

# Pavilion plans inch along

## Land buying proceeding at a snail's pace

BY TOM CARTER

**T**HE Tenderloin Pavilion, a convention, housing and retail complex that aspires to be the perennial star on the Tenderloin's tree, could cost as much as \$250 million before it is completed in 2006, the project's development manager told The Extra. But buying the land has been a slower process than planned.

Glide Economic Development Corp., the nonprofit formed in 2000 to handle the project, is negotiating to buy the eight parcels remaining of the 12 earmarked for the project, since first announcing the purchase of the original four in August 2003. At that time, a GEDC news release anticipated that the other parcels would be in tow by April 2004 with construction to begin this fall.

Although the cost has never been publicly pegged at more than \$220 million, "the projected cost is between \$200-\$250 million," Paula Collins, GEDC development manager, wrote in reply to an e-mail inquiry. "The projected completion date is the first quarter 2006."

Another GEDC spokesman earlier told The Extra that the sellers had originally settled on a fair market price for the land but that some owners now want more money.

"These are very sensitive transactions and it would not be smart of us to divulge the terms," Collins said before commenting on the scheduling. "When a project this large is in the approval state, the schedule is somewhat fluid. Right now, GEDC is focused on finalizing the terms of the agreement with its development partners, getting all the environmental approvals and launching the public financing process. All of those activities are going well."

Former Mayor Willie Brown called the pavilion "the crown jewel of our ongoing efforts to transform the Tenderloin community." Collins says it is "one of the most exciting public-private mixed use projects in the Bay Area." And the Rev. Cecil Williams, the 75-year-old leader of Glide Memorial Church, says it is his ultimate dream to be realized before he can consider retiring.

An environmental impact report has now been rescheduled for June 30, 2005.

"But that date may change and is dependent on the response time from the City Planning Department," says Collins.

City Planning's Notice of Preparation estimated the pavilion will bring in 2,500 people a day who would spend more than \$1 million a year for neighborhood events and services. GEDC has done no studies like that on its own, Collins said, but added the Pavilion's impact would be "considerable" and is indeed expected to be a cash cow for the neighborhood.

GEDC's partners are the Mayor's Office of Housing, the San Francisco Hilton, Tenderloin Neighborhood Development Corp., Glide Memorial Methodist Church, Related Companies of California, Evelyn and Walter Haas Jr. Fund, San Francisco's Convention Facilities Department and the Parking Authority of the city and county of San Francisco.

At a misnamed

"groundbreaking" ceremony in September 2002, at the site of a former strip joint on Mason that was bought and razed, GEDC had its eye on city bond money to be voted on that November.

"We're going to do 400 units of housing" if Proposition B, the \$250 million housing bond on the ballot, passes, Brother Kelly Cullen, TNDC's executive director and a GEDC board member, told a crowd of 150 then. "That's where the money will come from."

But the measure failed. In November 2004, another low-cost housing bond — the \$200 million Prop. A — made the ballot.

"If it passes," Williams told The Extra in October, "there will be dancing in the street, and we would be in line for funds. But if it fails, everyone would suffer."

It failed to get the two-thirds vote by 3%.

The city, as a GEDC partner, determined that 200 of the apartments would be reserved for households earning 60% of the average median income or less, and 100 for those making 40%. The rest can be market value. The pavilion will offer the residents and locals social services as part of the deal.

Mel Carriere, GEDC president, said he was never aware that iffy ballot measures were part of the pavilion financial scheme.

"It was never discussed that Prop. A would be a primary source of financing for this," Carriere said. "Public Financial Management — a consultant for a lot of cities — is handling the financing plan," he said. "They help us find the money."

The project calls for 100,000 square feet for a conference facility, ballroom and exhibition hall, 10,000 square feet of below-market rental space for nonprofits and another 10,000 square feet for retail space. Low-income neighborhood residents would have a crack at several hundred

entry-level jobs and apprenticeships in construction, plus permanent retail jobs afterward.

The pavilion is a project begun by the Lower Eddy/Leavenworth Task Force. But, as it was folding, GEDC was formed and took over the \$6.7 million LE/LTF had gotten from the Mayor's Office of Housing.

GEDC received a predevelopment \$11 million from the city for acquiring the 12 parcels. Carriere said \$8 million was spent on the four parcels. Another \$14 million is budgeted to acquire the remaining eight. The Mayor's Office of Housing gave the project \$6.8 million and a \$4.01 million loan came from the mayor's office, plus another \$100,000 from the Haas fund.

"We're in negotiations to find the selling prices even though we've met with all of them and approved the appraised value," Carriere said.

The parcels are at 115 Mason, 281 Ellis, 275 Ellis, 233-261 Ellis, 128-132 Eddy, 229-231 Ellis, 210 Taylor and a parking lot at Eddy and Turk. A total of 98,000 square feet will be razed and 20,000 square feet will be reserved for parking. ■

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