



**Press Release
For Immediate Release**

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Transbay Joint Powers Authority Approves \$160 Million Cash Offer Pre-entitlements

*Final Parcel Connecting to Transbay Rooftop Park
to be Developed by F4 Transbay Partners LLC*

San Francisco (March 10, 2016) – The Transbay Joint Powers Authority (TJPA) announced today the highly-anticipated sale of Parcel F for \$160 million plus a \$15 million premium in the event of an assemblage of the property with an adjoining lot (540 Howard). The buyer is F4 Transbay Partners LLC (F4), a joint venture of Urban Pacific Development, LLC, an affiliate of Hines Interests Limited Partnership, and Broad Street Principal Investments, L.L.C., an affiliate of Goldman Sachs. F4 has posted a \$10 million good faith deposit to secure the purchase. The closing of the sale of Parcel F is expected to occur no later than the summer of 2016.

Generally zoned for 750 feet, Parcel F is the last remaining site available for development of a super-tall building in downtown San Francisco and the final parcel that can directly connect to the Transbay Transit Center Rooftop Park via a pedestrian sky bridge. F4 proposes to construct a tower on Parcel F containing 200-300 hotel rooms, 200 residential units, and 250,000-425,000-square-feet of office.

“With the sale of Parcel F, we will have sold more than \$660 million worth of land to fund construction of the Transit Center,” said TJPA Executive Director Maria Ayerdi-Kaplan. “The land sold for private development will also generate more than \$1 billion in tax increment to fund the Transit Center.”

The sale is conditioned on the approval of an agreement with the City's Office of Community Investment and Infrastructure Commission (OCII) and Board of Supervisors which would grant F4 exclusive negotiating rights to purchase the housing development site known as Block 4 from the TJPA and OCII. Much of Block 4 will be devoted to affordable housing. OCII is responsible under the Transbay Redevelopment Plan for overseeing the sale and development of Block 4. The TJPA will receive the proceeds from the sale of Block 4.

"We are pleased to have this opportunity to develop one of the key buildings in the dynamic Transbay Project area," said Mike Kriozere, Principal of Urban Pacific. "What we create will be an asset to this vibrant neighborhood, and we look forward to enhancing San Francisco and its skyline with our plans for a mixed-use tower on Parcel F."

The opportunity to develop Parcel F generated significant interest from international, national, and local bidder teams. F4 submitted the best offer for the Project with a \$160 million purchase price, not contingent on entitlements, a \$15 million assemblage bonus, and the commitment to set aside the number of residential units for affordable housing on both Parcel F and Block 4 as mandated by the City and OCII. Under current law, 15 percent of housing units built on Parcel F must be affordable. The amount of affordable housing required for Block 4 could exceed 45 percent.

Supervisor Jane Kim, a member of the TJPA Board of Directors, praised the housing component of the project, saying, "Housing affordability is San Francisco's primary crisis and one of my top priorities. It is important that new developments consider San Franciscans that need affordable housing. I'm proud that the Transbay Neighborhood, and the commitment the TJPA secured for Parcel F, is helping to meet this need and allow San Franciscans to stay in our city."

Parcel F is located mid-block between First, Second, Howard, and Natoma Streets, adjacent to the Transit Center and the new suspension bridge for the Bus Ramp connecting the Transit Center to the Bay Bridge. Parcel F is the last development site in San Francisco zoned for a height in excess of 550 feet.

Block 4 is a Transbay Redevelopment Plan parcel fronting on Howard Street between Main and Beale Streets that is planned for a 450-foot high residential building. Block 4, which currently occupies the north one-third of the TJPA's Temporary Terminal, will be available for development in 2018 following the opening of the new Transit Center and the closure of the Temporary Terminal.

Proceeds of the sale of Parcel F and Block 4 will help fund the construction of the Transbay Transit Center, a regional transportation station that will connect eight Bay Area counties through 11 transit systems. The Center will serve as a new downtown destination for workers,

residents, and visitors, with a 5.4-acre rooftop park and more than 100,000 square feet of retail space.

About F4

F4 Transbay Partners LLC (F4) is a joint venture of Urban Pacific Development, LLC (UP); an affiliate of Hines Interests Limited Partnership; and Broad Street Principal Investments, L.L.C., an affiliate of Goldman Sachs.

About the Transbay Transit Center

The Transbay Transit Center, known as the “Grand Central Station of the West,” is a revolutionary transportation facility that will transform the South of Market neighborhood into the new heart of downtown. The Transit Center will connect eight Bay Area counties and 11 transit systems, including future High Speed Rail. The Transbay Transit Center Phase 1 is scheduled to open in late 2017. To learn more about the project, please visit our website at www.TransbayCenter.org.

The Transbay Transit Center project is made possible in part by the U.S. Department of Transportation, State of California, Metropolitan Transportation Commission, Proposition K Sales Tax dollars provided by the San Francisco County Transportation Authority, City and County of San Francisco, San Francisco Office of Community Investment and Infrastructure, San Mateo County Transportation Authority and AC Transit.