

**HEALTH COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
Resolution No. 15-7**

RESOLUTION ENDORSING A NON-BINDING TERM SHEET BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR A GROUND LEASE OF THE B/C LOT AT THE PRISCILLA AND MARK ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER FOR THE PURPOSE OF BUILDING A NEW UCSF RESEARCH FACILITY AND DIRECTING DEPARTMENT OF PUBLIC HEALTH STAFF TO SEEK AN ENDORSEMENT OF THE SAN FRANCISCO BOARD OF SUPERVISORS

WHEREAS, the Priscilla and Mark Zuckerberg San Francisco General Hospital and Trauma Center (SFGH), is one of the nation's leading public hospitals and has continuously provided a wide range of ambulatory, emergency, acute care and trauma services to San Francisco residents for more than one hundred years; and

WHEREAS, The SFGH campus is under the jurisdiction of City's Department of Public Health ("DPH"); and

WHEREAS, DPH and The Regents of the University of California, ("the Regents" or "UCSF") have a long standing affiliation through which UCSF provides physicians and other professional services at SFGH; and

WHEREAS, through the SFGH – UCSF partnership, physicians who are leaders in their fields have been attracted to SFGH and have established SFGH as one of the nation's leading academic medical centers with a top training program for residents and medical students; and

WHEREAS, SFGH is home to more than 20 UCSF research centers and major laboratories, and over 150 principal UCSF investigators conduct research at the SFGH campus; and

WHEREAS, the co-location of patient care, teaching and research activities is critical to the ability to recruit and retain the physician leaders who treat patients at SFGH; and

WHEREAS, in February 2013, the Mayor and City Administrator established a working task force co-chaired by the San Francisco Public Health Director (or designee) and the UCSF Chancellor (or designee) to collaborate on the development and implementation of certain capital projects on the SFGH campus and to explore the proposal that UCSF construct a modern academic research building at SFGH on what is currently the B/C surface parking lot (the "Research Facility"), which would allow UCSF to consolidate existing SFGH campus research centers and laboratories; and

WHEREAS, since February 2013, staff from the City (DPH, Real Estate Department, Planning Department and City Attorney's Office) and staff from the Regents have negotiated a number

of agreements with respect to the proposed new Research Facility, including (1) a Fee Payment Agreement between DPH and UCSF, dated October 23, 2013, which establishes cost sharing for the negotiation process, and (2) an MOU between UCSF and the Director of the San Francisco Planning Department, dated September 23, 2103, which outlines the manner in which the Regents and the Planning Department will cooperate to perform the environmental review for the proposed Research Facility; and

WHEREAS, City staff and staff from the Regents have negotiated a non-binding term sheet (the "Term Sheet") that sets forth certain basic economic parameters and other fundamental terms to serve as the basis for City staff and UCSF staff negotiating a ground lease between the City and the Regents of that portion of SFGH campus known as the B/C Lot for the development, ownership and operation of the proposed Research Facility (the "Ground Lease"), and provides that the parties will negotiate in good faith with a goal of completing negotiations on the Ground Lease and related agreements by JUNE 30, 2016; a copy of which Term Sheet is attached as an Exhibit to the staff report accompanying this resolution and is incorporated by this reference; and

WHEREAS, the parties understand that the proposed Research Facility and the terms of the related Ground Lease (collectively, the "Project") will continue to evolve throughout the public review process; and

WHEREAS, the Term Sheet is not itself a binding agreement that commits the City or the Regents to proceed with the approval or implementation of the Project, and all Project approvals by the City and the Regents, including approvals for the Research Facility and the Ground Lease, are subject to completion of environmental review, including identification of a full range of appropriate alternatives and mitigation measures under the California Environmental Quality Act ("CEQA) and will be subject to public review in accordance with the processes of the City and the Regents; and

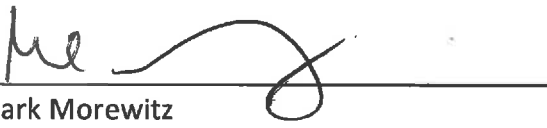
WHEREAS, no legal obligation will exist unless and until the City and the Regents have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and other public review and hearing processes, subject to all applicable governmental approvals; and

WHEREAS, staff from the City and the Regents wish to obtain the endorsement of the Term Sheet by the Health Commission and the San Francisco Board of Supervisors prior to continuing negotiations on the Ground Lease; and

NOW, THEREFORE, BE IT RESOLVED, That the Health Commission endorses the Term Sheet and directs DPH staff to seek the endorsement of the San Francisco Board of Supervisors of the Term Sheet, and upon the receipt of such endorsement to continue negotiations with UCSF staff with a goal of completing negotiations on the Ground Lease and related agreements by JUNE 30, 2016; and be it further

RESOLVED, That the Health Commission's endorsement of the Term Sheet and direction to DPH staff does not commit the Health Commission or the City to approval of the final Ground Lease or implementation of the Project, nor does endorsement of the Term Sheet foreclose the possibility of considering alternatives to the proposal, mitigation measures, or deciding not to approve or implement the Project, after conducting and completing appropriate environmental review under CEQA.

I hereby certify that the San Francisco Health Commission at its meeting of May 5, 2015 adopted the foregoing resolution.



Mark Morewitz
Executive Secretary to the Health Commission