FILE NO. 231278

[Declaration of Restrictions - ARE-SAN FRANCISCO NO. 15 OWNER, LLC - 1450 Owens Street - Initial Annual Payment to City \$72,000]

Resolution approving a Declaration of Restrictions with the ARE-SAN FRANCISCO NO. 15 OWNER, LLC ("Owner) to establish a no-build zone on a portion of property owned by the City and County of San Francisco, adjacent to the Owner's property at 1450 Owens Street, intended for future public park uses, providing for annual payments in the initial amount of \$72,000 with 3% annual increases, to the City from Owner in exchange for such restrictions for a term effective on January 1, 2024, through in perpetuity unless terminated by the City, as defined in the Declaration of Restrictions; and authorizing the Director of Property to execute any amendments, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Declaration of Restrictions or this Resolution.

WHEREAS, The City and County of San Francisco (the "City"), owns certain real property located in San Francisco described as a portion of "State Trust Parcel 2," which includes a portion of "Street Vacation SV-35" shown on the "Map of Mission Bay" filed in Book Z of Maps at Pages 97 through 119, in the Office of the County Recorder of the City and County of San Francisco (the "Burdened Parcel"), which are within a portion of a proposed park commonly identified as Park P7 in District 6, Mission Bay South; and

WHEREAS, ARE-SAN FRANCISCO NO. 15 OWNER, LLC ("Owner") owns real property adjacent to the Burdened Parcel in Mission Bay South, described as Lot 17 of Final Map No. 4375 filed in Book CC of Survey Maps at Pages 123 through 131, in the Office of the

Supervisor Dorsey BOARD OF SUPERVISORS County Recorder of the City and County of San Francisco and commonly identified as 1450 Owens Street (the "Benefitted Parcel") that abuts the Burdened Parcel; and

WHEREAS, The Successor Agency to the Redevelopment Agency of the City, this Board of Supervisors, and the City's Planning Commission issued certain approvals and entitlements, including compliance with CEQA, for Owner to build a seven-story mixed use life science building on the Benefitted Parcel (the "Building"); and

WHEREAS, In order to allow the Building to abut the lot line between the Burdened Parcel and the Benefitted Parcel and satisfy requirements of the San Francisco Building Code, the City, acting in its proprietary capacity, proposes to impose certain open space restrictions on the Burdened Parcel for the benefit of the Benefitted Parcel in the form of a Declaration of Restrictions by and between the City and Owner (the "Declaration of Restrictions"); and

WHEREAS, The Declaration of Restrictions establishes a no-build zone area on a portion of the Burdened Parcel that applies to a 24-foot wide portion of the future Park P7 adjacent to the Benefitted Parcel; and

WHEREAS, The Declaration of Restrictions requires an annual payment from Owner to the City in the amount of \$72,000 opined to be at or above fair-market value by the Director of Property; and

WHEREAS, The annual payment is to increase each year by 3% unless such increase is waived by the Director of Property; and

WHEREAS, A copy of the Declaration of Restrictions is on file with the Clerk of the Board of Supervisors in File No. 231278; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of Property (the "Director"), the Board of Supervisors approves the Declaration of Restrictions in

Supervisor Dorsey BOARD OF SUPERVISORS substantially the form presented to the Board, and authorizes the Director to enter into the Declaration of Restrictions with the Owner; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director to execute, deliver, and record any documents that are necessary or advisable to execute and record the Declaration of Restrictions and to accept the funds from the Owner, and complete the transactions contemplated herein; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director to enter into any amendments or modifications to Declaration of Restrictions (including without limitation, the exhibits) that the Director determines, in consultation with the City Attorney and the General Manager of the Recreation and Park Department, are in the best interest of the City, do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City, are necessary or advisable to effectuate the purposes of the Declaration of Restrictions or this resolution, and are in compliance with all applicable laws; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution and heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Declaration of Restrictions being fully executed by all parties, the Director of Property shall provide the final agreement to the Clerk of the Board for inclusion into the official file.

Recommended:

By: <u>/s/</u>

ANDRICO Q. PENICK Real Estate Division Director of Property

Supervisor Dorsey BOARD OF SUPERVISORS



File Number: 231278

Date Passed: January 30, 2024

Resolution approving a Declaration of Restrictions with the ARE-SAN FRANCISCO NO. 15 OWNER, LLC ("Owner) to establish a no-build zone on a portion of property owned by the City and County of San Francisco, adjacent to the Owner's property at 1450 Owens Street, intended for future public park uses, providing for annual payments in the initial amount of \$72,000 with 3% annual increases, to the City from Owner in exchange for such restrictions for term effective on January 1, 2024, through in perpetuity unless terminated by the City, as defined in the Declaration of Restrictions; and authorizing the Director of Property to execute any amendments, make certain modifications and take certain actions that do not materially increase the obligations or liabilities to the City, do not materially decrease the benefits to the City and are necessary or advisable to effectuate the purposes of the Declaration of Restrictions or this Resolution.

January 24, 2024 Budget and Finance Committee - RECOMMENDED

January 30, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 231278

I hereby certify that the foregoing Resolution was ADOPTED on 1/30/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

I k

London N. Breed Mayor

1/24

Date Approved