, in its independent judgment, it concurs with and adopts said findings and

PUBLIC UTILITIES COMMISSION
SUPERVISOR KAUFMAN

1 conclusions, and (b) that, for the actions set forth in this Resolution, there is no need to
2 prepare a subsequent EIR because there have been no substantial project changes, no
3 substantial changes to project circumstances, and no new information of substantial
4 importance, since the PUC adoption of Resolution No. 00-0144 on May 31, 2000 that would
5 alter the conclusions set forth therein; and be it

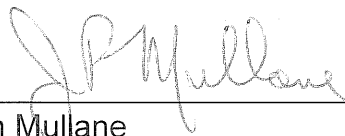
6 FURTHER RESOLVED, That the Bernal Property is surplus property, and that the
7 public interest demands or will not be inconvenienced by a sale of the Bernal Property; and,
8 be it

9 FURTHER RESOLVED, That pursuant to Ordinance 98-1254, the Board approves the
10 Option Contract, and authorizes the General Manager of the PUC to execute and perform all
11 of the City's obligations under the Option Contract in substantially the form presented to this
12 Board, and to take all actions set forth therein to transfer the Bernal Property to GHC Bernal
13 Investors, LLC following its exercise of the option, if at all, in accordance with the terms of the
14 Option Contract; and be it

15 FURTHER RESOLVED, That this Board authorizes the General Manager of the PUC
16 and other City officials to take any and all steps necessary and advisable to effectuate the
17 purpose and intent of this Resolution; and be it

18 FURTHER RESOLVED, That any and all acts previously performed by employees of
19 the City and County of San Francisco in furtherance of this Resolution are hereby ratified and
20 confirmed.

21
22 Recommended:

23 

24 _____
25 John Mullane
Acting General Manager, Public Utilities Commission

PUBLIC UTILITIES COMMISSION
SUPERVISOR KAUFMAN



City and County of San Francisco

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

Tails Resolution

File Number: 001059

Date Passed:

Resolution adopting findings pursuant to the California Environmental Quality Act; declaring the Bernal property to be surplus; approving an option contract for the sale of the Bernal property to GHC Bernal Investors, LLC.

June 12, 2000 Board of Supervisors — SUBSTITUTED

July 31, 2000 Board of Supervisors — ADOPTED

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

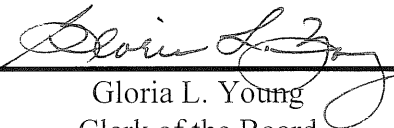
Absent: 1 - Yaki


File No. 001059

I hereby certify that the foregoing Resolution was ADOPTED on July 31, 2000 by the Board of Supervisors of the City and County of San Francisco.

AUG 11 2000

Date Approved


Gloria L. Young
Clerk of the Board


Mayor Willie L. Brown Jr.