WHEREAS, In 2007, the Redevelopment Agency of the City and County of San Francisco (the "Agency") and the City and County of San Francisco (the "City") began a new, integrated planning effort for the revitalization of both the Hunters Point Shipyard (the "Shipyard") and Candlestick Point, which resulted in the adoption of a Conceptual Framework for Development (the "Conceptual Framework"). The Conceptual Framework called for a mixed-use project on the two sites to provide, among other things, much needed parks and open space, new business and employment opportunities, new housing, including significant affordable housing, a site for a new 49ers sports stadium, and other economic and public benefits; and,

WHEREAS, The Conceptual Framework was endorsed by the Agency on May 1, 2007, and by the Board of Supervisors on May 15, 2007 (Resolution No. 264-07; File No. 070544); and,

WHEREAS, In June 2008, the San Francisco voters overwhelmingly approved Proposition G, the "Mixed Use Development Project for Candlestick Point and Hunters Point Shipyard." Proposition G made it City policy to proceed, subject to public input and the environmental review process, with revitalizing Candlestick Point and the Shipyard through an integrated mixed-use development project (the "Project") that includes, among other things, over 300 acres of public park and open space, between 8,500 and 10,000 homes, and significant retail, industrial and green office, science and technology, research and
development space. Proposition G also made it City policy that the Project be consistent with certain defined objectives, including requiring that the Project be financially sound; and,

WHEREAS, City and Agency staff have been working diligently with Lennar BVHP, a California limited liability company, and its affiliates and consultants on the planning, community review, environmental review, and related predevelopment matters associated with the Project in accordance with the Conceptual Framework and Proposition G, under an exclusive negotiations and planning agreement (the "Phase 2 ENA") approved by the Agency on May 1, 2007 (Agency Resolution No. 42-2007); and,

WHEREAS, The Phase 2 ENA required the Developer to bring on additional partners with expertise in retail, infrastructure, research & development and/or biotech, as well as additional equity partners with the financial capacity to ensure that the development of the Project site can expeditiously proceed through all predevelopment and development phases notwithstanding fluctuations in the marketplace (the "Partner Requirement", as defined in the Phase 2 ENA); and,

WHEREAS, On August 19, 2008, the Agency confirmed the Developer's satisfaction of the Partner Requirement with the addition of Kimco Developers, Inc. and MACTEC Development Corporation as key strategic partners in the areas of retail and infrastructure, respectively, and the addition of affiliates of Scala Real Estate Partners, LP, Hillwood Development Company, LLC and Estein & Associates USA Ltd. as key equity partners (Agency Resolution No. 86-2008); and,

WHEREAS, Both Proposition G and the Conceptual Framework provide specific guidance on an appropriate financing plan for the Project, including without limitation the following: (i) the Project financing should rely on private capital and land secured tax exempt financing, such as tax increment and Mello-Roos bonds, that leverages private investment and minimizes adverse impacts to the City's General Fund; (ii) the Project must be financially
finance plan, a copy of which is attached can be found in Board File No. 081399 (the "Finance Plan"). The Finance Plan was endorsed by the Bayview Hunters Point Project Area Committee and the Hunters Point Shipyard Citizens' Advisory Committee at a joint meeting on October 20, 2008, and by the Agency on October 27, 2008 (Agency Resolution No. 130-2008); and,

WHEREAS, The Finance Plan is not a binding agreement that commits the Agency or the City to proceed with the approval or implementation of the Project, but it outlines the financial terms on which the Agency, the City, and the Developer will negotiate in good faith to reach agreement on the final transaction documents for the Project. Consistent with the Conceptual Framework and Proposition G, the Finance Plan demonstrates that the Project can be self-sufficient — meaning that the Project can be financed with Developer equity and certain forms of tax-exempt financing from the Project itself such as Mello Roos and property tax increment financing, and that the City's General Fund will not pay for the infrastructure and capital needs of the Project. As set forth in the Finance Plan, the total Project cost is expected to exceed $2 billion; and,

WHEREAS, The Finance Plan includes a summary of the sources and uses of funds, a cash flow proforma analysis, a general description of the proposed transaction structure, a
description of the Project, key financial terms for a new 49ers stadium, and a letter from
CBRE Consulting, Inc. and C.H. Elliott & Associates validating certain financial assumptions;
and,

WHEREAS, The Project, as ultimately proposed by the Agency, the City, and the
Developer, will be subject to a process of thorough public review and input and all necessary
and appropriate approvals; that process must include environmental review under the
California Environmental Quality Act ("CEQA") before the Agency or the City may consider
approving the Project; the Project will require discretionary approvals by a number of
government bodies after public hearings and environmental review, including by the Agency
Commission and the City's Board of Supervisors; the Project also may require approval by
various State agencies, such as the State Park and Recreation Commission, Bay
Conservation and Development Commission, and State Lands Commission; and the Project
may require amendments to the Shipyard and Bayview Hunters Point Redevelopment Plans,
in accordance with the procedural and substantive requirements of the California Community
Redevelopment Law; and,

WHEREAS, Nothing in this resolution commits, or shall be deemed to commit, the City,
the Agency, or any other public agency to approve or implement any project, and they may
not do so until environmental review of the proposed project as required under CEQA has
been completed; accordingly, the references to "the Project" (or the like) in this resolution
mean a proposed project subject to future environmental review and consideration by the City,
the Agency, and other public agencies; further, the City, the Agency, and any other public
agency with jurisdiction over any part of the Project each shall have the absolute discretion
before approving the Project to: (i) make such modifications to the Project as may be
necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives
to avoid or substantially reduce significant environmental impacts; (iii) require the
implementation of specific measures to mitigate any specific impacts of the Project;
(iv) balance the benefits of the Project against any significant environmental impacts before
taking final action if such significant impacts cannot otherwise be avoided; or (v) determine
whether or not to proceed with the Project; now, therefore, be it

RESOLVED, That the Board of Supervisors endorses the Finance Plan, and urges City
staff, including the Office of Economic and Workforce Development, the Planning Department,
and the Recreation and Park Department, together with Agency staff, to continue with the
environmental review and planning for the Project and the negotiation of transaction
documents consistent with the Conceptual Framework, Proposition G and the Finance Plan;
and, be it

FURTHER RESOLVED, That any and all actions taken by City staff consistent with this
intent of this Resolution are hereby ratified and approved.
File Number: 081399  Date Passed:

Resolution endorsing a Finance Plan for a proposed mixed-use development on Candlestick Point and Hunters Point Shipyard.

November 25, 2008 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

Noes: 1 - Daly

File No. 081399

I hereby certify that the foregoing Resolution was ADOPTED on November 25, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvi
Clerk of the Board

Date Approved

12/5/2008

Mayor Gavin Newsom