SAN FRANCISCO
PLANNING DEPARTMENT

Executive Summary
Revocation of Office Allocation
HEARING DATE: JUNE 9, 2011

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

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Planning
Information:
415.558.6377

Date:	June 3, 2011
Current Case No.:	**2011.0503B**
Previous Case Nos.:	**84.199BEKRX, 98.843BKX**
Project Address:	**524 HOWARD STREET**
Zoning:	C-3-0(SD) (Downtown Office, Special Development) District 450-S Height and Bulk District
Block/Lot:	3721/013
Staff Contact:	Kevin Guy – (415) 558-6163 kevin.guy@sfgov.org
Recommendation:	**Revoke Office Allocation**

PROJECT BACKGROUND

The subject property is a 12,266 square foot surface parking lot located on the north side of Howard Street between 1st and 2nd Streets. In 1989, the Planning Commission approved a project at this site involving an allocation of 199,965 square feet of office space from the Office Development Annual Limit Program. In 1999, the Planning Commission approved the re-authorization of the project with minor revisions, including the reauthorization of 202,000 square feet of office space from the Office Development Annual Limit Program. The project sponsor has not performed the necessary steps made to carry the project diligently forward toward completion.

This project is before the Planning Commission so that it may consider the revocation of allocation of office square footage pursuant to [1] Planning Code Section 321(d)(2) which requires construction to commence within 18 months of approval, [2] the project's Conditions of Approval contained in Planning Commission Motion 16235 which echo the 18-month construction commencement period, and [3] Planning Commission policy set forth in Planning Commission Resolution 17846A which directed revocation proceedings for this project to take place.

PROCEDURAL BACKGROUND

On March 26, 2009, the Planning Commission adopted Resolution #17846A, establishing a policy regarding the extension of project authorizations under the Office Development Annual Limit program (Planning Code Sections 320-325). With respect to unbuilt office developments, Section 321(d)(2) specifically states that, "Construction of an office development shall commence within eighteen (18) months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development" [emphasis added]. Under this requirement, which is typically a condition of approval for Office Development Annual Limit projects, projects that do not commence construction are not automatically revoked. Rather the Commission has the right to revoke such projects, but is not compelled

to do so. If the Commission chooses to revoke an Office Development Annual Limit authorization, it must do so at a publicly noticed hearing.

On May 30, 2002, the Planning Commission adopted Resolution No. 16418, a policy stating that the Commission would monitor office development annual limit projects, but would not seek to revoke approvals of projects which have exceeded the construction commencement date. The policy also encourages unbuilt projects to apply for extensions or re-authorizations of entitlements, and sets specific standards for actions that constitute "commencement of construction". In adopting this Resolution, the Planning Commission cited dramatic changes in conditions affecting land use development due to the downturn in the economy which led to a high office vacancy rate and difficulty in obtaining commercial financing for new construction.

In adopting Motion 17846A, the Commission reaffirmed the policies of the previous Resolution No. 16418, but instructed the Planning Department to schedule informational hearings for a number of previously-approved projects that have exceeded the 18-month performance timeline, including an office development located at 524 Howard Street (Case Nos. 84.199BEKRX and 98.843BKX).

PROJECT HISTORY

On June 15, 1989, the Planning Commission approved entitlements for a 311-foot tall, 23-story building located at 524 Howard Street containing 199,965 gross square feet of office space, 4,500 square feet of retail space, 14,000 square feet of off-street parking, and 4,218 square feet of publicly-accessible open space (Case No. 84.199BEKRX). These approvals included an allocation under the Office Development Annual Limit program. The project sponsor did not subsequently pursue building permits for the project, and in 1998 filed a new application to re-authorize the project (Case No. 98.843BKX). The resubmitted project was slightly reconfigured from the original approval to include 202,000 gross square feet of office space, 3,200 square feet of retail space, 4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking.

On March 11, 1999, the Planning Commission approved the re-authorization of the project, including an allocation under the Office Development Annual Limit program. This re-authorization effectively superseded the previous approvals from 1989. In 2000, a site permit was issued for the project, however, the project sponsor did not pursue the necessary building permits or addenda. This site permit was revoked in 2007, but was subsequently reinstated. Since 2007, the sponsor has not diligently pursued the necessary building permit approvals or otherwise sought to complete the project.

On March 24, 2011, staff presented an informational item regarding the status of the development entitlements on the property. At that hearing, the Commission requested that staff schedule a future hearing to consider revocation of the office allocation associated with the proposed development on the property.

In 2005, the Commission approved a Conditional Use authorization to operate a temporary surface parking lot on the subject property. On March 24, 2011, the Commission approved a request for Conditional Use authorization to extend the operation of this existing parking lot for an additional two years (Case No. 2009.0646C). This approval was independent of the previous entitlements for office development, and has no bearing on the status of these entitlements.

REQUIRED COMMISSION ACTION

The Commission may elect to revoke the office allocation for the previously-approved office building on the property (Case Nos. 84.199B and 98.843B).

BASIS FOR RECOMMENDATION

- The project sponsor has not made diligent, good-faith efforts to date to proceed with the development of the project.
- The subject property is an important, centrally-located site for the development of office or residential uses, however, it appears unlikely that the presently-entitled project will come to fruition.

Attachments:

1. Draft Motion to Revoke Previous Office Allocations (Case Nos. 84.199B and 98.843B)
2. Resolution No. 17846A, policy regarding the extension of entitlement authorizations for the Office Development Annual Limit program (approved March 26, 2009)
3. Motion No. 11683, authorizing allocation under the Office Development Annual Limit Program for project at 524 Howard Street (Case No. 84.199B, approved June 15, 1989)
4. Motion No. 14801, re-authorizing allocation under the Office Development Annual Limit Program for project at 524 Howard Street (Case No. 98.843B, approved March 11, 1999)

SAN FRANCISCO
PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ☐ Inclusionary Housing (Sec. 315)
- ☐ Jobs Housing Linkage Program (Sec. 313)
- ☐ Downtown Park Fee (Sec. 139)
- ☐ First Source Hiring (Admin. Code)
- ☐ Child Care Requirement (Sec. 314)
- ☐ Other

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Planning Commission Draft Motion

HEARING DATE: JUNE 9, 2011

Date:	June 3, 2011
Current Case No.:	**2011.0503B**
Previous Case Nos.:	**84.199BEKRX, 98.843BKX**
Project Address:	**524 HOWARD STREET**
Zoning:	C-3-0(SD) (Downtown Office, Special Development) District 450-S Height and Bulk District
Block/Lot:	3721/013
Staff Contact:	Kevin Guy – (415) 558-6163 kevin.guy@sfgov.org
Recommendation:	**Revoke Office Allocation**

ADOPTING FINDINGS TO REVOKE THE ALLOCATION UNDER THE OFFICE DEVELOPMENT ANNUAL LIMIT PROGRAM FOR A PREVIOUSLY-APPROVED PROJECT TO DEMOLISH AN EXISTING SURFACE PARKING LOT AND CONSTRUCT A 23-STORY BUILDING CONTAINING 202,000 GROSS SQUARE FEET OF OFFICE SPACE, 3,200 SQUARE FEET OF RETAIL SPACE, 4,044 SQUARE FEET OF PUBLICLY-ACCESSIBLE OPEN SPACE, AND 14,200 SQUARE FEET OF OFF-STREET PARKING, LOCATED AT 524 HOWARD STREET, ASSESSOR'S BLOCK 3721, LOT 013, WITHIN THE C-3-O(SD) ZONING DISTRICT, AND THE 450-S HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 7, 1984, 524 Howard Street Associates ("Project Sponsor") filed an Environmental Evaluation application with the Planning Department ("Department") for a project proposing office and retail uses located at 524 Howard Street ("Project Site").

On or about February 3, 1986, the Project Sponsor filed an application for office allocation under the Office Development Annual Limit program, pursuant to Planning Code Sections ("Sections") 320-325. At that time, the Project Sponsor also filed an application for a Determination of Compliance with Section 309. The project proposed approximately 199,965 square feet of office space, 4,500 square feet of retail space, 14,000 square feet of off-street parking, and 4,218 square feet of publicly-accessible open space (collectively, "Project"; Case No. 84.199BEKRX).

On April 17, the Planning Commission ("Commission") conducted a duly noticed public hearing and found that the Final Environmental Impact Report (FEIR) prepared for the project to be adequate, accurate and objective, and certified the completion of the FEIR in compliance with the California Environmental Quality Act ("CEQA"), the Sate CEQA guidelines, and Chapter 31 of the San Francisco Administrative Code. Subsequent to the certification of the 1986 EIR, the Department requested the preparation of a Draft Supplemental Environmental Impact Report (SEIR) for the Project .

On May 11, 1989, the Commission conducted a duly noticed public hearing and found the Final SEIR for the project to be adequate, accurate and objective, and certified the completion of the FSEIR in compliance with the CEQA, the State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

On June 15, 1989, the Commission conducted a duly noticed public hearing and approved the requested entitlements for the Project, including the Determination of Compliance under Section 309 and an allocation under the Office Development Annual Limit program.

The Project Sponsor did not subsequently pursue building permits for the Project, and in 1998 filed a new application to re-authorize the project (Case No. 98.843BKX). The resubmitted project was slightly reconfigured from the original approval to include 202,000 gross square feet of office space, 3,200 square feet of retail space, 4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking. On March 11, 1999, the Planning Commission conducted a duly noticed public hearing approved the re-authorization of the project, including an allocation under the Office Development Annual Limit program. This re-authorization effectively superseded the previous approvals from 1989.

In 2000, a site permit was issued for the project, however, the project sponsor did not pursue the necessary building permits or addenda. This site permit was revoked in 2007, but was subsequently reinstated. Since 2007, the sponsor has not diligently pursued the necessary building permit approvals or otherwise sought to complete the project.

On March 24, 2011, staff presented an informational item regarding the status of the development entitlements on the property. At that hearing, the Commission requested that staff schedule a future hearing to consider revocation of the office allocation associated with the proposed development on the property.

In 2005, the Commission approved a Conditional Use authorization to operate a temporary surface parking lot on the subject property. On March 24, 2011, the Commission approved a request for Conditional Use authorization to extend the operation of this existing parking lot for an additional two years (Case No. 2009.0646C). This approval was independent of the previous entitlements for office development, and has no bearing on the status of these entitlements.

On June 9, 2011, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on regarding Case No. 2011.0503B.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

Revocation of the entitlements for the Project is exempt from environmental review, as set forth in Public Resources Code section 21080(b)(5), and CEQA Guidelines Section 150601 (b)(4) and 15270.

MOVED, that the Commission hereby revokes the previously-approved allocation under the Office Development Annual Limit program for the Project (Case No. 84.199B, Motion No. 11683, and Case No. 98.843B, Motion Nos. 14801), based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.

2. **Site Description and Present Use.** The Project Site is located on the north side of Howard Street, between First and Second Streets, Block 3721, Lot 013. The property is located within the C-3-0(SD) (Downtown Office, Special Development) District and the 450-S Height and Bulk District. The property is developed with a surface parking lot which was originally entitled in 2005. The surface parking facility includes an attendant's shed, a payment kiosk, and ancillary landscaping.

3. **Surrounding Properties and Neighborhood.** The Project Site is located within the Downtown Core, an area which consists of a wide variety of office, retail, hotel, and residential uses. The Foundry Square project is located to the east of the property, and is comprised of three buildings at the intersection of Howard and First Streets that are ten stories in height. The Transbay Terminal is located one block north of the project site. A number of bar, restaurant, and other entertainment uses are located on the subject block and in the vicinity. High density residential uses are located further to the south along First Street, within the Rincon Hill area. Older buildings in the area are typically four stories in height, while recent residential and office buildings are generally mid- to high-rise.

4. **Project Description.** The Project would construct a new 24-story building containing approximately 202,000 gross square feet of office space, 3,200 square feet of retail space,

4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking

5. **Public Comment**. To date, staff has received no correspondence regarding the revocation of the office allocation.

6. Generally, the purpose of conditions, like the ones in this case, providing for the expiration of a entitlement approvals within a certain amount of time is to prevent the reservation of land for future purposes when the permit holder has no good faith intent to presently commence upon the proposed use. Here, the Commission wishes to limit the potential for the subject property to be held with existing entitlements if the development associated with the these entitlements is unlikely to occur. Based on the review of the records of the City and County of San Francisco, the Commission finds that the Project Sponsor has not made diligent, good-faith efforts to date to proceed with the development of the Projects. Specifically, the Project Sponsor did not receive a site permit until 2000, and has not diligently pursued the necessary building permit approvals. The Commission finds that such actions are necessary to demonstrate an intent to move the Project forward.

7. The Commission finds that the subject property is an important, centrally-located site high intensity development of office or residential uses. Due to the lack of due diligence on the part of the Project Sponsor (as discussed in Item #6 above), it appears unlikely that the presently-entitled Project will come to fruition.

8. The Commission finds that to preserve the existing office allocation for the Project is not consistent with and would not promote the general and specific purposes of the Code provided under Section 101.1(b).

9. On balance, the Commission hereby finds that preserving the existing office allocation for the Project in this case would not promote the health, safety, and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **REVOKES** the allocation under the Office Development Annual Limit program for the Project (Case No. 84.199B, Motion Nos. 11683, and Case No. 98.843B, Motion Nos. 14801).

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this revocation of the allocation under the Office Development Annual Limit program to the Board of Appeals within fifteen (15) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 15-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94012.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 9, 2011.

Linda Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 9, 2011

SAN FRANCISCO
PLANNING DEPARTMENT

Planning Commission Resolution No. 17846A

HEARING DATE: MARCH 26, 2009

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Date:	March 19, 2009
To:	Members, Planning Commission
From:	Lawrence B. Badiner, Zoning Administrator
Staff Contact:	Scott Sanchez – (415) 558-6326 scott.sanchez@sfgov.org
Re:	Policy on Extension of Entitlements for Office Development Annual Limit Projects

PLANNING COMMISSION POLICY ON EXTENSION OF ENTITLEMENT AUTHORIZATIONS FOR OFFICE DEVELOPMENT ANNUAL LIMIT PROJECTS PURSUANT TO PLANNING CODE SECTION 321.

WHEREAS, On September 10, 1985, the Board of Supervisors passed the Downtown Plan Zoning Ordinance, which was signed into law by the Mayor on September 17, 1985 and became effective on October 17, 1985; and

The Downtown Plan Zoning Ordinance established Sections 320 and 321 of the Planning Code, providing a limit on office development of 2.85 million square feet over a 3 year period beginning October 17, 1985; and

In December 1986, Initiative Ordinance Proposition M amended Sections 320 and 321 of the Planning Code to impose further restrictions on the amount of office development that the City could approve; and

Section 321(e) of the Planning Code states that the Planning Commission shall have authority to adopt such rules and regulations as it may determine are appropriate to carry out the purposes and provisions of that section and Sections 320, 322 and 323; and

Planning Code Section 321(d)(2), Unbuilt Projects; Progress Requirement, states: "Construction of an office development shall commence within eighteen (18) months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development" [Emphasis Added]; and

Under this requirement, which is typically a condition of approval for Office Development Annual Limit projects, projects that do not commence construction are not automatically revoked. Rather the Commission has the right to revoke such projects, but is not compelled to do so. If the Commission chooses to revoke an Office Development Annual Limit authorization, it must revoke at a publicly noticed hearing on the project; and

On May 30, 2002, the Planning Commission adopted Resolution No. 16418, by which it was resolved that the Planning Commission would: 1) closely monitor office development annual limit projects, but would not seek to revoke approvals of projects which have exceeded the construction commencement date, 2) to

the extent that formal extensions were necessary, encourage projects that have specific construction commencement dates to consider applying for extensions or re-authorizations, and 3) define "commencement of construction"; and

Pursuant to Resolution No. 16418, "commencement of construction" was defined as when the following actions have occurred:

1) A valid Site or Building Permit has been issued;

2) TDRs have been purchased and a Notice of Use has been recorded;

3) A valid grading, shoring and excavation addenda has been issued;

4) An attractive, solid fence has been erected to City standards;

5) Grading, shoring and excavation work has commenced and are being pursued diligently. Such construction activity must be in conformity with any required conditions of approval regarding on-site archeological investigation, excavation and artifact removal.

In adopting Resolution 16418, the Planning Commission cited dramatic changes in conditions affecting land use development due to the downturn in the economy which led to a high office vacancy rate and difficulty in obtaining commercial financing for new construction and noted that under similar conditions in the early 1990s, the Planning Commission adopted such a policy, and when the economy recovered in the late 1990s, a number of projects were already approved and could move forward without undue delay; and

On July 26, 2007, the Planning Commission held a public hearing and received public testimony on the status of the Office Development Annual Limit. At this hearing, the Planning Commission requested additional information on four projects: 1) 350 Bush Street (2000.541B); 2) 500 Pine Street (2000.539B); 3) 801 Market Street (2000.277B); and 4) 3433 3rd Street; and

On October 11, 2007, the Planning Commission received an update on four Office Development Annual Limit Projects. The project sponsors for 350 Bush Street (2000.541B), 500 Pine Street (2000.539B) and 801 Market Street (2000.277B) indicated they intended to diligently pursue their entitlements, while the Planning Department reported that the project at 3433 3rd Street had been abandoned and the office allocation revoked. Since this public hearing, revisions to the building permit application for 350 Bush Street have been submitted and are currently under review by the Department of Building Inspection and the building permit application for 500 Pine Street has been approved; however, the Planning Department has not received a building permit application or any additional communication from the project sponsor for 801 Market Street; and

The Planning Commission recognizes that the current global economic crisis has exceeded the depth and breadth of recent economic downturns, resulting in a profound impact on the liquidity and stability of credit markets and the availability of financing for a range of land-use development projects; and

The Planning Commission believes that a policy of monitoring projects authorized under Planning Code Section 321 (Office Development Annual Limit), but not yet under construction, and ensuring that those projects under construction proceed as expeditiously as possible under the circumstances, serves the City well; however, the Planning Commission believes that authorized projects that are not diligently pursued should be revoked; and

On February 19, 2009, the Planning Commission held a public hearing and received public testimony on the state of the local economy and discussion of this policy; and

On March 26, 2009, the Planning Commission held a public hearing and received public testimony on consideration of this policy. At this hearing, the Planning Department identified two Office Development Annual Limit projects that have exceeded the 18-month performance timeline by more than 5 years and do not appear to be actively seeking completion of their entitlements:

1) 801 Market Street (2000.277B) – approved April 19, 2001

2) 48 Tehama Street (2000.1215B) – approved September 13, 2001

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission hereby reaffirms the policies of Resolution 16418 in that it will closely monitor Office Development Annual Limit projects, but will not seek at this time to revoke the approvals of active projects which have exceeded the construction commencement date; and

BE IT FURTHER RESOLVED, that the Planning Commission hereby instructs the Planning Department to schedule the following Office Development Annual Limit projects that have exceeded the 18-month performance timeline by more than 5 years and do not appear to be actively seeking completion of their entitlements for revocation pursuant to the requirements of Section 321 of the Planning Code:

1) 801 Market Street (2000.277B)

2) 48 Tehama Street (2000.1215B)

BE IT FURTHER RESOLVED, that the Planning Commission hereby instructs the Planning Department to schedule the following Office Development Annual Limit projects that have exceeded the 18-month performance timeline for informational presentations to the Planning Commission:

1) 524 Howard Street (1998.843B)

2) 350 Bush Street (2000.541B)

3) 500 Pine Street (2000.539B)

4) 120 Howard Street (2006.0616B)

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 26, 2009.

Linda D. Avery

Commission Secretary

AYES: Commissioners Borden, Miguel, Moore, Olague and Sugaya

NOES: Commissioners Antonini and Lee

ABSENT: None

ADOPTED: March 26, 2009

File No. 84.199B
524 Howard Street
Assessor's Block 3721
Lot: 13

SAN FRANCISCO

CITY PLANNING COMMISSION

MOTION NO. 11683

ADOPTING FINDINGS RELATING TO THE APPROVAL BY THE CITY PLANNING COMMISSION FOR AN OFFICE DEVELOPMENT PURSUANT TO SECTIONS 321 AND 322 OF THE PLANNING CODE FOR AN OFFICE AND RETAIL STRUCTURE LOCATED AT 524 HOWARD STREET.

RECITALS

1. On or about May 7, 1984, the 524 Howard Street Associates ("Project Sponsor") filed an Environmental Evaluation application for an office and retail project at 524 Howard Street with the Department of City Planning ("Department").

2. On or about February 3, 1986, the Project Sponsor filed with the Department an application for project authorization in the "First Review Period" pursuant to the then effective provisions of the Planning Code ("Code") Section 320 through 325 for an office and retail project at 524 Howard Street. On or about April 11, 1986, the Project Sponsor withdrew its project from consideration in the First Review Period.

3. On April 17, 1986 by Motion No. 10669, the City Planning Commission ("Commission") found that the Final Environmental Impact Report ("FEIR") to be adequate, accurate and objective, and certified the completion of the FEIR in compliance with the California Environmental Quality Act ("CEQA"), the Sate CEQA guidelines and Chapter 31 of the San Francisco Administrative Code.

4. Subsequent to the certification of the 1986 EIR, the Department requested the preparation of a Draft Supplemental Environmental Impact Report ("Draft SEIR") for the Project.

5. Pursuant to Draft 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Department appointed two architectural consultants to assist Department staff and the City Planning Commission ("Commission") in design evaluation. On December 10, 1989 the panel convened to review the preliminary design in a Project Review meeting with Department staff.

6. On January 12, 1989, the Commission approved Resolution No. 11566 establishing rules ("1987-1988 and 1988-1989 Combined Annual Limit Rules") pursuant to which the Commission would review Applications for Project Authorization under the City's Office Development Limitation Program ("Annual Limit"), Planning Code Section 320 - 325, during the 12-month approval period which commenced on October 17, 1987 and the 12 month approval period which commenced October 17, 1988 ("1987-1988 and 1988-1989 Combined Approval Periods"). The 1987-1988 and 1988-1989 Combined Annual Limit Rules include a schedule for the for review under the Annual Limit and Section 309 of the Planning Code.

7. On or about January 19, 1989, the City Planning Commission ("Commission") held a duly noticed hearing on the Draft Supplemental Environmental Impact Report ("Draft SEIR") for the project, File No. 86.73E.

8. On or before February 3, 1989, pursuant to the 1987-1988 and 1988-1989 Annual Limit Rules, the Project Sponsor filed an application for Project Authorization ("Application") for a revised proposed office and retail project at 524 Howard Street.

9. Pursuant to the 1987-88 and 1988-1989 Combined Annual Limit Rules, the architectural consultants prepared written comments on the final design submission for the Project.

10. The preferred project ("Project") as defined in the Final Design Submission pursuant to the 1987-1988 and 1988-1989 Combined Annual Limit Rules is within the C-3-O (SD) (Downtown Office, Special Development) District and the 450-S Height and Bulk District located at 524 Howard Street on the north side of Howard Street between First and Second, on Assessor's Block 3721, Lot 13. The project is a 311-foot tall, 23-story building which contains 199,965 gsf of office space, 4,500 gsf of retail space and 14,000 sq. ft. of parking, which the Department estimates would accommodate approximately 63 vehicles with tandem valet operation, although the Project could possibly accommodate more parking spaces. The project will provide 4,218 sq. ft. of open space, in the form of an indoor park. The approximately 12,267 square foot site is currently occupied by a parking lot and garage. The Project is substantially equivalent to Alternative F as described in the FEIR.

11. Under Planning Code Sections 321 and 321.1, the Commission may approve office developments containing no more than 475,000 square feet of office space per approval period until such time as the space on the list referred to in Code Section 321.1(b) has been reduced to zero. Of this 475,000 square feet, at least 75,000 square feet of office development must be reserved for buildings between 25,000 and 49,999 square feet in gross floor area of office development pursuant to Code Section 321(b)(4).

12. No office development projects were approved during the 12-month approval period which commenced on October 17, 1987 (the "1987-1988 Approval Period"). Under Planning Code Sections 321(a) and 321(b)(4), the unallocated amount of the annual limit in the 1987-1988 Approval Period is carried over to the 1988-1989 Approval Period. As a result, during the 1987-1988 and 1988-1989 Combined Approval Period, the maximum amount of office space in office developments available under the Annual Limit is 950,000 square feet, of which at least 150,000 square feet of office development must be reserved for buildings of between 25,000 and 49,999 square feet. The unallocated amount from the 1986-1987 Approval Period is 92,721 gross square feet of office space. Thus, the Commission may approve a total of 892,721 gross square feet of office space in buildings over 50,000 square feet in this Approval Period.

13. The Department published its Evaluation Report, dated March 20, 1989, under the San Francisco Office Development Limitation Program for the 1987-1988 and 1988-1989 Combined Approval for buildings with greater than 50,000 square feet of office development. On April 3, 1989, the Department released the Planning Code Section 309 reports for buildings with greater than 50,000 square feet of office development. On May 18, 1989, at the public hearing on the Application for Project Authorization for the Project, the Department submitted to the Commission certain revisions to the previously published Evaluation Report. The Evaluation Report of the Department of City Planning dated March 20, 1989, with the Section 309 Reports dated April 3, 1989, and with the May 18, 1989 revisions thereto, is hereinafter collectively referred to as the "Evaluation Report."

14. On April 6, 1989, the Project Sponsor presented the project in an informal Commission Workshop on the projects competing in the Annual Limit.

15. On April 27, 1989 the Commission, by Resolution No. 11637, amended the schedule set forth in the 1987-1988 and 1988-1989 Combined Annual Limit Rules to schedule the Project EIR Certification on May 11, 1989 and public hearings on May 18, 1989 and May 25, 1989.

16. On May 11, 1989, by Motion No. 11655, the Commission found the Final Supplemental Environmental Impact Report for the project ("FSEIR") to be adequate, accurate and objective, and certified the completion of the FSEIR in compliance with the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

17. On May 18, 1989 and May 25, 1989, the Commission conducted a duly noticed public hearing on the Application for Project Authorization for the Project.

18. In reviewing the Application in accordance with the provisions of CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the Commission has reviewed and considered the information contained in the FEIR and the FSEIR and finds that no substantial change in the environmental effects could occur as a result of the revised Project. The determinations made in this motion do not significantly change the Project or the information analyzed in the FEIR.

19. In reviewing the Application for Project Authorization for the Project, the Commission has had available to it for its review and consideration the Evaluation Report, studies, letters, plans and other material pertaining to this Project as well as the other Project competing in the Annual Limit contained in the Department's case files, has reviewed and has heard testimony and received materials from interested parties during the public hearings on the Project.

FINDINGS

Having reviewed all the materials identified in the recitals above, and having heard oral testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and also constitute findings of this Commission.

2. In determining if the Project would in particular promote the public welfare, convenience and necessity, the Commission has considered the criteria established by Code Section 321(b)(3) and the application of those criteria as described in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, and finds as follows:

   A. Apportionment of Office Space Over the Course of the Approval Period in Order to Maintain a Balance Between Economic Growth, on the One Hand, and Housing, Transportation and Public Services, on the Other.

      (1) The 1987-1988 and 1988-1989 Combined Annual Limit Rules state that this criterion is not applicable during this Approval Period. Criterion A relates to the allocation of space over the approval period. Given the shortening of the approval period from three years to one year and that only one review is to be held in this approval period, Criterion A does not affect this approval period. No apportionment of office space will be necessary over the course of the approval period.

   B. The Contribution of the Project to, and Its Effects on, the Objectives and Policies of the Master Plan.

      (1) In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follows:

         (a) In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds the Project to be EXCELLENT in its relationship to the Master Plan in that it makes an outstanding contribution to advancing the objectives and policies and has no significant conflicts with an objective or policy of the Master Plan.

         (b) The Project provides prime downtown office space and back office space and has identified users of the proposed space, thereby furthering numerous Downtown Plan objectives and policies relating to space for commerce.

         (c) By using transferable development rights ("TDRs"), and designing the building to respect older development in the area, the Project complements a preservation objective and associated policies of the Downtown Plan.

(d) In terms of transportation, the Project furthers several of the Downtown Plan's objectives and policies by converting some long-term parking to short-term parking.

(e) In providing an indoor park, the Project furthers the open space policy of providing open space in a open space difficient area.

(f) The Project furthers numerous objectives and policies relating to design quality and urban design. Its appropriate slender tower form will complement the skyline. Its stepped design on Natoma Street responds to sunlight access criteria.

(g) The Project has a neutral effect on the Downtown Plan's housing objectives and policies by not adding or demolishing housing units.

(2) The bases of the findings set forth in Subparagraph (1) above are those portions of the Evaluation Report which discuss the contribution of the office development to and its effects on the objectives and policies of the Master Plan (criterion B) and find it to be EXCELLENT. The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

C. The Quality of the Design of the Project.

(1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its design is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:

(a) The quality of the building design of the Project is GOOD/EXCELLENT in that it will make a positive contribution to the visual quality of the City and its design responds well to site constraints.

(b) The 524 Howard proposal successfully considers three important design factors; the need to recognize Howard as a major street; the need to incorporate open space within a small site; and, the need to compose the building to minimize the loss of sun on the 100 First Street sun terrace.

(c) Both the north and south facades are well proportioned and detailed. The building as designed responds to the grander scale of Howard Street, as well as to the more intimate dimensions of Natoma Street. The Natoma Street side has pedestrian and vehicular entrances appropriately scaled and integrated into the building's design.

(d) The Howard Street elevation contains three distinct elements; a base with a glass enclosed indoor park which transitions into a tower featuring a curvilinear bay and setbacks at the penthouse level to reduce building bulk. The windows at floors 21 and 22 are stacked and recessed to give added verticality and a more distinctive top to the building.

(e) The Project is a strong design of high quality well suited to its location that with minor adjustment would be outstanding. While the Commission finds, as set forth in its motion under Code Section 309, that design of the Project may be improved in certain limited aspects, the Commission does not rely on the possibility of such improvement in comparing this Project to others competing for allocation of office space.

(f) The design quality of the open space of the Project is rated EXCELLENT. The Project contains an indoor park with a six story window on Howard Street. The open spaces are fully integrated with the Art Concept.

(g) The quality of the art concept for the Project is EXCELLENT. The Project has integrated the art concept into the design of the open space. The interior open space integrates a solar art pieces which responds to critical dates during the year.

(2) The bases of the findings set forth in Subparagraph (1) above are those portions of the Evaluation Report which discuss the Design Quality (criterion C). The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

D. <u>The Suitability of the Project for its Location, and the Effects of the Project Specific to that Location.</u>

(1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its location is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:

(a) The Project is EXCELLENT in the appropriateness of the use at this location, since this Project is located in the C-3-O(SD) District, a use district specifically designed for buildings of this type.

(b) The Project is EXCELLENT in its accessibility to transit, since the project is located within 1/4 mile of 32 MUNI lines. All regional carriers, except the Golden Gate Ferries are located within 1/4 mile of the site. Eleven additional MUNI lines are within 1/3 mile of the site.

(c) The Project is GOOD in its accessibility to open space since the development is in an open space deficient area and will provide new open space sufficient to accommodate additional demand.

(d) The Project is EXCELLENT in its coherency, spatial definition and composition in cityscape and is GOOD in its context for preservation and scale and is rated EXCELLENT overall in urban design.

(e) The Project is FAIR in its seismic safety based upon the Strong intensity of future ground shaking and the location in a potential ground failure hazard area as described in the Evaluation Report (pp. I.30-31).

(2) The bases of the findings set forth in Subparagraph (1) above is that portion of the Evaluation Report which discusses the suitability of the Project for its location (criterion D). The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

(3) The Project has no significant adverse effects specific to its location. The FEIR and the FSEIR found that the Project would have no project-specific significant adverse environmental impacts. As noted in the Evaluation Report, the Project will have no material effect on views or housing displacement. The Project has a moderate effect on creation of shadow and a minor effect on small business displacement, creation of wind and on architectural or historical resources. The Project has no localized conflicts with transit, traffic or pedestrian movements and freight loading.

E. <u>The Anticipated Uses of the Project in Light of Employment Opportunities to be Provided, Needs of Existing Businesses, and the Available Supply of Space Suitable for Such Anticipated Uses.</u>

(1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its anticipated uses is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:

(a) This Project will be used as an office building with ground floor retail activities. The Project Sponsor has received letters of intent from tenants for over 30 percent of the space, including letters of intent from Pacific Bank, Lawyers Title, Co. and Quan & Arima.

(b) The Department estimates that 764 office, maintenance and security jobs would be provided by the Project. In addition, 13 retail jobs will be provided in the ground floor retail for the Project. The Project may have an impact in encouraging business relocation within San Francisco and discouraging out-migration of employment by providing specific space for a specific user.

(c) The Project is rated GOOD with respect to the intensity of employment, since the intensity of employment is not likely to be high nor to be excessively low as a result of either the type of office space or specific tenants needs.

(d) The Project is rated GOOD with respect to the outmigration of jobs, since the proposed office development will make some contribution to preventing outmigration of specific existing jobs.

(e) The Project is rated GOOD with respect to the strengthening of the City as a business center, since the specific anticipated uses within the project will make some contribution to strengthening the City's role as a business center.

(f) The Project was rated FAIR/POOR with respect to the expansion of the City's employment base in the Evaluation Report (p. I.38), since the anticipated employment within the project would make little or no particular contribution to the expansion to the City's employment base for entry level jobs, jobs for minorities, and jobs for women. During the public hearings, the Project Sponsor presented information regarding pre-leasing and intent to work with the City to develop a Central Employment Brokerage program. Based upon the above information, the Commission hereby finds that the Project is rated FAIR/POOR, since the anticipated employment within the project will make little or no particular contribution to the expansion to the City's employment base for entry level jobs, jobs for minorities, and jobs for women.

(g) The Project was rated FAIR/POOR with respect to the diversity of the City's employment base in the Evaluation Report (p. I.38), since the anticipated employment within the project would make little or no particular contribution to the diversity to the City's employment base. During the public hearings, the Project Sponsor presented information regarding pre-leasing and intent to work with the City to develop a Central Employment Brokerage program. Based upon the above information, the Commission hereby finds that the Project is rated FAIR/POOR, since the anticipated employment within the project will make little or no particular contribution to the diversity to the City's employment base.

(h) The Project was rated FAIR/POOR with respect to the employment of San Francisco residents in the Evaluation Report (p. I.38), since the specific anticipated uses within the project would make little or no particular contribution to employing San Francisco residents. During the public hearings, the Project Sponsr presented information regarding pre-leasing and intent to work with the City to develop a Central Employment Brokerage program. Based upon the above information, the Commission hereby finds that the Project is rated FAIR/POOR, since the anticipated employment within the project will make little or no particular contribution to employing San Francisco residents.

(2) The bases of the findings set forth in Subparagraph (1) Susections (b) through (e) above are those portions of the Evaluation Report which discuss the Anticipated Uses of the Project (Criterion E), except as modified by the findings in Subsections (a), (f), (g) and (h). The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

F. The Extent to Which the Proposed Development Will be Owned and Occupied by a Single Entity. The Project will not be owned or occupied by a single entity.

G. The Use of Transferable Development Rights by the Project Sponsor. The Project requires approximately 126,363 square feet of TDRs.

3. PROPOSITION M - FINDINGS

The Project is hereby found to be consistent with the Priority Policies of Planning Code Section 101.1 as follows:

A. That Existing Neighborhood-Serving Retail Uses be Preserved and Enhanced and Future Opportunities for Resident Employment in and Ownership of Such Businesses Enhanced.

The project area is not a residential "neighborhood" within the meaning of this policy. None of the existing businesses on the project site are "neighborhood-serving retail uses." New retail uses on site could provide opportunities for resident employment in and ownership of such businesses.

B. The Existing Housing and Neighborhood Character be Conserved and Protected in Order to Preserve the Cultural and Economic Diversity of Our Neighborhoods.

No housing exists on the project site. The project area is not a residential "neighborhood" within the meaning of this policy.

C. That the City's Supply of Affordable Housing be Preserved and Enhanced.

Existing housing will not be displaced. The Project will comply with the Office Affordable Housing Production Program (OAHPP).

D. That Commuter Traffic Not Impede MUNI Transit Service or Overburden our Streets or Neighborhood Parking.

The amount of commuter traffic generated by the Project will not impede MUNI transit service or overburden streets or neighborhood parking.

E. That a Diverse Economic Base be Maintained by Protecting our Industrial and Service Sectors from Displacement due to Commercial Office Development, and that Future opportunities for Resident Employment and Ownership in these Sectors be Enhanced.

The existing use on-site is parking. One existing service sector job (a parking attendant) will be displaced by the Project. The Project will employ parking attendants and other service sector positions. The Project will not have an adverse effect on the industrial or service sectors.

F. That the City Achieve the Greatest Possible Preparedness to Protect Against Injury and Loss of Life in an Earthquake.

The Project will replace a seismically hazardous structure with a building that will conform to the structural and seismic requirements of the Building Code. The Project Sponsor will develop an evacuation emergency response plan to provide for building occupants in the event of emergency and ensure coordination with the City's emergency planning activities.

G. That Landmarks and Historic Buildings be Preserved.

The Project does not demolish or alter a landmark or historic building. The Project does demolish a Heritage "B" rated building which is not designated under either Article 10 or Article 11 of the Planning Code. The Project is designed to complement permanent older buildings in the vicinity.

H. That our Parks and Open Space and their Access to Sunlight and Vistas be Protected from Development.

No new shadows will be cast on any park or open space within the meaning of the policy. The Project will cast some new shadows on privately owned, publicly accessible open space, however, that private open space is not within the meaning of this Priority Policy. The Project will cast some new shadows on the loading area of Transbay Terminal, but this new shadow is not considered to be significant. No park vistas will be affected by the Project

4. In certifying the FEIR and the SFEIR, the Commission found that no project specific significant impacts were identified and that the Project would have the following significant cumulative effects which cannot be mitigated. The Project will contribute to cumulative downtown traffic increases and cumulative passenger loadings on MUNI and BART and other transit carriers. Such cumulative transportation impacts could cause violations to fine particulate matter standards in San Francisco with concomitant health effects and reduced visibility.

5. EIR ALTERNATIVES REJECTED

   A. The following Project Alternatives to the Project described in the FEIR, which would reduce or avoid significant unmitigated cumulative impacts and which are not included as part of the Project, are infeasible for the reasons set forth below.

      (1) Original Project. The main project as described in the FEIR would contain approximately 220,815 gross square feet of office space with 3,570 square feet of retail space on the ground floor and 5,630 square feet of retail space at the mezzanine level. The Project would be 333 feet high without stepped setbacks from the north property line. This alternative is infeasible because its impacts on shadow, housing, transportation and other factors would be greater than the Project.

      (2) Alternative A. Alternative A, the "No Project" Alternative, is infeasible because (a) it conflicts with objectives stated in Section 210.3 of the Planning Code, the Master Plan and Downtown Plan, that the C-3-O, Downtown Office District play a leading national role in finance, corporate headquarters and service industries, and serve as a service and employment center for the region; (b) it conflicts with Planning Code Section 248 which designates the area in which the Project is located as a downtown office special development district created to provide for an orderly expansion of the financial district in a way that will maintain a compact downtown core and to direct unused development potential of lots containing significant or certain contributory buildings through the use of the TDR process; (c) it would result in the failure to provide opportunities for approximately 225 person years of construction employment as well as approximately 780 permanent, on-site jobs and new tax revenues which would be created by the Project; (d) it does not fully use the potential space at the site allowable under the Downtown Plan in furtherance of Downtown Plan and Master Plan policies, goals and objectives.

(3) Alternative B. Alternative B, the "No Transfer of Development Rights, 6:1 FAR" Alternative is infeasible because (a) it does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with San Francisco's Master Plan, Downtown Plan, Planning Code and other codes; (b) it would eliminate the use of TDR which would lessen the potential for preservation of significant buildings in other areas of the City; and (c) it would significantly reduce tax revenues and employment opportunities for construction workers of and permanent employees in the Project.

(4) Alternative C. Alternative C, the "No Exceptions to Setback Requirements" Alternative, is infeasible because (a) it does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with San Francisco Master Plan, Downtown Plan, Planning Code and other codes; (b) it would be contrary to the intent of the exception from the setback requirement provided in the Planning Code, and would therefore encourage the aggregation of parcels; (c) it decreases the use of TDR which would lessen the potential for preservation of significant buildings in other areas of the City; and (d) it would reduce tax revenues and employment opportunities for construction workers of and permanent employees in the Project. In addition, this Alternative would not significantly reduce the Project's contribution to the impacts of cumulative development in downtown San Francisco and nearby areas.

(5) Alternative D. Alternative D contains two variants (i) "Replacement of Existing Site Parking" variant; and (ii) "No Parking" variant. The concepts of the "Replacement of Existing Site Parking" variant have been incorporated into the Project. The "No Parking" variant is infeasible because (a) it would fail to replace existing parking on the Project site and would therefore increase the unmet parking demand; (b) it would fail to provide any short-term or rideshare parking, in furtherance of the Downtown Plan and Planning Code policies which allow the replacement of long and short-term spaces displaced by new developments and which encourage the use of carpools and vanpools.

(6) Alternative E. Alternative E, the "Reduced Shadow" Alternative, is infeasible because (a) it would have equal or greater shadow impact on the Sun Terrace than would the Project; (b) it does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with San Francisco's Master Plan, Downtown Plan, Planning Code and other codes; (c) it decreases the use of TDR which would lessen the potential for preservation of significant buildings in other areas of the City; (d) it would reduce tax revenues and employment opportunities for construction workers and permanent employees in the Project.

6. Pursuant to CEQA Section 21002, the Commission considered mitigation measures as described in the FEIR, concurring in the statement that certain specified mitigation measures are under the jurisdiction of other agencies, and has included all other mitigation measures as conditions of approval, except the following:

   a. The first mitigation measure on page 139 of the Final EIR regarding the provision of sidewalk furniture across Howard Street from the project to reduce winds caused by the project is infeasible because it would obstruct pedestrian access along the sidewalks without providing a measurable positive benefit in the reduction of winds."

   b. The short-term parking measure described on page 141 of the EIR is accepted as modified. The modifications, described in the conditions of approval, approve a square footage figure for parking and require a minimum number of short-term parking spaces, a minimum number of ridesharing spaces, and require that any long-term parking spaces be restricted to use by the Project occupants. It is infeasible and inappropriate to implement the measure as proposed because the conditions imposed will assure that the demand for rideshare and short-term parking spaces is met, and will allow more accurate monitoring of the parking conditions. The mitigation measure as proposed in the FEIR would eliminate all on-site long-term parking, and consequently it would increase the unmet long-term parking demand of the Project.

7. Pursuant to CEQA Section 21081.6, the Commission has included as conditions of approval reporting requirements designed to ensure compliance with all mitigation measures during Project implementation. In addition, pursuant to Planning Code Section 360, prior to the issuance of a building permit for the Project, a fee will be collected to offset the Department's costs of monitoring compliance with conditions of approval in accordance with the provisions of the Planning Code.

8. Benefits

   The following benefits are generated by the Project:

   a. Improvement of downtown land with a new office structure, consistent with the objectives of the Downtown Plan and the Commerce and Industry Element of the Master Plan;

   b. Creation of approximately 225 person years of construction employment.

   c. Accommodation of approximately 777 permanent full-time jobs, an increase of approximately 776 jobs on the site;

   d. Creation of approximately 1,709 additional person-years of employment would be generated in the Bay Area as a result of the multiplier effect;

e. Significant contributions to total property, payrolls, sales, gross receipts, parking and utility tax revenues to the City;

f. Expansion of public transit capacity, housing, public art, child care services and public parks through required mitigation measures and conditions;

g. Further strengthening of the C-3-O(SD) district as a compact center for financial, technical, professional and administrative services, an objective of the Downtown Plan and the Commerce and Industry Element of the Master Plan;

h. Making more efficient use of scarce downtown land resources to carry out the economic, fiscal and employment objectives in a manner consistent with San Francisco's Master Plan, Codes and the Downtown Plan.

9. After balancing the unmitigated adverse effects on the environment and the benefits of the Project, the benefits of the Project override the unmitigated adverse effects on the environment.

10. The Commission finds that special circumstances exist mitigating the demolition of a Heritage "B" rated building, specifically that the building is not rated under Article 10 or Article 11 of the Code.

11. Each and every finding and condition contained in Motion No. 11682 pursuant to Code Section 309 for the Project is incorporated herein by reference as though fully set forth herein.

12. The Commission finds that, in considering the Section 321 criteria as applied to this Project, it is particularly significant that letters of intent for a substantial portion of the space have been obtained and that the Project will not substantially shadow any publicly accessible open spaces. The Project, as approved, has no significant disadvantages in comparison to other competing projects, and no significant adverse shadow impacts.

13. The Commission finds that granting of Project Authorization for the Project will in particular promote the public welfare, convenience and necessity for the reasons set forth above.

14. OTHER FINDINGS

A. The Project Sponsor recognizes that the Board of Supervisors may enact legislation pursuant to Section 164(d) and (e) that may applies retroactively to the Project.

DECISION

The Commission, after carefully balancing the competing public and private interests, after considering the criteria of Planning Code Section 321, as further developed in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, and after considering all the applications for Project Authorization in the 1987-1988 and 1988-1989 Combined Approval Period, hereby grants Project Authorization for 199,965 gross square feet of office space in an office and retail development at 524 Howard Street, subject to the conditions attached hereto as Exhibit A.

I hereby certify that the foregoing Motion was ADOPTED by the City Planning Commission on June 15, 1989.

Lori Yamauchi
Secretary

AYES: Commissioners Bierman, Boldridge, Dick, Engmann, Hu, Karasick and Morales.

NOES: None

ABSENT: None

ADOPTED: June 15, 1989

CITY PLANNING COMMISSION

File 84.199X
524 Howard Street
Assessor's Block 3721
Lot: 13
Motion No. 11683
Exhibit A
Page No. 1

EXHIBIT A

CONDITIONS OF APPROVAL

Wherever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Project or underlying property.

1. GENERAL CONDITIONS

A. Measures Proposed as Part of the Project," as outlined in Chapter V, "Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Project," of FEIR and FSEIR No. 84.199E, shall be conditions of approval and are accepted by the Project Sponsor or its successor in interest. If said measures are less restrictive than the following conditions, the more restrictive and protective control as determined by the Zoning Administrator, shall govern.

B. Construction

(1) If pile driving is required, the Project Sponsor shall pre-auger holes for piles unless the Project Sponsor can establish, to the satisfaction of the Bureau of Building Inspection (BBI), that such a procedure is unnecessary or undesirable.

(2) A detailed foundation and structural design study shall be submitted by the Project Sponsor to the Bureau of Building Inspection for their approval prior to the issuance of a building permit with a copy submitted to the Office of Environmental Review.

(3) Monitoring of implementation of the measures set forth in this Paragraph B shall be carried out by the project sponsor, with a monthly report submitted to the Office of Environmental Review (OER) during pile driving and dewatering regarding consultation with DPW for noise measures, dewatering measures and pre-drilling pile holes. Evidence of noise barriers shall be submitted to OER at the point that stationary equipment is brought to the site.

(4) The Project Sponsor shall maintain pedestrian walways along public rights of way adjacent to the Project during construction, in consultation with appropriate City agencies including the Department.

C. Air Quality

(1) The Project Sponsor shall require the contractor to sprinkle demolition sites with water continuously during demolition activity; sprinkle unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other such material; cover trucks hauling debris, soil, sand or other such material and sweep streets surrounding demolition and construction sites at least once per day to reduce particulate emissions. The project sponsor shall require the project contractor to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs (to reduce emissions) for equipment that would be in frequent use for much of a construction period.

D. Preservation/Archaeology

(1) The Project Sponsor shall retain the services of an archaeologist. The Environmental Review Officer (ERO) in consultation with the President of the Landmarks Preservation Advisory Board and the archaeologist shall determine whether the archaeologist should instruct all excavation and foundation crews on the project site of the potential for discovery of cultural and historic artifacts, and the procedures to be followed if such artifacts are uncovered.

(2) Given the possibility of encountering the remains of cultural or historic artifacts within the project site, prior to the commencement of foundation excavations the Project Sponsor shall undertake a program of archaeological testing. This shall consist of observation and monitoring by a qualified historical archaeologist of site clearance of at least any materials below existing grade level, and either the placement of a series of mechanical, exploratory borings or of other similar on-site testing methods. The archaeologist shall supervise the testing at the site to determine the probability of finding cultural and historical remains. At the completion of the archaeological testing program, the archaeologist shall submit three copies of a written report to the ERO, with a copy to the project sponsor, which describes the findings, assesses their significance and proposes appropriate recommendations for any additional procedures necessary for the mitigation of adverse impacts to cultural resources determined to be significant.

(3) An historical archaeologist shall be present during site excavation and shall record observations in a permanent log. The ERO shall also require cooperation of the Project Sponsor in assisting such further investigations on-site as may be appropriate prior to or during project excavation, even if this results in a delay in excavation activities.

(4) In addition, a program of on-site construction monitoring by a qualified historical archaeologist, designed to allow for the recovery of a representative sample of the cultural materials existing on the site, shall be implemented by the Project Sponsor. This monitoring and recovery program shall result in a written report to be submitted to the ERO, with a copy to the Project Sponsor.

(5) Should cultural or historic artifacts be found during Project excavation, then the archaeologist (if applicable) shall assess the significance of the find, and immediately report to the ERO and the President of the Landmarks Preservation Advisory Board (LPAB). The various consultants, as well as the LPAB, would advise the ERO who would then recommend specific mitigation measures, if necessary. Excavation or construction activities following the preconstruction archaeological testing program which might damage the discovered cultural resources shall be suspended for a maximum aggregate of 4 weeks (determined cumulatively for all instances following the commencement of excavation that the ERO has required a delay in excavation or construction activities) to permit inspection, recommendation and retrieval, if appropriate.

(6) Following site clearance, an appropriate security program shall be implemented to prevent looting. Any discovered cultural artifacts assessed as significant by the Archaeologist upon concurrence by the ERO and the President of the LPAB would be placed in a repository designated for such materials. Copies of the reports prepared according to these mitigation measures shall be sent to the California Archaeological site survey office at Sonoma State University.

E. Child Care Brokerage and Fees

(1) Project Sponsor shall meet with the Mayor' Office of Community Development staff and the Mayor's Advisory Committee on Child Care within 6 months from the Commission approval to develop the Sponsor's plan for compliance with the Child Care requirements of Section 165 and Section 314.

F. Recordation

(1) Prior to the issuance of any building permit for the construction of the Project, the Zoning Administrator shall approve and order the recordation of a notice in the Official Records of the Recorder of the City and County of San Francisco, which notice shall state that construction of the Project has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor or the successor thereto, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied.

G. Reporting

(1) The project sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this motion and the Section 309 Motion No. 11682, including the mitigation measures referenced in General Condition 1.A., every six months from the date of approval until the issuance of the Final Addendum to the Site Permit. Thereafter, the submittal of the report shall be on an annual basis. This requirement shall lapse when the Zoning Administrator determines that all conditions of approval have been satisfied or that the report is no longer required for other reasons.

H. Monitoring Fee

(1) Pursuant to Section 360. the Central Permit Bureau shall collect $5,000 prior to the issuance of the Building Permit in order to compensate the Department for the cost of monitoring compliance with Sections 149, 163, 164, 165 and 321 of the Code.

2. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY

A. Open Space

(1) The Project Sponsor shall place an informational plaque for Project open space conforming to the requirements of Planning Code Section 138(i).

B. Public Artwork; Recognition of Architect and Artists

(1) The Project Sponsor shall install works of art in the Project costing an amount equal to 1% of the hard construction costs of the Project as determined by the Superintendent of the Bureau of Building Inspection. The Project Sponsor shall provide to the Superintendent necessary information to make the determination of construction cost hereunder. If the Zoning Administrator concludes that it is not feasible to install the works of art within the time herein specified and the Project Sponsor provides adequate assurances that such works will be installed in a timely manner, the Zoning Administrator may extend the time for installation for a period of not more than twelve (12) months.

(2) The Project works of art shall be in accordance with the description in the Evaluation Report, p. I.22.

(3) The Project Sponsor shall place a plaque or cornerstone, identifying the Project architect, the artwork creator, and the Project erection date, in a publicly conspicuous location on the Project prior to issuance of the first certificate of occupancy for the Project (whether temporary or permanent) in accordance with the requirements of Planning Code Section 149(b).

C. Transportation

(1) The Project Sponsor shall execute a Memorandum of Agreement for Transportation Management with the Department, for the provision of a Transportation Management program in compliance with the then currently adopted guidelines for Section 163.

(2) Prior to issuance of a Fire Permit for the garage, the Project Sponsor shall submit to the Department, for its review and approval, a parking management plan, documenting parking layout and operating methods and practices for all spaces including freight loading and service vehicles, and pricing strategies for parking spaces made available to non-occupants of the building. There should be effective mechanisms to insure that the minimum number of designated short term and rideshare spaces will be provided and available, and that freight loading and service vehicle spaces will be available as needed and not used for parking.

(3) The Project Sponsor shall, in consultation with the Municipal Railway, install eyebolts or make provisions for direct attachment of eyebolts for MUNI trolley wires on the Project wherever necessary or agree to waive the right to refuse the attachment of eyebolts to the Project if such attachment is done at City expense. Project sponsor shall report back to the Department within two weeks the results of such consultation with MUNI.

(4) All vehicular driveways shall include warning devices (lighted signs and noise-emitting devices) to alert pedestrians to vehicles exiting the structure onto Natoma Street. Evidence of installation of warning devices shall be submitted to OER prior to building occupancy.

(5) The Project Sponsor shall include in all leases for office space a provision requiring tenant employers to cooperate in, and assist in carrying out Lessor's Transportation Management Program implemented pursuant to City Planning Code Section 163, and to designate a responsible employee to carry out this obligation. The lease provision shall read substantially as follows:

> Pursuant to City Planning Code Section 163, the Lessor has entered into an agreement with the Department of City Planning to provide and implement a Transportation Management Program for building Lessees and to participate in a program designed to coordinate commute alternatives marketing and brokerage for Greater Downtown employees. During the term of the tenancy, Lessor agrees to provide transportation brokerage and commute assistance services to the Lessee to assist the Lessee in meeting the transportation needs of its employees. Lessee agrees to cooperate with and assist the Lessor's Transportation

Management Coordinator, through designation of a responsible employee to distribute to Lessee's employees written materials promoting and encouraging the use of public transit and/or ridesharing, and distribute and return to the Coordinator transportation survey questionnaire forms. Lessee may agree, at its option, to participate in other activities required of Lessor as incentives for increasing use of public transit and/or ridesharing by employees in the building.

The Project Sponsor may use other language, subject to the approval of the Zoning Administrator, consistent with its standard lease contracts, provided it is no less inclusive or restrictive than the foregoing language.

D. Local Employment Program

(1) The Project Sponsor shall prepare a local employment program for approval by the Director of Planning or his or her designee. The local employment program shall be designed to meet the goals, requirements and objectives set forth in Planning Code Section 164 and shall conform to any guidelines adopted by the Commission.

(2) The Project Sponsor agrees to actively promote to its prospective tenants and its tenant employers the use of its local employment program and the employment of San Francisco residents. The Project Sponsor shall include in marketing materials to all prospective tenants and in its space leases to tenants of the Project a statement of the project sponsor's obligation to provide employment services pursuant to § 164.

(3) In order to more efficiently implement the provision of Section 164, the Department is encouraging the creation of a Central Employment Brokerage Agency (CEBA) to perform employment brokerage services for Project Sponsors subject to Section 164 among others. It is envisioned that the CEBA would be governed by representatives of the various community-based employment training and placement agencies and representatives of downtown office project sponsors and employers. The concept of the CEBA is that after an initial start up period it will become self supported by fees for its services and whatever foundation grants and governmental appropriations it can obtain. The concept is more fully described in the Proposal for a Central Employment Brokerage Agency dated April 1989.

Project Sponsor desires to assist in the creation of the CEBA. Project Sponsor agrees that, in the event such an agency is created, and for as long as the agency remains designated by the Department as the Central Employment Brokerage Agency for the purpose of carrying out obligations under Sec. 164, the Project Sponsor will contract with the CEBA to provide, and pay a reasonable fee for the following services as required pursuant to Sec. 164: (1) providing employment brokerage services to building employers (building management and tenants); (2) preparing a local employment program as required by the Department of City Planning; (3) carrying out all reporting requirements of the Department of City Planning.

Project Sponsor desires to further assist in the creation of the CEBA by providing certain funds to assist the CEBA in meeting its costs of operation during its initial two year start up period. Therefore, the project sponsor agrees to pay its "equitable prorata share" of one half of the project budget of the CEBA for a two year period (the two year budget is estimated to be $260,000) in the form of a loan. (The Department of City Planning will undertake to raise the other half of the budget.) The loan shall be made at such time as the Director of Planning or his designee requests based on the need of the CEBA. If feasible in his or her judgment, the request for funds will not be made until commencement of construction of the Project. The loan is to be paid back initially by a prorata share of any fees collected during that first two year period and thereafter by deduction of one-tenth of the outstanding balance of the loan from the fees otherwise owed by the Project Sponsor to the CEBA for the performance of Section 164 services for the Project Sponsor.

(4) The term "equitable prorata share" means the amount of gross floor area devoted to office uses in the Project divided by the total gross floor area of office uses of all office buildings approved by the Commission on or after October 17, 1987 and prior to October 17, 1990 which are subject to Section 164 of the City Planning Code; provided, however, in no event shall the Project Sponsor's equitable prorata share for the two year startup period referred to in paragraph 3 above exceed $29,140.

E. Transit Impact Development Fee

(1) The Project Sponsor shall pay the Transit Impact Development Fee as required by City Ordinance No. 224-84.

F. Downtown Park Fee

(1) The Project Sponsor shall pay the Downtown Park Fee as required by Section 139 of the Planning Code.

G. Childcare Brokerage Services and Fees

(1) The Project Sponsor shall execute an agreement with the Department and the Mayors Office of Community Development for the provision of childcare brokerage services and preparation of a childcare plan to be approved by the Director of Planning. The childcare plan and childcare brokerage services shall be designed to meet the goals and objectives set forth in Planning Code Section 165.

(2) The Project Sponsor shall pay the in lieu childcare fee to the City Controller required under Planning Code Section 314. Alternately, the Project sponsor may elect to provide child care services on-site as provided for in Section 314. The net addition of gross floor area of office use subject to this requirement shall be 199,965 square feet.

3. CONDITIONS TO BE MET FOLLOWING THE ISSUANCE OF THE TEMPORARY OR FINAL CERTIFICATE OF OCCUPANCY

A. Transportation

(1) The Project Sponsor shall implement and maintain on a continuing basis an on-site Transportation Management Program in compliance with published guidelines for City Planning Code Section 163. The Project Sponsor shall be subject to any and all revisions to such guidelines published on or after the date of this permit approval provided such revisions are no more restrictive or require a greater level of effort than guidelines published as of June 1, 1989.

In lieu of conducting a Transportation Management Program specific to the Project, the Project Sponsor may provide funds to, and contract with a downtown San Francisco Transportation Management Association or other nonprofit organization recognized and endorsed by the Department, to provide the Transportation Management Program for the Project through participation in the organization's services. For the purposes of meeting the requirements of City Planning Code Section 163, these services shall, at a minimum, provide a range of commute alternatives activities similar to those included in published implementation guidelines for City Planning Code Section 163, provided the Department has endorsed such an organization and its program. If the Project Sponsor elects to discharges its obligations under Section 163 in this manner, the Department shall release the Project Sponsor from performance of specific published implementation guidelines and minimum standards, as determined by the Director of Planning. Should the Department find that the organization and/or its commute alternatives program services are not appropriate in terms of meeting established objectives, the Project Sponsor shall remain obligated to perform a program specific to the building which fully meets published implementation criteria.

(2) It is anticipated that areawide transportation surveys may be conducted aproximately every four years. In lieu of conducting transportation surveys specific to the building every two years pursuant to published implementation guidelines for City Planning Code Section 163, every fourth year, the Project Sponsor may elect to participate in areawide transportation surveys for the Downtown and vicinity. If the Project Sponsor elects to participate in the areawide surveys, a survey specific to the building shall be conducted at four year intervals alternating with areawide surveys. Thus every two years, an areawide survey shall alternate with a building specific survey. The Project Sponsor may participate in areawide surveys through contribution of a dollar amount proportional to the ratio of Project employees to the total number of employees in the buildings contributing to the area surveys, based upon a contract amount for each areawide survey.

(3) Parking operations shall provide for a minimum of 15 short term spaces for exclusive use by business visitors and clients. All parking included in this minimum allocation is subject to the rate structure set forth in Section 155(g). Leasing, assignment, prepayment, designation for use by any individual or firm, or any other encumbrance of short-term parking spaces shall be prohibited.

Parking operations shall also provide for a minimum of 10 spaces designated for Project employee preferential rideshare parking, and shall be made available upon demand to Project employees registered with the Project's Transportation Management Coordinator as a participant in a formal carpool or vanpool meeting published City guidelines.

Any parking other than the rideshare allocation which is leased or otherwise made available to individuals or firms for long term or all day use, or for the provision of in-and-out priviledges, shall be limited exclusively to occupants of the Project.

Any of the parking capacity not allocated as minimum amounts for short term or rideshare demand, which is made available to non-occupants of the Project shall be considered short term and subject to all provisions cited above for the minimum short term allocation.

B. Housing Requirement

(1) The Project Sponsor shall meet the housing requirement of the Project pursuant to the provisions of Section 313. The net addition of gross square feet of office use subject to this requirement shall be 199,965 square feet.

(2) In order to provide continuing assurance that adequate housing is made available to the employees drawn to the project sponsor's office development approved in this authorization, the Commission is presently considering amendments to the OAHPP Ordinance (Planning Code Section 313) which would respond to recent developments in the San Francisco and regional housing market. The proposed amendments would: (1) extend the period of affordability for housing constructed pursuant to Section 313(e), (2) decrease the maximum income for households qualifying to occupy affordable housing created under Section 313(e), (3) modify the mechanism for enforcing the affordability requirements of the Ordinance where the sponsor elects to build housing pursuant to Section 313(e), and (4) change the index for the annual adjustment of the in lieu fee. It is the intention of the Commission that the sponsor shall be subject to any such amendments to the OAHPP Ordinance operative on or before December 31 1989. The project sponsor shall have no vested rights in this project authorization insulating the project sponsor from compliance with such amendments to the OAHPP Ordinance operative on or before December 31, 1989.

C. Emergency Preparedness Plan

(1) An evacuation and emergency response plan shall be developed by the Project Sponsor or building management staff, in consultation with the Mayor's Office of Emergency Services, to ensure coordination between the City's emergency planning activities and the Project's plan and to provide for building occupants in the event of an emergency. The Project's plan shall be reviewed by the Office of Emergency Services and implemented by building management insofar as feasible before issuance of final certificate of occupancy by the Department of Public Works.

D. Energy

(1) The Project shall incorporate energy mitigation such as variable air volume HVAC 100% outside air economizer, multiple light switching and flow restrictors for plumbing fixtures.

(2) Final decisions on Project energy-saving mitigation measures shall be made on the basis of life-cycle costing and compatibility with the overall design; a separate report shall be prepared for the Department of City Planning prior to the application for the building permit, which shall explain the decisions regarding which energy conservation features shall be included in the final design.

(3) The sponsor shall perform a thorough energy audit of the structure's actual energy use after the first year of occupancy and implement all cost-effective alterations to the structure's energy system identified in the audit. Within one month of the audit, results shall be presented to the City, along with a list of alterations proposed to be undertaken.

E. Street Trees

(1) Street trees shall be installed in conformity with a landscaping plan to be developed with Planning Department staff and such trees shall be maintained throughout the life of the Project.

F. Recycling

(1) The Project shall provide containers to collect and store recyclable solid waste and the Project Sponsor shall contract for recycling pickup. Project sponsor shall report to the Chief Administrative Officer's Office of Special Projects upon installation of containers and upon completion of the contract for recycling.

G. Performance

(1) The authorization and right vested by virtue of this action shall be deemed void and cancelled, if within one year of this motion a site permit has not been secured by Project Sponsor and if within eighteen months of this motion, site work has not begun on the Project.

(2) This authorization may be extended at the discretion of the Zoning Administrator only where the failure to issue a permit by the Bureau of Building Inspection to construct the proposed building is delayed by a City agency or by appeal of the issuance of such a permit. In no case shall the period for securing a site permit extend beyond two years of this motion without express authorization by the City Planning Commission.

File No 98.843B
524 Howard Street
Assessor s Block 3721
Lot: 13

SAN FRANCISCO

PLANNING COMMISSION

MOTION NO. 14801

ADOPTING FINDINGS RELATING TO THE APPROVAL BY THE CITY PLANNING COMMISSION FOR AN OFFICE DEVELOPMENT PURSUANT TO SECTIONS 321 AND 322 OF THE PLANNING CODE FOR AN OFFICE AND RETAIL STRUCTURE LOCATED AT 524 HOWARD STREET.

Preamble

1. On or about May 7, 1984, the 524 Howard Street Associates (Project Sponsor) filed an Environmental Evaluation application for an office and retail Project at 524 Howard Street with the Department of City Planning (Department).

2. On or about February 3, 1986, the Project Sponsor filed with the Department an Application for Project authorization in the "First Review Period" pursuant to the then effective provisions of the Planning Code (Code) Section 320 through 325 for an office and retail project at 524 Howard Street. On or about April 11, 1986, the Project Sponsor withdrew its project from consideration in the first Review Period.

3. On April 17, 1986 by Motion No. 10669, the City Planning Commission (Commission) found that the Final Environmental Impact Report (FEIR) to be adequate, accurate and objective, and certified the completion of the FEIR in compliance with the California Environmental Quality Act ("CEQA"), the Sate CEQA guidelines and Chapter 31 of the San Francisco Administrative Code.

4. Subsequent to the certification of the 1986 EIR, the Department requested the preparation of a Draft Supplemental Environmental Impact Report (Draft SEIR) for the Project .

5. Pursuant to Draft 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Department appointed two architectural consultants to assist Department staff and the City Planning Commission (Commission) in design evaluation. On December 10, 1989 the panel convened to review the preliminary design In a Project Review meeting with Department staff.

6. On January 12, 1989, the Commission approved Resolution No. 11566 establishing rules (1987-1988 and 1988-1989 Combined Annual Limit Rules) pursuant to which the Commission would review Applications for Project Authorization under the City's Office Development Limitation Program (Annual Limits), Planning Code Section 320 - 325, during the 12-month approval period which commenced on October 17, 1987 and the 12 month approval period which commenced October 17, 1988 ("1987-1988 and 1988-1989 Combined Approval Periods). The 1987-1988 and 1988-1989 Combined Annual Limit Rules Include a schedule for the for review under the Annual Limit and Section 309 of the Planning Code.

7. On or about January 19, 1989, the City Planning Commission (Commission) held a duly noticed hearing on the Draft Supplemental Environmental Impact Report

(DRAFT SEIR) for the project, File No. 86.73E.

8. On or before February 3, 1989, pursuant to the 1987-1988 and 1988-1989 Annual Limit Rules, the Project Sponsor filed an application for Project Authorization (Application) for a revised proposed office and retell project at 524 Howard Street.

9. Pursuant to the 1987-88 and 1988--1989 Combined Annual Limit Rules, the architectural consultants prepared written comments on the final design submission for the Project.

10. The preferred project (Project) as defined in the Final Design Submission pursuant to the 1987-1988 and 1988-1989 Combined Annual Limit Rules is within the C-3-0 (SD) (Downtown Office, Special Development) District and the 450-S Height and Bulk District located at 524 Howard Street on the north side of Howard Street between First and Second, on Assessor's Block 3721, Lot 13. The project was a 311-foot tall, 23-story building which contained 199,965 gsf of office space, 4,500 gsf of retail space and 14,000 sq. ft. of parking, which the Department estimated would accommodate approximately - 63 vehicles with tandem valet operation, although the Project could possibly accommodate more parking spaces. The project provided 4,218 sq. ft. of open space, in the form of an indoor park. The approximately 12,267 square foot site was occupied by a parking lot and garage. The Project is substantially equivalent to Alternative F as described in the FEIR.

11. Under Planning Code Sections 321 and 321.1, the Commission was able to approve office developments containing no more than 475,000 square feet of office space per approval period until such time as the space on the list referred to in Code Section 321.1(b) had been reduced to zero. Of this 475,000 square feet, at least 75,000 square feet of office development was reserved for buildings between 25,000 and 49,999 square feet in gross floor area of office development pursuant to Code Section 321(b)(4).

12. No office development projects were approved during the 12-month approval period which commenced on October 17, 1987 (the "1987-1988 Approval Period"). Under Planning Code Sections 321(a) and 321(b)(4), the unallocated amount of the annual limit in the 1987-1988 Approval Period was carried over to the 1988-1989 Approval Period. As a result, during the 1987-1988 and 1988-1989 Combined Approval Period, the maximum amount of office space in office developments available under the Annual Limit was 950,000 square feet, of which at least 150,000 square feet of office development was reserved for buildings of between 25,000 and 49,999 square feet. The unallocated amount from the 1986-1987 Approval Period is 92,721 gross square feet of office space. Thus, the Commission could have approve a total of 892,721 gross square feet of office space in buildings over 50,000 square feet in that Approval Period.

13. The Department published its Evaluation Report, dated March 20, 1989, under the San Francisco Office Development Limitation Program for the 1987-1988 and 1988-1989 Combined Approval for buildings with greater than 50,000 square feet of office development. On April 3, 1989, the Department released the Planning Code Section 309 reports for buildings with greater than 50,000 square feet of office development. On May 18, 1989, at the public hearing on the Application for Project

Authorization for the Project, the Department submitted to the Commission certain revisions to the previously published Evaluation Report. The Evaluation Report of the Department of City Planning d&dated March 20, 1989, with the Section 309 Reports dated April 3, 1989, and with the May 18, 1989 revisions thereto, was thereinafter collectively referred to as the "Evaluation Report".

14. On April 6, 1989, the Project Sponsor presented the project in an informal Commission Workshop on the projects competing in the Annual Limit.

15. On April 27, 1989, the Commission, by Resolution No. 11637, amended the schedule set forth in the 1987-1988 and 1988-1989 Combined Annual Limit Rules to schedule the Project EIR Certification on May 11, 1989 and public hearings on May 18, 1989 and May 25, 1989.

16. On May 11, 1989, by Motion No. 11655, the Commission found the Final Supplemental Environmental Impact Report for the project ("FSEIR") to be adequate, accurate and objective, and certified the completion of the FSEIR in compliance with the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

17. On May 18, 1989 and May 25, 1989, the Commission conducted a duly noticed public hearing on the Application for Project Authorization for the Project.

18. On October 7, 1998 a new application (Application) was filed by Theodor Tower Inc. for re-approval of the Project as the original approval had lapsed due to the lack of a valid Building Permit. The Project contains approximately 201,989 square feet of office space which is 2,024 square feet greater than that approved in 1989. The additional space is the result of a reconfiguration of the mezzanine levels.

19. The Department published an Addendum to the Final Supplemental EIR on December 23 1998 in which the Department determined that the Project is essentially the same as that evaluated, as Alternative F, in the 1989 Final SEIR, and approved in June 1989. When considered in light of changed environments circumstances, the current project would have effects similar to or less than those attributed to the main project in the 1989 FSEIR, and similar to those of the project (Alternative F) approved in 1989. None of the changes in environmental circumstances under which the project would be constructed would result in any new significant effects or effects that would be substantially more severe than those identified in the 1989 FSEIR. Mitigation measures identified in the 1986 FEIR and the 1989 FSEIR remain applicable.

20. In reviewing the Application in accordance with the provisions of CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the Commission has reviewed and considered the information contained in the FEIR and the FSEIR and finds that no substantial change lo the environment&1 effects could occur as a result of the revised Project. The determinations made in this motion do not significantly change the Project or the information analyzed in the FSEIR.

FINDINGS

Having reviewed all the materials identified in the recitals above, and having heard oral testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and also constitute findings of this Commission.

2. In determining if the Project would in particular promote the public welfare, convenience and necessity, the Commission has considered the criteria established by Code **Section 321(b)(3)** and finds as follows:

   a. Apportionment of Office Space Over the Course of the Approval Period In Order to Maintain a Balance Between Economic Growth. on the One Hand. and Housing. Transportation and Public Services on the Other.

   There currently exists 2,567,016 square feet of office space. If the Commission approves this 201,989 square-foot project, of which 2,024 square feet count against the office limitation cap (the original 199,965 square feet approved in 1989 has not been returned to the running total), there would be a surplus of 2,564,992square feet of office space available for allocation. On October 17, 1999 there will be 875,000 square feet of office space added to the Annual Limit. In subsequent years 875,000 will be added each October 17th. Therefore, the Commission finds that allocation of the square footage will promote the public welfare, convenience and necessity. In reviewing the Application for Project Authorization for the Project, the Commission has had available to it for its review and consideration, studies, letters, plans and other material pertaining to this Project, has reviewed and has heard testimony and received materials from interested parties during the public hearings on the Project.

   b. The Contribution of the Project to, and Its Effects on, the Objectives and Policies of the General Plan.

      (1) *The proposed project upholds the policies and objectives of the General Plan, as described below.*

      (2) *The Project advances the Objectives and the Policies of the General Plan. Specifically, the Project Sponsor will develop a mixed office/retail structure that is compatible in height and use to structures in the area. The Project directly supports the following Objectives:*

         a. Commerce and Industry Element of the General Plan

         When the Project was previously approved in 1989, the Commission found the Project to be "EXCELLENT in its relationship to the General Plan in that it makes an outstanding contribution to advancing the objectives and policies and has no significant conflicts with an objective or

policy of the General Plan." [Emphasis in the original Motion.] This Project is essentially the same as that approved in 1989. The construction of 201,989 sf. of office space will supply highly desirable, prime downtown office space without further exacerbating the level of existing public transit use in the downtown core. The Project will furnish needed office space in an area that is well-served by public infrastructure and transit.

(i) The Project proposes to locate commercial activity according to the generalized land use plan to increase the efficiency of this area as a specialized center for commercial uses and to minimize distances to transit ways and traffic systems. (Objective 1, Policy 3).

(ii) The Project further advances the objectives of the Commerce and Industry Element by maintaining a needed existing office facility, while enhancing the diverse economic community. (Objective 2). By contributing 201,989 sf. of office space, the Project will help retain existing commercial activity in the City and attract such activity to the City. (Objective 2, Policy 1). Furthermore, the Project will draw new small businesses and firms to the Project's neighborhood. This growth will strengthen the existing neighborhood and offer new job opportunities. (Objective 2, Policy 3; Objective 3, Policies 1&2).

c. Downtown Area Plan of the General Plan

Space for Commerce.

(i) The Project is consistent with Objective 1, Policy 1 of the Downtown Area Plan. The Project will increase commercial activity in the downtown area by furnishing 201,989 sf. of office space. The Project maintains and improves San Francisco's position as a compact center for financial, administrative, corporate, and professional services. (Objective 2). The provision of office space specifically designed for small businesses, and located so as to be attractive and affordable to these users, will undoubtedly strengthen the City's role as a business center. The Project encourages prime downtown office activities to grow while controlling undesirable consequences of such growth (Objective 2, Policy 1). The Project makes efficient use of the scarce downtown land resources

to carry out the economic, fiscal and employment objectives of the General Plan. Moreover, the Project's proposed ground floor retail and food services meet the convenience needs of daytime downtown workers. (Objective 3, Policy 5).

(Ii) This accessibility is especially important for many workers who have limited time available during the workday to go out for meals.

(iii) Open Space. The Project's indoor park provides quality open space in sufficient quantity to meet the needs of downtown workers, residents, and visitors. (Objective 9, Policy 1). This open space is clearly visible and easily reached from the street and pedestrian way (Objective 9, Policy 4). The proposed indoor park's deciduous trees introduce elements of the natural environment in open space to contrast with the built-up environment. (Objective 9, Policy 2). In 1989, the Commission found that: "In providing the indoor park, the Project furthers the open space policy of providing open space in an open space deficient area."

c. Urban Design. The Project enhances Objective 13, Policy 1 of the Urban Design Element of the General Plan by relating the height of the existing building to important attributes of the City pattern and to the height and character of adjacent office developments. The Project's slender tower form will complement the City's skyline and create visually interesting terminations to building towers (Objective 13, Policies 2 and 3). The Project's stepped design on Natoma Street maximizes sunlight access to maintain a comfortable pedestrian environment (Objective 14, Policy 1). The Project's ground floor indoor park and restaurant contributes liveliness and visual interest to the street frontage of Howard Street, while meeting the needs of workers and visitors to nearby buildings. (Objective 16, Policy 4).

d. Transportation. The Project promotes the objective of the Downtown Area Plan by encouraging greater reliance on mass transit as a means of access because of its provision of short-term parking and close proximity to the Transbay Bus Terminal (1/4 block), BART station (2 1/4 blocks), the Ferry Building (6 blocks), and MUNI. The Project Sponsor will further provide incentives for the use of transit, car pools, and vanpools, to reduce the need for new or expanded automobile parking facilities. (Objective 18, Policy 2.) The Project advances the goal of discouraging

the proliferation of surface parking as an interim use by replacing the existing vacant lot with a more optimal use such as the proposed office building (Objective 18, Policy5).

e. Preserving the Past - TDRs. By using transferable development rights ("TDRs"), the Project optimizes the use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with the General Plan, and increases potential for

the prese rvatio n of signifi cant buildi ngs in other areas of the C-3 distric ts (Obje ctive 12).

d. Urban Design Element of the General Plan

Consistent with Objective 1, Policy 3 of the Urban Design Element, the Project recognizes that buildings, when seen together, produce a total effect that characterizes the City and its districts. The Project's "appropriate slender tower form will complement the skyline" against the backdrop of the Financial District towers. The scale of the Project is consistent with the existing 22-story office building at 301 Howard Street and the new office buildings under construction in the Project area, including the 23-story office tower at 199 Fremont Street and the 25-story office building at 101 Second Street. Thus, the proposed construction will provide an appropriate transition that relates to the height of other office buildings surrounding the Project Site. (Objective 3, Policy 5). Moreover, the proposed construction sensitively incorporates the major design elements of nearby existing buildings and thus, avoids extreme contrasts in color, shape and other characteristics that would make it stand out i n excess of its public importance. (Objective 3, Policy 1).

e. The Quality of the Design of the Proposed Office Development.

The project's facade will enhance the existing neighborhood. The north and south facades are well proportioned and detailed. The project design responds to the grander scale of Howard Street, as well as the more intimate dimensions of Natoma Street. On the Natoma Street side, the project has pedestrian and vehicular entrances appropriately scaled and integrated into the building design.

1. *In the 1989 approval, the Commission found that the Project would "make a positive contribution to the visual quality of the City and its design responds well to site constraints." The Commission further found that the Project considered three important design factors: 1) the need to recognize Howard Street as a major street; 2) the need to incorporate open space within a small site; and 3) the need to*

compose the building to minimize the loss of sun on the 100 First Street Sun Terrace.

2. *The Project's facade will enhance the existing neighborhood. The north and south facades are well proportioned and detailed. The Project design responds to the grander scale of Howard Street, as well as the more intimate dimensions of Natoma Street. On the Natoma Street side, the Project has pedestrian and vehicular entrances appropriately scaled and integrated into the building design.*

3. *The Howard Street elevation contains three distinct elements: a base with a glass enclosed indoor park which transitions into a tower featuring a curvilinear bay and setbacks at the penthouse level to reduce the building bulk. The windows at floors 21 and 22 are stacked and recessed to add verticality and a more distinctive top to the building. The Project has an indoor park with a sixth story window on Howard Street. In previously approving of this Project, the Commission found that the Project had "a strong design of high quality well suited to its location" and an excellent design quality for its open space.*

f. <u>The Suitability of the Proposed Office Development for its Location, and any effects of the Proposed Office Development Specific to that Location.</u>

(1) The project site is zoned C-3-O (Downtown Office), a zoningclassification encouraging office use.

(2) The project site is within 1/4 mile of 32 MUNI lines, Bart, Golden Gate Transit, Samtrans, AC transit, and within 1/2 mile from the project site are six additional MUNI lines, and the Cable Car system.

g. <u>The Anticipated Uses of the Proposed Office Development in Light of Employment Opportunities to be Provided, Needs of Existing Businesses, and the Available Supply of Space Suitable for such Anticipated Uses.</u>

(1) The Project will be used as an office building with two floors of retail activities. The Planning Department estimates that the Project will provide 780 office, maintenance, and security jobs. In addition, 13 retail jobs will be provided.

(2) The Project is appropriate and desirable because recent studies indicate the need for new office space in San Francisco. According to Cushman & Wakefield's First Quarter 1998 Office Market Report, San Francisco's Central Business District (CBD) set all-time vacancy lows and rental rate highs for the year. The CBD vacancy rate for 1997 ended at 2.5% compared to 5.9% in 1996. It is presently at 3.4%. In the First Quarter of 1998, leasing activity diminished and rental rates increased for Class A office space. Cushman/Wakefield believes that this is attributable to the lack of

sizable contiguous blocks of available space. This is further aggravated by the fact that no new office spaces have been developed in San Francisco since 1992. The SOMA CBD district had a 3.5% vacancy rate in the First Quarter of 1998. Based upon these facts, new office space at this location is necessary and desirable. Moreover, the commercial uses along the neighboring streets of First, Second, and Folsom Streets will benefit from the increased pedestrian traffic and revenue generated by office staff working in the new office building. The low vacancy rates in SOMA, specifically, and in the San Francisco office market generally, provide the basis for the necessity of this office development.

(3) The Project will encourage small businesses to relocate within San Francisco and will discourage out-migration of employment in the future by supplying suitable and affordable spaces. It is anticipated that the building will be used primarily by small businesses, occupying 1,500 to 10,000 sf.. The Project has relatively small floor

plates between 8,000 to 11,000 sf.. The Project's location, two blocks south of Market Street, means that the rents in the Project may be less than comparable buildings only a few blocks away in the Financial District. The combination of smaller floor plates and lower rents is expected to make the building attractive to small firms, while the Project's location makes it accessible to the Downtown and public transit.

h. <u>The Extent to Which the Proposed Development will be Owned or Occupied by a Single Entity.</u>

(1) It is not anticipated that the Project will be occupied by a single entity. It is possible, however, that an existing employer presently scattered in multiple locations would consolidate its operations in the Project.

i. <u>The Use, if any, of TDRs by the Project Sponsor.</u>

(1) The Project requires approximately 128,297 sf. of TDRs.

Section 101.1 of the Planning Code requires consistency with the **eight priority policies** listed therein. The Project is consistent with the eight policies in the following ways.

a. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project is not a residential "neighborhood" within the meaning of this policy. None of the existing businesses on the Project Site are "neighborhood-serving retail uses." New retail uses on site could provide opportunities for resident employment in and ownership of such

businesses.

b. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

No housing exists on the Project Site. The Project will have no impact on existing housing or neighborhood character. The Project is not located in an R District, and therefore the Residential Design Guidelines do not apply.

c. That the City's supply of affordable housing to be preserved and enhanced. The Project will not affect the City's supply of affordable housing. No residential buildings will be removed as a result of the Project. The Project will comply with the Office Affordable Housing Production Program ("OAHPP"), and will therefore, enhance affordable housing in the City.

d . That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The amount of commuter traffic generated by the Project will not impede MUNI transit service or overburden streets or neighborhood parking. The Project Site is adjacent to the Transbay Terminal and is well served by MUNI lines. Employees that work at the Project will be encouraged to take public transit to their jobs at the Project Site. Freeway access to and from the Project is nearby with parking available both in and near 524 Howard Street.

e That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project Site is presently occupied by a vacant lot used for parking. There will be no displacement of any industrial use by the Project. The Project will not have an adverse effect on the industrial or service sectors.

f. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project will conform to the structural and seismic requirements of the Building Code.

g. That landmarks and historic buildings be preserved.

The Project does not demolish or alter a landmark or historic building since the Project Site is currently a vacant lot. The Project uses substantial amount of TDRs to support preservation goals.

h. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will not substantially shadow any publicly accessible open spaces. No new shadows will be cast on any park or open space within meaning of this policy. The Project will cast some new shadows on privately owned, publicly accessible open space. However, that private open space is not within the meaning of this Priority Policy. The Project will cast some new shadows on the loading area of Transbay Terminal, but this new shadow is not considered to be significant. No park vistas will be affected by the Project. The Project will provide new public open space.

5. SEIR ALTERNATIVES REJECTED

A. The following Project Alternatives to the Project described in the FEIR, which would reduce or avoid significant unmitigated cumulative impacts and which are not included as part of the' Project, are infeasible for the reasons set forth below.

(1) Original Project. The main project as described in the FEIR would contain approximately 220,815 gross square feet of office space with 3,570 square feet of retail space on the ground floor and 5,360 square feet of retail space at the mezzanine level. The Project would be 333 feet high without stepped setbacks from the north property line. This alternative is infeasible because its impacts on shadow, housing, transportation and other factors would be greater than the Project.

(2) Alternative A. Alternative A, the "No Project" Alternative, is infeasible because (a) it conflicts with objectives stated in Section 210.3 of the Planning Code, the General Plan and Downtown Plan, that the C-3-0, Downtown Office District play a leading national role in finance, corporate headquarters and service Industries, and serve as a service and employment center for the region; (b) it conflicts with Planning Code Section 248 which designates the area in which the Project is located as a downtown office special development district created to provide for an orderly expansion of the financial district in a way that will maintain a compact downtown core and to direct unused development potential of lots containing significant or certain contributory buildings through the use of the TDR process; (c) it would result in the failure to provide opportunities for approximately 225 person years of construction employment as well as approximately 780 permanent, on-site Jobs and new tax revenues which would be created by the Project; (d) it does not fully use the potential space at the site allowable under the Downtown Plan in furtherance of Downtown Plan and General Plan policies, goals and objectives.

(3) Alternative B. Alternative B. the "No Transfer of Development Rights, 6:1 FAR:' Alternative is infeasible because (a) it does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with San Francisco's General Plan, Downtown Plan, Planning Code and other codes; (b) It would eliminate the use of TDR which would lessen the potential for

preservation of significant buildings in other areas of the City; and (c) it would significantly reduce tax revenues and employment opportunities for construction workers of and permanent employees In the Project.

(4) Alternative C. Alternative C, the "No Exceptions to Setback Requirements Alternative, Is infeasible because (a) it does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives in a manner consistent with San Francisco General Plan, Downtown Plan Planning Code and other codes; (b) it would be contrary to the intent of the exception from the setback requirement provided in the Planning Code, and would therefore encourage the aggregation of parcels; (c) It decreases the use of TDR which would lessen the potential for preservation of significant buildings in other areas of the City; and (d) It would reduce tax revenues and employment opportunities for construction workers of and permanent employees in the Project. In addition, this Alternative would not significantly reduce the Project's contribution to the impacts of cumulative development in downtown San Francisco and nearby areas.

(5) Alternative D. Alternative D contains two variants (I) "Replacement of Existing Site Parking" variant; and (11) "No Parking" variant. The concepts of the "Replacement of Existing Site Parking" variant have been incorporated into the Project. The "No Parking" variant Is infeasible because (a) it would fall to replace existing parking on the Project site and would therefore increase the unmet parking demand; (b) it would fall to provide any short-term or rIdeshare parking, In furtherance of the Downtown Plan and Planning Code policies which allow the replacement of long and short-term spaces displaced by new developments and which encourage the use of car pools and van pools.

(6) Alternative E. Alternative E, the "Reduced Shadow" Alternative, is infeasible because (a) it would have equal or greater shadow impact on the Sun Terrace than would the Project; (b) It does not provide for an optimum use of the site to achieve San Francisco's economic, physical and employment objectives In a manner consistent with San Francisco's MasterGeneral Plan, Downtown Plan, Planning Code and other codes; (c) It decreases the use of TDR which would lessen the potential for preservation of significant buildings in other areas of the City; (d) It would reduce tax revenues and employment opportunities for construction workers and permanent employees in the Project.

6. Pursuant to CEQA Section 21002, the Commission considered mitigation measures as described in the FEIR, concurring in the statement that certain specified mitigation measures are under the jurisdiction of other agencies, and has included all other mitigation measures as conditions of approval, except the following:

a. The first mitigation measure on page 139 of the Final EIR regarding the provision of sidewalk furniture across Howard Street from the project to reduce winds caused by the project is infeasible because it would

obstruct pedestrian access along the sidewalks without providing a measurable positive benefit in the reduction of winds."

b. The short-term parking measure described on 'page 141 of the EIR is accepted as modified. The modifications, described in the conditions of approval, approve a square footage figure for parking and require a minimum number of short-term parking spaces, a minimum number of rldesharing spaces, and require that any long-term parking spaces be restricted to use by the Project occupants. It is infeasible and inappropriate to implement the measure as proposed because the conditions imposed will assure that the demand for rldeshare and short-term parking spaces is met, and will allow more accurate monitoring of the parking conditions. The mitigation measure as proposed in the FEIR

would eliminate all on-site long-term parking, and consequently it would increase the unmet long-term parking demand of the Project.

7. Pursuant to CEQA Section 21081.6, the Commission has included as conditions of approval reporting requirements designed to ensure compliance with all mitigation measures during Project implementation. In addition, pursuant to Planning Code Section 360, prior to the issuance of a building permit for the Project, a fee will be collected to offset the Department's costs of monitoring compliance with conditions of approval in accordance with the provisions of the Planning Code.

8. The Projectprovides the following benifits

a. Improvement of downtown land with a new office structure, consistent with the objectives of the Downtown Plan and the Commerce and Industry Element of the General Plan;

b. Creation of approximately 225 person years of construction employment.

c. Accommodation *of* approximately 777 permanent full-time jobs, an increase of approximately 776 jobs on the site;

d. Creation of approximately 1,709 additional person-years of employment would be generated in the Bay Area as a result of the multiplier effect;

e. Significant contributions to total property, payrolls, sales, gross receipts, parking and utility tax revenues to the City;

f. Expansion of public transit capacity, housing, public art, child care services and public parks through required mitigation measures and conditions;

g. Further strengthening of the C-3-O(SD) district as a compact center for financial, technical, professional and administrative services, an objective of the Downtown Plan and the Commerce and Industry Element of the General Plan;

h. Making more efficient use of scarce downtown land resources to carry out the economic, fiscal and employment objectives in a manner consistent with San Francisco's General Plan, Codes and the Downtown Plan.

9. After balancing the unmitigated adverse effects on the environment and the benefits of the Project, the benefits of the Project override the unmitigated adverse effects on the environment.

10. Each and every finding and condition contained In Motion No. 14800 pursuant to Code Section 309 for the Project is incorporated herein by reference as though fully set forth herein.

11. The Commission finds that, in considering the Section 321 criteria as applied and that the Project will not substantially shadow any publicly accessible open spaces. The Project, as approved, has no significant disadvantages, and no significant adverse shadow impacts.

12. The Commission finds that granting of Project Authorization for the Project will in particular promote the public welfare, convenience and necessity for the reasons set forth above.

DECISION

The Commission, after carefully balancing the competing public and private interests, after considering the criteria of Planning Code Section 321, hereby grants Project Authorization for the net addition of not more than 201,898 gross square feet of office space, as indicated in Finding 2. a., in an office and retail development at 524 Howard Street, subject to the conditions attached hereto as Exhibit A .

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission on March 11, 1999.

Jonas Ionin
Commission Secretary

AYES: Commissioners, Chinchilla, Theoharis, Martin, Mills, Antenore & Joe

NOES: None

ABSENT: None

ADOPTED: March 11, 1999

EXHIBIT A
CONDITIONS OF APPROVAL

Wherever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Project or underlying property.

1. GENERAL CONDITIONS

A. Measures Proposed as Part of the Project," as outlined in Chapter V, 'Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Project," of FEIR and FSEIR No. 84.199E, shall be conditions of approval and are accepted by the Project Sponsor or its successor in interest. If said measures are less restrictive than the following conditions, the more restrictive and protective control as determined by the Zoning Administrator, shall govern.

B. Construction

(1) If pile driving is required, the Project Sponsor shall pre-auger holes for piles unless the Project Sponsor can establish, to the satisfaction of the Bureau of Building Inspection (BBI), that such a procedure is unnecessary or undesirable.

(2) A detailed foundation and structural design study shall be submitted by the Project Sponsor to the Bureau of Building Inspection for their approval prior to the issuance of & building permit with a copy submitted to the Office of Environmental Review.

(3) Monitoring of implementation of the measures set forth in this Paragraph B shall be carried out by the project sponsor, with a monthly report submitted to the Environmental Review Officer (ERO) during pile driving and dewatering regarding consultation with DPH for noise measures, dewatering measures and pre-drilling pile holes. Evidence of noise barriers shall be submitted to ERO at the point

that stationary equipment is brought to the site.

(4) The Project Sponsor shall maintain pedestrian walkways along public rights of way adjacent to the Project during construction, in consultation with appropriate City agencies including the Department.

C. Air Quality

(1) The Project Sponsor shall require the contractor to sprinkle demolition sites with water continuously during demolition activity; sprinkle unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other-such material; cover trucks hauling debris, soil, sand or other such material and sweep streets surrounding demolition and construction sites at least once per day to reduce particulate emissions. The project sponsor shall require the project contractor to maintain and operate construction equipment so as to minimize exhaust emissions of particulate and other pollutants, by such means as prohibition on idling motors when equipment Is not in use or when trucks are welting in queues, and implementation of specific maintenance programs (to reduce emissions) for equipment that would be in frequent use for much of a construction period.

D. Preservation/Archaeology

(I) The Project Sponsor shall retain the services of an archaeologist. The Environmental Review Officer (ERO) in consultation with the President of the Landmarks Preservation Advisory Board and the archaeologist shall determine whether the archaeologist should instruct all excavation and foundation crews on the project site of the potential for discovery of cultural and historic artifacts, and the procedures to be followed if such artifacts are uncovered.

(2) Given the possibility of encountering the remains of cultural or historic artifacts within the project site, prior to the commencement of foundation excavations the Project Sponsor shall undertake a program of archaeological testing. This shall consist of observation and monitoring by a qualified historical archaeologist of site clearance of at least any materials below existing grade level, and either the placement of a series of mechanical, exploratory borings or of other similar on-site testing methods. The archaeologist shall supervise the testing at the site to determine the probability of finding cultural and historical remains. At the completion of the archaeological testing program, the archaeologist shall submit three copies of a written report to the ERO, with a copy to the project sponsor, which describes the findings, assesses their significance and proposes appropriate recommendations for any additional procedures necessary for the mitigation of adverse impacts to cultural resources determined to be significant.

(3) An historical archaeologist shall be present during site excavation and shall record observations In a permanent log. The ERO shall also

require cooperation of the Project Sponsor in assisting such further investigations on-site as may be appropriate prior to or during project excavation, even If this results in a delay in excavation activities.

(4) In addition, a program of on-site construction monitoring by a qualified historical archaeologist, designed to allow for the recovery of a representative sample of the cultural materials existing on the site, shall be implemented by the Project Sponsor. This monitoring and recovery program shall result in a written report to be submitted to the ERO, with a copy to the Project Sponsor.

(5) Should cultural or historic artifacts be found during Project excavation, then the archaeologist (if applicable) shall assess the significance of the find, and immediately report to the ERO and the President of the Landmarks Preservation Advisory Board (LPAB). The various consultants, as well as the LPAB, would advise the ERO who would then recommend specific mitigation measures, if necessary. Excavation or construction activities following the preconstruction archaeological testing program which might damage the discovered cultural resources shall be suspended for a maximum aggregate of 4 weeks (determined cumulatively for all instances following the commencement of excavation that the ERO has required a delay in excavation or construction activities) to permit inspection, recommendation and retrieval, If appropriate.

(6) Following site clearance, an appropriate security program shall be implemented to prevent looting. Any discovered cultural artifacts assessed as significant by the Archaeologist upon concurrence by the ERO and the President of the LPAB would be placed In a repository designated for such materials. Copies of the reports prepared according to these mitigation measures shall be sent to the California Archaeological site survey office at Sonoma State University.

E. Child Care Brokerage and Fees

Project Sponsor shall meet with the Mayor' Office of Community Development staff and the Mayor's Advisory Committee on Child Care within 6 months from the Commission approval to develop the Sponsor's plan for compliance with the Child Care requirements of Section 165 and Section 314.

F. Recordation

Prior to the issuance of any building permit for the construction of the Project, the Zoning Administrator shall approve and order the recordation of a notice in the Official Records of the Recorder of the City and County of San Francisco, such notice shall state that construction of the Project has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice. at the request of the Project Sponsor

or the successor thereto, the Zoning Administrator shall affirm In writing the extent to which the conditions of this Motion have been satisfied.

G. Reporting

The project sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this motion and the Section 309 Motion No. 14800, including the mitigation measures referenced in General Condition 1.A., every six months from the date of approval until the issuance of the Final Addendum to the Site Permit. Thereafter, the submittal of the report shall be on an annual basis. This requirement shall lapse when the Zoning Administrator determines that all conditions of approval have been satisfied or that the report is no longer required for other reasons.

H. Monitoring Fee

Pursuant to Section 360. the Central Permit Bureau shall collect $5,000 prior to the issuance of the Building Permit in order to compensate the Department for the cost of monitoring compliance with Sections 149, 163, 164, 165 and 321 of the Code.

2. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY

A. Open Space

The Project Sponsor shall place an informational plaque for Project open space conforming to the requirements of Planning Code Section 138.

B. Public Artwork; Recognition of Architect and Artists

(1) The Project Sponsor shall install works of art in the Project costing an amount equal to one per-cent of the hard construction costs of the Project as determined by the Superintendent of the Bureau of Building Inspection. The Project Sponsor shall provide to the Superintendent necessary information to make the determination of construction cost hereunder. If the Zoning Administrator concludes that it is not feasible to install the works of art within the time herein specified and the Project Sponsor provides adequate assurances that such works will be installed in a timely manner, the Zoning Administrator may extend the time for installation for a period of not more than twelve (12) months.

(2) The Project works of art shall be in accordance with the description in the Application

(3) The Project Sponsor shall place a plaque or cornerstone, identifying the Project architect, the artwork creator, and the Project erection date, in a publicly conspicuous location on the Project prior to issuance of the first certificate of occupancy for the Project (whether temporary or permanent) in accordance with the requirements of Planning Code Section 149(b).

C. Transportation

(1) The Project Sponsor shall execute a Memorandum of Agreement for Transportation Management with the Department, for the provision of a Transportation Management program in compliance with Section 163.

(2) Prior to issuance of a Fire Permit for the garage, the Project Sponsor shall submit to the Department, for its review and approval, a parking management plan, documenting parking layout and operating methods and practices for all spaces including freight loading and service vehicles, and pricing strategies for parking spaces made available to non-occupants of the building. There should be effective mechanisms to insure that the minimum number of designated short term and rIdeshare spaces will be provided and available, and that freight loading and service vehicle spaces will be available as needed and not used for parking.

(3) The Project Sponsor shall, in consultation with the Municipal Railway, install eye bolts or make provisions for direct attachment of eye bolts for MUNI trolley wires on the Project wherever necessary or agree to waive the right to refuse the attachment of eye bolts to the Project if such attachment is done at City expense. Project sponsor shall report back to the Department within two weeks the results of such consultation with MUNI.

(4) All vehicular driveways shall include earning devices (lighted signs and noise-emitting devices) to alert pedestrians to vehicles exiting the structure onto Natoma Street. Evidence of installation of warning devices shall be submitted to OER prior to building occupancy.

(5) The Project Sponsor shall Include in all leases for office space a provision requiring tenant employers to cooperate In, and assist In carrying out Lessor's Transportation Management Program implemented pursuant to City Planning Code Section 163, and to designate a responsible employee to carry out this obligation. the lease provision shall read substantially as follows:

(6) Pursuant to City Planning Code Section 163, the Lessor has entered into an agreement with the Department of City Planning to provide and implement a Transportation Management Program for building Lessees and to participate in a program designed to coordinate commute alternatives marketing and brokerage for Greater Downtown employees. During the term of the tenancy, Lessor agrees to provide

transportation brokerage and commute assistance services to the Lessee to assist the Lessee in meeting the transportation needs of its employees. Lessee agrees to cooperate with and assist the Lessor's Transportation Management Coordinator,

through designation of a responsible employee to distribute to Lessees employees written materials promoting and encouraging the use of public transit and/or rldesharlng, and distribute and return to the Coordinator transportation survey questionnaire forms. Lessee may agree, at its option, to participate in other activities required of Lessor as incentives for increasing use of public transit and/or ride sharing by employers in the building.

The Project Sponsor may use other language, subject to the approval of the Zoning Administrator, consistent with its standard lease contracts, provided it is no less inclusive or restrictive than the foregoing language.

D. Transit Impact Development Fee

The Project Sponsor shall pay the Transit Impact Development Fee as required by City Ordinance No. 224-84.

E. Local Employment Program

(1) The Project Sponsor shall prepare a local employment program for approval by the Director of Planning or his or her designee. The local employment program shall be designed to meet the goals, requirements and objectives set forth in Planning Code Section 164 and shall conform to any guidelines adopted by the Commission.

(2) The Project Sponsor agrees to actively promote to its prospective tenants and its tenant employers the use of its local employment program and the employment of San Francisco residents. the Project Sponsor shall include in marketing materials to all prospective tenants and in its space leases to tenants of the Project a statement of the project sponsor's obligation to provide employment services pursuant to Section 164.

(3) In order to more efficiently implement the provision of Section 164, the a Central Employment Brokerage Agency (CEBA) performs employment brokerage services for Project Sponsors subject to Section 164 among others. the CEBA is governed by representatives of the various community-based employment training and placement agencies and representatives of downtown office project sponsors and employers. The concept of the CEBA is that after an initial start up period It will become self supported by fees for its services and whatever foundation grants and governmental

appropriations it can obtain. The

(4) Project Sponsor agrees that, for as long as the agency remains designated by the Department as the Central Employment Brokerage Agency for the purpose of carrying out obligations under Sec. 164, the Project Sponsor will contract with the CEBA to provide, and pay a reasonable fee for the following services as required pursuant to Sec. 164: (1) providing employment brokerage services to the building employers (building management and tenants); (2); preparing a local employment program as required by the Department of City Planning; (3) carrying out all reporting requirements of the Department of City Planning.

F. Downtown Park Fee

The Project Sponsor shall pay the Downtown Park Fee as required by Section 139 of the Planning Code.

G. Childcare Brokerage Services and Fees

(1) The Project Sponsor shall execute an agreement with the Department and the Mayors Office of Community Development for the provision of Childcare brokerage services and preparation of a Childcare plan to be approved by the Director of Planning. The Childcare plan and Childcare brokerage services shall be designed to meet the goals and objectives set forth in Planning Code Section 165.

(2) The Project Sponsor shall pay the In lieu Childcare fee to the City Controller required under Planning Code Section 314. Alternately, the Project sponsor may elect to provide child care services on-site as provided for in Section 314. The net addition of gross floor area of office use subject to this requirement shall be 201,989 square feet.

3. <u>CONDITIONS TO BE MET FOLLOWING THE ISSUANCE OF THE TEMPORARY OR FINAL CERTIFICATE OF OCCUPANCY</u>

A. Transportation

(1) The Project Sponsor shall implement and maintain on a continuing basis an on-site Transportation Management Program in compliance with published guidelines for City Planning Code Section 163.

(2) In lieu of conducting a Transportation Management Program specific to the Project, the Project Sponsor may provide funds to, and contract with a downtown San Francisco Transportation Management Association or other nonprofit organization recognized and endorsed by the Department, to provide the Transportation Management Program for the Project through

participation in the organization's services. For the purposes of meeting the requirements of City Planning Code Section 163, these services shall, at a minimum, provide a range of commute alternatives activities similar to those included in published implementation guidelines for City Planning Code Section 163, provided the Department has endorsed such an organization and its program. If the Project Sponsor elects to discharge its obligations under Section 163 in this manner, the Department shall release the Project Sponsor from performance of specific published implementation guidelines and minimum standards, as determined by the Director of Planning. Should the Department find that the organization and/or its commute alter program services are not appropriate in terms of meeting established objectives, the Project Sponsor shall remain obligated to perform a program specific to the building which fully meets published implementation criteria.

(3) It is anticipated that area wide transportation surveys may be conducted approximately every four years. In lieu of conducting transportation surveys specific to the building every two years pursuant to published implementation guidelines for City Planning Code Section 163, every fourth year, the Project Sponsor may elect to participate in area wide transportation surveys for the Downtown and vicinity. If the Project Sponsor elects to participate in the area wide surveys, a survey specific to the building shall be conducted at four year intervals alternating with area wide surveys. Thus every two years, an area wide survey shall alternate with a building specific survey. The Project Sponsor may participate in area wide surveys through contribution of a dollar amount proportional to the ratio of Project employees to the total number of employees in the buildings contributing to the area surveys, based upon a contract amount for each area wide survey.

(4) Parking operations shall provide for a minimum of 15 short term spaces for exclusive use by business visitors and clients. All parking included In this minimum allocation is subject to the rate structure set forth in Section 155~9). Leasing, assignment, prepayment, designation for use by any individual or firm, or any other encumbrance of short-term parking spaces shall be prohibited.

Parking operations shall also provide for a minimum of 10 spaces designated for Project employee preferential rIdeshare parking, and shall be made available upon demand to Project employees registered with the Projects Transportation Management Coordinator as a participant in a formal carpool or vanpool meeting published City guidelines.

Any parking other than the rIdeshare allocation which is

leased or otherwise made available to individuals or firms for long term or all day use, or for the provision of in-and-out privileges, shall be limited exclusively to occupants of the Project.

Any of the parking capacity not allocated as minimum amounts for short term or rideshare demand, which is made available to non-occupants of the Project shall be considered short term and "subject to all provisions cited above for the minimum short term allocation.

B. Housing Requirement

(1) The Project Sponsor shall beet the housing requirement of the Project pursuant to the provisions of Section 313. The net addition of gross square feet of office use subject to - this requirement shall be 201,898 square feet.

C. Emergency Preparedness Plan

An evacuation and emergency response plan shall be developed by the Project Sponsor or building management staff, in consultation with the Mayor's Office of Emergency Services, to ensure coordination between the City's emergency planning activities and the Project's plan and to provide for building occupants in the event of an emergency. The Project's plan shall be reviewed by the Office of Emergency Services and implemented by building management insofar as feasible before issuance of final certificate of occupancy by the Department of Public Works.

D. Energy

(1) The Project shall incorporate energy mitigation such as variable air volume HVAC 100% outside air economizer, multiple light switching and flow restrictors for plumbing fixtures.

(2) Final decisions on Project energy-saving mitigation measures shall be made on the basis of life-cycle costing and compatibility with the overall design; a separate report shall be prepared for the Department of City Planning prior to the Application for the building permit, which shall explain the decisions regarding which energy conservation features shall be included in the final design.

(3) The sponsor shall perform a thorough energy audit of the structure's actual energy use after the first year of occupancy and implement all cost-effective alterations to the structure's

energy system identified In the audit. within one month of the audit, results shall be presented to the City, along with a list of alterations proposed to be undertaken.

E. Street Trees

Street trees shall be installed In conformity-;with a landscaping plan to be developed with Planning Department staff and such trees shall be maintained throughout the life of the Project.

F. Recycling

The Project shall provide containers to collect and store recyclable solid waste and the Project Sponsor shall contract for recycling pickup. Project sponsor shall report to the Chief Administrative Officer's Office of Special Projects upon installation of containers and upon completion of the contract for recycling.

G. Performance

(1) The authorization and right vested by virtue of this action shall be deemed void and canceled, if within one year of this motion a site permit has not been secured by Project Sponsor and If within eighteen months of this motion, site work has not begun on the Project.

(2) This authorization may be extended at the discretion of the Zoning Administrator only where the failure to issue a permit by the Bureau of Building Inspection to construct the proposed building is delayed by a City agency or by appeal of the issuance of such a permit. In no case shall the period for securing a site permit extend beyond two years of this motion without express authorization by the City Planning Commission.