[Option Contract for the Sale of Real Property]

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.

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

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

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

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

WHEREAS, The PUC continued to negotiate with the City of Pleasanton in order to maximize the value of the Bernal Property, and the RFQ/B provided that the PUC would accept final bids to purchase the Bernal Property after the PUC obtained land use entitlements from the City of Pleasanton; and,
WHEREAS, In March 2000 the PUC sought to sell part of the Bernal Property to the City of Pleasanton for Fifty Million Dollars ($50,000,000) and the remainder of the Bernal Property to a private developer for a price of not less than Fifty Million Dollars ($50,000,000), for a total combined purchase price of not less than One Hundred Million Dollars ($100,000,000), but the City of Pleasanton voters failed to approve a required bond issuance for the City of Pleasanton's purchase ("Pleasanton Measure I"); and,

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

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

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

WHEREAS, Under the Option Contract, GHC Bernal Investors, LLC has a right to buy the Bernal Property for a purchase price of One Hundred Twenty-Six Million, Two Hundred Eighty-Eight Thousand, Eight Hundred Dollars ($126,288,800) by exercising the option on or before September 29, 2000 with a Two Million Dollar ($2,000,000) deposit and closing on or before October 31, 2000; and,
WHEREAS, The Board believes that, given the current status of the land use entitlements and the contemplated development project, it is in the best interests of the City to enter into the Option Contract at this time; and,

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

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

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

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

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

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

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

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

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

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

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

Recommended:

[Signature]

John Mullane
Acting General Manager, Public Utilities Commission
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 1 1 2000

Date Approved

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.

File No. 001059

City and County of San Francisco

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