



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use Authorization & Office Development Authorization

HEARING DATE: SEPTEMBER 11, 2014

CONTINUED FROM:
MARCH 27, 2014, APRIL 3, 2014, MAY 1, 2014, JUNE 12, 2014, JUNE 26, 2014,
AND AUGUST 14, 2014

Date: September 4, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
South End Landmark District
65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
1 Bush Street, Ste. 600
San Francisco, CA 94104
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The proposed project is a change in use of up to 80,000 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

SITE DESCRIPTION AND PRESENT USE

The proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the west side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom

level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 Categorical Exemption.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	March 6, 2014	March 6, 2014	60 days
Posted Notice	20 days	March 13, 2014	March 11, 2014	51 days
Mailed Notice	20 days	March 6, 2014	March 6, 2014	60 days

The proposal does not require Section 312 Neighborhood notification, since the subject property is located within the SLI Zoning District.

PUBLIC COMMENT

Per the May 1, 2014 Planning Commission Hearing, several individuals expressed opposition to the proposed project. At this public hearing, the Commission requested additional information into the building’s existing use.

As of September 11, 2014, the Department has not received any additional written correspondence in support or opposition to the proposed project. To date, the Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the proposed development impact fees.

DEPARTMENT RECOMMENDATION

Since publication of the initial case report on May 1, 2014, the Department has changed their initial recommendation regarding the proposed project. The Department recommends approval of up to 49,999

sq ft of office use at 660 3rd Street. The approval of a limited amount of office use allows for the retention of up to 30,001 sq ft of PDR use, while providing for a mix of uses within the subject building that is encouraged by the East SoMa Area Plan. Given the extent of the office projects currently on-file with the Planning Department, “large cap” office development allocations will become increasingly scarce over the next year or two. To balance the proposed use with the goals of the existing and proposed area plans, the Department recommends altering the proposed project, so that it would draw from the “small cap” office development limitation program, which has ample available square footage.

ISSUES AND OTHER CONSIDERATIONS

- General Plan: The Urban Design Element of the General Plan contains objectives and policies, which encourage the retention and reuse of notable landmarks and areas of historic, architectural, or aesthetic value. The proposal would retain and reuse an existing historic resource with a compatible new use.
- East SoMa Plan: The Land Use Chapter of the East SoMa (South of Market) Area Plan contains objectives and policies that encourage the retention of smaller-scale, flexible office spaces throughout East SoMa. Although the East SoMa Area Plan did not revise the land use controls for the SLI Zoning District, the plan does permit limited office space throughout East SoMa, in order to support a flexible space for all types of office users. The proposal would establish new office use within a landmark property. This office use would be consistent with the immediate area’s mixed use character, and would promote a flexible space for all types of office users.
- Central SoMa Plan: 660 3rd Street is located within the proposed Central SoMa Area Plan, which is currently under review and development by the San Francisco Planning Department. According to the Draft Central SoMa Area Plan, the project site would be rezoned from SLI to MUO (Mixed-Use Office). Within the MUO Zoning District, office use is a principally permitted use.
- Preservation of Historic Buildings within South of Market Mixed Use Districts: The subject building is able to use Planning Code Section 803.9(a), since the subject building is a contributing resource to the South End Historic District (which is locally designated as noted in Article 10 of the San Francisco Planning Code) and is located outside of the SSO (Service/Secondary Office) Zoning District, and since the proposal would include an aggregate gross square footage in excess of 25,000 gsf.
- Historic Preservation Commission: The Project was reviewed by the Historic Preservation Commission (HPC) on February 19, 2014. The HPC determined that the proposed project would enhance the feasibility of preserving the existing building, as noted in HPC Resolution No. 0731.
- Office Development Authorization: The Project would change the use of up to 80,000 gsf of PDR use to office use. Within the SLI (Service/Light Industrial) Zoning District, office use is only permitted within landmark properties, pursuant to Planning Code Section 803.9(a) and 817.48. As of August 7, 2014, there is approximately 2.04 million square feet of “Large” Cap Office Development and approximately 1.24 million square feet of “Small” Cap Office Development available under the Section 321 office allocation program.
- Existing Use: As noted by the Project Sponsor, 660 3rd Street is currently occupied by office tenants on all levels and was formerly used as an auction space (PDR use) with accessory office

and storage, and ground floor retail. Since 2010, the building has primarily been occupied by office tenants.

- Development Impact Fees: The Project would be subject to the following development impact fees, which are estimated as follows:

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Transit Impact Development Fee (49,999 gsf – New Office) ¹	411 (@ \$13.21)	\$ 660,487
Jobs-Housing Linkage (49,999 gsf – Change in Use from PDR to Office)	413 (@ \$7.02)	\$350,993
Eastern Neighborhoods Impact Fee (Tier 1-Change In Use from PDR to Non-Residential - 49,999 gsf)	423 (@ \$3.47)	\$173,497
Alternative Means of Satisfying Open Space Requirement in SoMa Mixed-Use Districts (Approx. 556 sq ft of open space required for 49,999 of office use)	425 (@ \$0.92)	\$512
	TOTAL	\$1,185,489

Please note that these fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application, as based upon the annual updates managed by the Development Impact Fee Unit of the Department of Building Inspection.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorization to allow office use (up to 49,999 gsf) within a designated historic building in the SLI Zoning District, pursuant to Planning Code Sections 303, 803.9(a), and 817.48.

In addition, the Commission must authorize an Office Development Authorization of up to 49,999 gsf of office space pursuant to Planning Code Section 321.

BASIS FOR RECOMMENDATION

- The Project would maintain space for a PDR use and would promote office use. A mix of uses is encouraged throughout the East SoMa area of the City.

¹ Per Planning Code Section 411.3(d)(1), the proposed project may be eligible from a prior use credit, if the Project Sponsor can demonstrate that the prior use was active within five years of filing the application for an Office Development Authorization.

- The Project would be consistent with the historic character of the immediate neighborhood, would be consistent with the uses found within the immediate vicinity, and would assist in maintaining the area's diverse economic base.
- The Project meets all applicable requirements of the Planning Code.
- The Project is desirable for, and compatible with the surrounding neighborhood.
- The Project has the support of the Historic Preservation Commission, as documented in HPC Resolution No. 0731.
- The Project represents an allocation of approximately four percent of the small cap office space currently available for allocation.
- The authorization of the office space will allow for new businesses in the area, which will contribute to the economic activity in the neighborhood.
- At current rates, the project will produce approximately \$1,185,489 in fees that will benefit the community and City.

RECOMMENDATION: Approval with Conditions
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Attachments:

Draft Motions – Conditional Use Authorization & Office Development Authorization

Exhibits:

- Parcel Map
- Sanborn Map
- Zoning Map
- Aerial Photos
- Site Photos

Architectural Drawings:

- Floor Plans
- Historic Building Maintenance Plan

Historic Preservation Commission Resolution No. 0731

Project Sponsor Submittal (Revised)

Public Correspondence

Categorical Exemption

Attachment Checklist

- | | |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project sponsor submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input checked="" type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input checked="" type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | <input type="checkbox"/> Health Dept. Review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Community Meeting Notice |
| <input type="checkbox"/> Context Photos | <input type="checkbox"/> Inclusionary Affordable Housing Program:
Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos | |

Exhibits above marked with an "X" are included in this packet

RS _____
Planner's Initials

RS: G:\Documents\Office Allocation\2013.0627B 660 3rd St\ExecutiveSummary_660 3rd St-Revised.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other |

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Planning Commission Draft Motion

HEARING DATE: SEPTEMBER 11, 2014

Date: August 14, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
South End Landmark District
65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
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Recommendation: **Approval with Conditions**

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303, 803.9(A), AND 817.48 OF THE PLANNING CODE TO CONVERT UP TO 49,999 GSF OF PDR USE TO OFFICE USE AT 660 3RD STREET, LOT 008 IN ASSESSOR'S BLOCK 3788 WITHIN THE SLI (SERVICE/LIGHT INDUSTRIAL) DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 16, 2013, David Silverman of Reuben, Junius & Rose, LLP (hereinafter "Project Sponsor"), on behalf of Gorr Partners, LLC (Property Owner) filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 303 and 803.9(a) of the Planning Code to change the use of up to 80,000 gsf of PDR space to office use within the SLI (Service/Light Industrial) Zoning District, South End Landmark District, and a 65-X Height and Bulk District.

On February 19, 2014, the San Francisco Historic Preservation Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2013.0627C, in order to provide a recommendation to the San Francisco Planning Commission on the project's feasibility to preserve the subject building. The HPC determined that the proposed project would enhance the feasibility of preserving the existing building, as noted in HPC Resolution No. 0731.

On April 3, 2014, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2013.0627C.

The project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 Categorical Exemption.

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.

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2013.0627C, subject to the conditions contained in "EXHIBIT A" of this motion, 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 proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the east side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.
3. **Surrounding Properties and Neighborhood.** The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).
4. **Project Description.** The proposed project is a change in use of up to 49,999 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

5. **Public Comment.** Per the May 1, 2014 Planning Commission Hearing, several individuals expressed opposition to the proposed project. As of August 7, 2014, the Department has not received any further written correspondence in support or opposition to the proposed project. To date, the Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the proposed development impact fees.

6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

A. **Commercial Uses in Mixed Use Districts.** Planning Code Section 803.9(a) states that any use which is permitted as a principal or conditional use within the SSO (Service/Secondary Office) Zoning District, excluding nighttime entertainment, may be permitted as a conditional use in “a contributory building which is proposed for conversion to office use of an aggregate gross square footage of 25,000 or more per building and which is located outside the SSO District yet within a designated historic district.” For all such buildings the following conditions shall apply:

(1) the provisions of Sections 316 through 318 of this Code must be met;

(2) in addition to the conditional use criteria set out in Sections 303(c)(6) and 316 through 316.8, it must be determined that allowing the use will enhance the feasibility of preserving the landmark, significant or contributory building; and

(3) the landmark, significant or contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.

660 3rd Street is a contributing resource to the South End Landmark District, which is listed in Article 10 of the San Francisco Planning Code. It is located within the SLI Zoning District, which is outside of the SSO (Service/Secondary Office) Zoning District, and includes a proposal which will result in a conversion to office use of an aggregate gross floor area in excess of 25,000 sf.

Further, the proposal has been reviewed by the Historic Preservation Commission on February 19, 2014, and was determined to enhance the feasibility of preserving the subject building, as documented in HPC Resolution No. 0731.

B. **Useable Open Space.** Planning Code Section 135.3 states that 1 sq. ft. per 90 sq. ft. of occupied floor area of new, converted or added square footage will be required for office uses, as defined in Planning Code Section 890.70, in South of Market Mixed Use Districts.

The Project is required to provide 556 sq ft of useable open space for the 49,999 gsf of new office use. Pursuant to Planning Code Section 425, the proposed project will provide a payment to the Open Space Fund, as authorized by the Zoning Administrator.

- C. **Off-Street Parking.** Within the SLI Zoning District (which is part of the SOMA Mixed Use Districts), Planning Code Section 151.1 states there is no required off-street parking.

Currently, the subject building does not possess any off-street parking spaces. As a contributing resource to a designated local historic district listed in Article 10 of the San Francisco Planning Code, there is no minimum off-street parking requirement for the subject building, per Planning Code Section 161(k).

- D. **Off-Street Freight Loading.** Planning Section 152.1 of the Planning Code requires 0.1 off-street freight loading spaces for every 10,000 square feet of gross floor area of office use.

As a contributing resource to a designated local historic district listed in Article 10 of the San Francisco Planning Code, there is no minimum off-street freight loading requirement for the subject building, per Planning Code Section 161(k).

- E. **Bicycle Parking Requirement.** Planning Section 155.2 of the Planning Code requires at least one Class 1 bicycle parking space for every 5,000 occupied square feet of office space and a minimum of two Class 2 bicycle parking spaces for any office uses greater than 5,000 gross square feet plus one Class 2 bicycle parking space for each additional 50,000 occupied square feet.

The proposed project includes up to 49,999 gsf of office use, which triggers at least ten (10) Class 1 bicycle parking spaces, and two (2) Class 2 bicycle parking spaces. The proposed project includes sixteen (16) Class 1 bicycle parking spaces and three (3) Class 2 bicycle parking spaces; therefore, the project meets this requirement.

- F. **Shower Facility and Clothes Locker Requirement.** Planning Section 155.4 of the Planning Code requires at least four showers and twenty-four clothes lockers when gross square footage exceeds 50,000 square feet of the office use floor area.

As outlined within Planning Code Section 155.4(d), the Project Sponsor shall seek an exemption from the Zoning Administrator to provide arrangements for shower and locker facilities at a health club or other facility within three blocks of the building, which will be available to tenants at no cost to the building employees; therefore, the proposed project would comply with Planning Code Section 155.3.

- G. **Office Development Authorization.** Planning Code Section 321 outlines the requirements for an Office Development Authorization from the Planning Commission for new office space in excess of 25,000 gsf.

The proposed project has submitted an application for an Office Development Authorization. The proposed project will seek an office development authorization for up to approximately 80,000 gsf of office space from the Planning Commission. Per the Department's recommendation, the Commission would authorize up to 49,999 gsf of office use. See Case No. 2013.0627B.

- H. **Jobs-Housing Linkage Program.** Planning Code Section 413 applies the Jobs-Housing Linkage Fee to any project that increases by at least 25,000 gross square feet the total amount of any combination of entertainment use, hotel use, Integrated PDR use, office, research and development use, retail use, and/or Small Enterprise Workspace use.

The proposed project includes a change in use of up to 49,999 gsf from PDR to office use and is subject to the Jobs-Housing Linkage Program, as outlined in Planning Code Section 413. The Project Sponsor may elect between the Housing Requirement option, the Payment to Housing Developer option, the In-Lieu Fee Payment option or compliance by combination payment to Housing Developer and payment of In-Lieu Fee at the time of building permit issuance. The Project Sponsor has elected to satisfy this requirement through payment of an in-lieu fee.

- I. **Eastern Neighborhood Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project within the Eastern Neighborhoods Area Plan that results in the addition of gross square feet of non-residential space.

The proposed project includes a change in use of up to 49,999 gsf from PDR to office use. These uses are subject to Eastern Neighborhood Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees shall be paid prior to the issuance of the building permit application.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- (1) The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The proposed mix of uses is in keeping with other uses on the block face. The immediate block along 3rd Street features a variety of uses, including light industrial, general commercial, and multi-story residential, as well as professional office. The office use will complement the mix of goods and services currently available in the surrounding district and will contribute to the economic vitality of the neighborhood by expanding office square footage at this location. Similarly, by providing additional space for a PDR use, the Project would maintain a connection to the area's industrial history. Currently, the surrounding district features a number of former light industrial and warehouse properties that have been converted to office use. The project will support the continued maintenance of the historic resource, which is a positive contribution to the neighborhood.

- (2) That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to

property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The height and bulk of the existing building will remain the same and the proposal will not alter the existing appearance or character of the project vicinity. The proposed work includes a maintenance and preservation program, which will eventually include exterior alterations that will remove incompatible alterations to the ground floor. These exterior alterations would be subject to a Certificate of Appropriateness, and would be reviewed by the Historic Preservation Commission at the time of application.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Planning Code does not require parking for the proposed use. The project is in close proximity to numerous transit options, including the proposed Central Subway, Caltrain, and Muni bus lines, which could offer alternatives to private vehicles.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The proposed project will comply with the City's requirements to minimize noise, glare, odors, or other harmful emissions. Conditions of approval are included to address potential issues.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The proposed change of use does not require any additional exterior tenant improvements. The proposal will not include loading or service areas. The Project Sponsor will not alter the existing street trees. Screening and open space requirements will be met. Signage will comply with Planning Code requirements.

- (3) That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- (4) That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The proposed project is not located within a Neighborhood Commercial District.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

The Project will enhance an existing commercial use and will enhance the diverse economic base of the City.

URBAN DESIGN

Objectives and Policies

OBJECTIVE 2:

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWING.

Policy 2.4:

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

Policy 2.5:

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

The Project will preserve and reuse a contributing resource to a designated historic district.

EAST SOMA AREA PLAN

LAND USE

Objectives and Policies

OBJECTIVE 1.1:

ENCOURAGE PRODUCTION OF HOUSING AND OTHER MIXED-USE DEVELOPMENT IN EAST SOMA WHILE MAINTAINING ITS EXISTING SPECIAL MIXED-USE CHARACTER.

Policy 1.1.2:

Encourage small flexible, office space throughout East SoMa and encourage larger office in the 2nd Street Corridor.

Policy 1.1.10:

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.4:

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN EAST SOMA.

Policy 1.4.1:

Permit limited office space throughout East SoMa to support a flexible space for all types of office users.

HISTORIC RESOURCES

Objectives and Policies

OBJECTIVE 8.2:

PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE EAST SOMA AREA PLAN.

Policy 8.2.3:

Promote and offer incentives for the rehabilitation and adaptive reuse of historic buildings in the East SoMa area plan.

Generally, the East SoMa Area Plan encourages the reuse of the historic buildings and the production of small, flexible office space. The proposed project is consistent with the policies and objectives of the East SoMa Area Plan, and would create a new mixed use building with both PDR and office development. The proposed project will contribute to the economic diversity and mixed-use character of the neighborhood and will reuse a contributing building in a designated historic district.

9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposal would not significantly affect any neighborhood serving retail uses, as numerous retail uses would still be present in the area. Currently, the project does not include any retail use.

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

The proposal will not impact the existing housing or neighborhood character. The surrounding neighborhood has a mixed character composed of residential, commercial, office, and light industrial uses.

- C. That the City's supply of affordable housing be preserved and enhanced.

The proposal will not impact any of the existing housing.

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

The proposal will not alter the existing commuter traffic patterns. The existing building is well-served by public transportation options. The location of the site will enable employees and visitors to the building to walk or use public transit. Parking is not required per Planning Code Sections 151.1 and 161(k).

- 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 proposed project will assist in maintaining a diverse economic base by enhancing a commercial use.

- 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 safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is located in the South End Landmark District, and the proposal would enhance the feasibility to preserve the existing building by allowing office use and undertake a Historic Building Maintenance Plan.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would 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 **APPROVES Conditional Use Application No. 2013.0627C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plan on file, dated March 3, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) 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 30-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 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 11, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: September 11, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow office use (up to 49,999 gsf) located at 660 3rd Street, Block 3788, Lot 008, pursuant to Planning Code Section(s) 303 and 803.9(a) within the SLI District and a 65-X Height and Bulk District; in general conformance with plans, dated March 3, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0627C and subject to conditions of approval reviewed and approved by the Commission on September 11, 2014 under Motion No. XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for 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 for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on September 11, 2014 under Motion No XXXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Diligent pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Additional Project Authorization. The Project Sponsor must obtain an Office Development Authorization under Planning Code Section 321 to allocate office square footage and satisfy all the conditions thereof. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PARKING AND TRAFFIC

Bicycle Parking. Pursuant to Planning Code Section 155.2, the Project shall provide no fewer than 10 Class 1 bicycle parking spaces and 2 Class 2 bicycle parking spaces

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Showers and Lockers. Pursuant to Planning Code Section 155.4(d), the Project shall seek an exemption from the Zoning Administrator to provide arrangements for shower and locker facilities at a health club or other facility within three blocks of the building, which will be available to tenants at no cost to the building employees.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

Transit Impact Development Fee. Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Jobs Housing Linkage. Pursuant to Planning Code Section 413 (formerly 313), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Eastern Neighborhoods Infrastructure Impact Fee. Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

SoMa Mixed-Use Usable Open Space In Lieu Fee. Pursuant to Planning Code Section 425, in South of Market Mixed Use Districts, the open space requirement for non-residential requirements shall be satisfied through payment of a fee in accordance with Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
- Transit Impact Development Fee (Sec. 411)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other (EN Impact Fees)

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415.558.6409

Planning
Information:
415.558.6377

Planning Commission Draft Motion

HEARING DATE: SEPTEMBER 11, 2014

Date: August 14, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
 South End Landmark District
 65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
 1 Bush Street, Ste. 600
 San Francisco, CA 94104
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: **Approval with Conditions**

ADOPTING FINDINGS RELATING TO AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2013 – 2014 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO PLANNING CODE SECTION 321 THAT WOULD AUTHORIZE UP TO 49,999 GROSS SQUARE FEET OF OFFICE USE AT 660 3RD STREET, LOT 008 IN ASSESSOR’S BLOCK 3788, WITHIN THE SLI (SERVICE/LIGHT INDUSTRIAL) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 16, 2013, David Silverman of Reuben, Junius & Rose, LLP (hereinafter “Project Sponsor”), on behalf of Gorr Partners, LLC (Property Owner) filed an application with the Planning Department (hereinafter “Department”) for an Office Development Authorization to establish up to 80,000 gsf of office use at 660 3rd Street (Block 3788 Lot 008) in San Francisco, California.

The project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 Categorical Exemption.

On August 14, 2014, the Commission adopted Motion No. **XXXXX**, approving a Conditional Use Authorization for the Proposed Project (Conditional Use Application No. 2013.0627C). Findings

contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On August 14, 2014, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2013.0627B.

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.

MOVED, that the Commission hereby authorizes the Office Development Authorization requested in Application No. 2013.0627B, subject to the conditions contained in "EXHIBIT A" of this motion, 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 proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the east side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.
3. **Surrounding Properties and Neighborhood.** The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).
4. **Project Description.** The proposed project is a change in use of up to 49,999 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

5. **Public Comment.** Per the May 1, 2014 Planning Commission Hearing, several individuals expressed opposition to the proposed project. As of September 4, 2014, the Department has not received any further written correspondence in support or opposition to the proposed project. To date, the Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the proposed development impact fees.
6. **Office Development Authorization.** Planning Code Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

I. 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.

Currently, there is approximately 1.21 million gross square feet of available "Small Cap" office space in the City. Additionally, the proposed project is subject to various development fees that will benefit the surrounding community and the city. The Project is located in close proximity to many public transportation options, including a number of Muni and transit lines. Therefore, the Project will help maintain the balance between economic growth, housing, transportation and public services.

II. THE CONTRIBUTION OF THE OFFICE DEVELOPMENT TO, AND ITS EFFECTS ON, THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN.

The proposed project is consistent with the General Plan, as outlined in Section 8 below.

III. THE QUALITY OF THE DESIGN OF THE PROPOSED OFFICE DEVELOPMENT.

The proposed project offers high quality design for the proposed office development, which is consistent and compatible with the neighborhood's overall massing and form. In particular, the proposed project is sensitive to the surrounding South End Landmark District, and provides maintenance and preservation plan to ensure the preservation of the subject property, as noted in Historic Preservation Commission Resolution No. 0731.

IV. THE SUITABILITY OF THE PROPOSED OFFICE DEVELOPMENT FOR ITS LOCATION, AND ANY EFFECTS OF THE PROPOSED OFFICE DEVELOPMENT SPECIFIC TO THAT LOCATION.

- a) Use. *The proposed project is located within the SLI (Service/Light Industrial) Zoning District, which permits office use in landmark properties pursuant to Planning Code Sections 803.9(a) and 817.48. The subject lot is located in an area primarily characterized by commercial and light industrial development. There are several office use buildings on the subject block, and on blocks to the east and south of the project site.*
- b) Transit Accessibility. *The area is served by a variety of transit options. The project site is within a quarter-mile of various Muni routes, including the 10-Townsend, 30-Stockton, 45-Union/Stockton, and 76X-Marin Headlands Express, as well as the N-Judah and KT-Ingleside/Third Street Rail Lines. Further, the project site is located within two blocks of the Caltrain Station on King and 4th Streets, and the proposed Central Subway.*
- c) Open Space Accessibility. *The Project will pay the in-lieu fee for the required on-site useable open space, and is located within one block of open space at South Park.*
- d) Urban Design. *The proposed project reinforces the surrounding landmark district by providing a Historic Building Maintenance Plan for 660 3rd Street. This HBMP provides a program for regular maintenance and rehabilitation and assists in rectifying inappropriate alterations to the subject property, thus providing a benefit to the larger city through appropriate historic preservation. The Historic Preservation Commission approved this HBMP, as noted by the Historic Preservation Commission Resolution No. 0731.*
- e) Seismic Safety. *The proposed project would be designed in conformance with current seismic and life safety codes as mandated by the Department of Building Inspection. In 1987, the subject property was seismically upgraded.*

V. 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.

- a) Anticipated Employment Opportunities. *The Project includes a total of 49,999 gross square feet of office space. As noted by the Project Sponsor, the additional office square footage will create new opportunities for employment.*
- b) Needs of Existing Businesses. *The Project will supply office space in the East SoMa area, which allows office use in landmark properties within SLI Zoning District. The existing building will provide office space with high ceilings and large floor plates, which are characteristics desired by emerging technology businesses. This building type offers flexibility for new businesses to further grow in the future. Currently, almost all of the existing office space is already occupied by existing businesses.*
- c) Availability of Space Suitable for Anticipated Uses. *The Project will provide large open floor plates, which will allow for quality office space that is suitable for a variety of office uses and sizes. In addition, the limited office use will allow for a mix of uses within the subject building, which is encouraged by the East SoMa Area Plan.*

VI. THE EXTENT TO WHICH THE PROPOSED DEVELOPMENT WILL BE OWNED OR OCCUPIED BY A SINGLE ENTITY.

Currently, the existing building is leased to a variety of office tenants.

VII. THE USE, IF ANY, OF TRANSFERABLE DEVELOPMENT RIGHTS ("TDR's") BY THE PROJECT SPONSOR.

The Project does not include any Transfer of Development Rights.

7. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. **XXXXX**, Case No. 2013.0627C (Conditional Use Authorization, pursuant to Planning Code Sections 303, 803.9(a), and 817.48) apply to this Motion, and are incorporated herein as though fully set forth.
8. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposal would not significantly affect any neighborhood serving retail uses, as numerous retail uses would still be present in the area. Most of the surrounding retail serves the adjacent business community. Currently, the ground floor retail space is vacant.

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

The proposal will not impact the existing housing or neighborhood character. The surrounding neighborhood has a mixed character composed of residential, commercial, office, and light industrial uses.

- C. That the City's supply of affordable housing be preserved and enhanced.

The proposal will not impact any of the existing housing.

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

The proposal will not alter the existing commuter traffic patterns. The existing building is well-served by public transportation options. The location of the site will enable employees and visitors to the building to walk or use public transit. Parking or loading is not required per Planning Code Sections 151.1 and 161(k).

- 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 proposed project will assist in maintaining a diverse economic base by enhancing a commercial use.

- 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 safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is located in the South End Landmark District, and the proposal would enhance the feasibility to preserve the existing building by allowing office use and undertaking a Historic Building Maintenance Plan.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. The Commission hereby finds that approval of the Office Development Authorization would 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 **APPROVES Office Development Application No. 2013.0627B** subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, in general conformance with the plans stamped Exhibit B and dated March 4, 2014, on file in Case Docket No. 2013.0627B.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 Office-Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 11, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: September 11, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for an Office Development Authorization to authorize up to 49,999 gross square feet of office use located at 660 3rd Street, Lot 008 in Assessor's Block 3788 pursuant to Planning Code Section 321 within the SLI (Service Light Industrial) Zoning District and a 65-X Height and Bulk District; in general conformance with plans, dated March 3, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0627B and subject to conditions of approval reviewed and approved by the Commission on August 14, 2014 under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit B of Motion No. XXXXX, Case No. 2013.0627C (Conditional Use Authorization Under Sections 303 and 803.9(a)) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for 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 for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on September 11, 2014 under Motion No. XXXXX.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Office Development Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

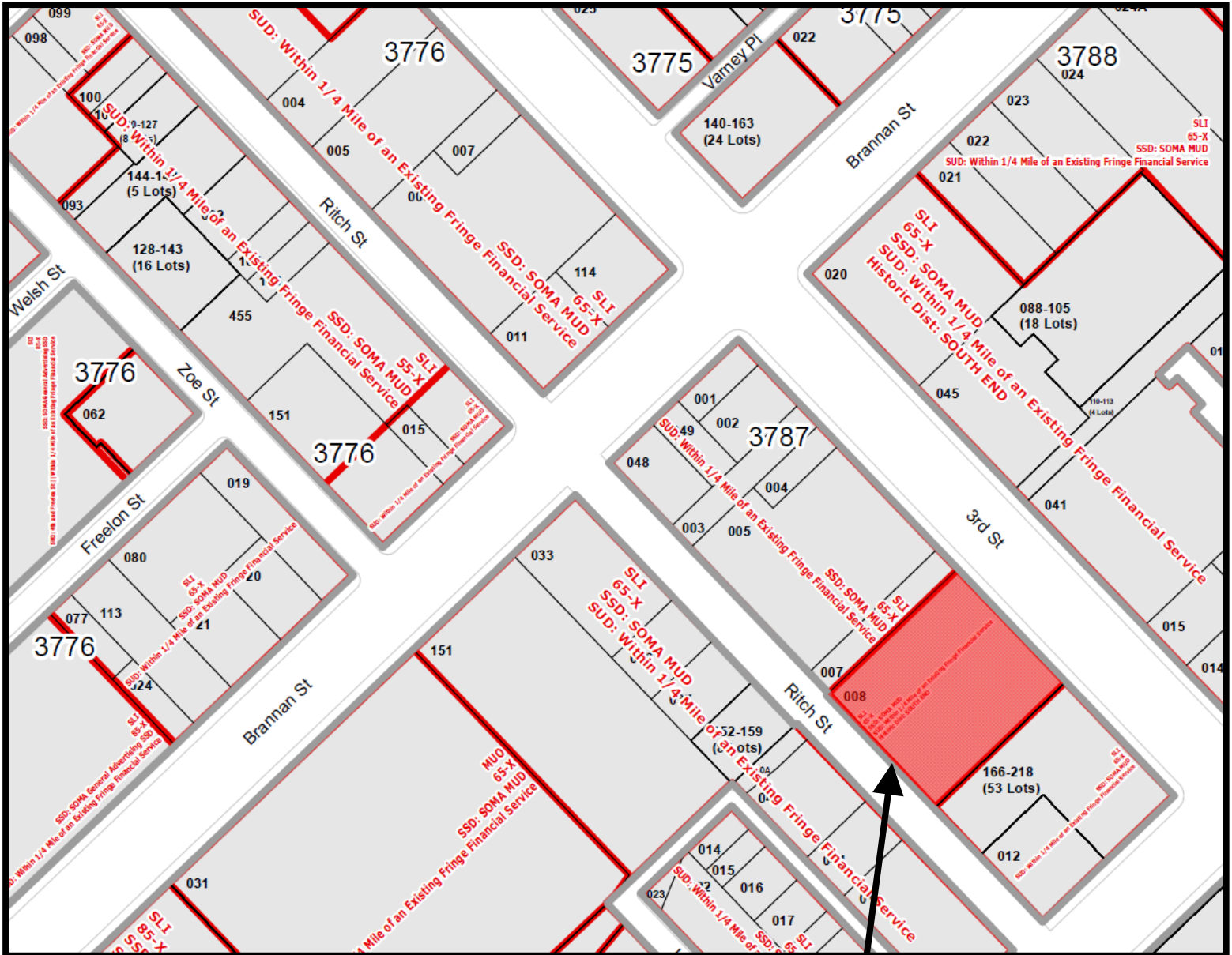
1. Development Timeline - Office. Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this conditional use authorization.

For information about compliance, contact the Planning Department at 415-558-6378, www.sf-planning.org.

2. Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said construction is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact the Planning Department at 415-558-6378, www.sf-planning.org.

Parcel Map



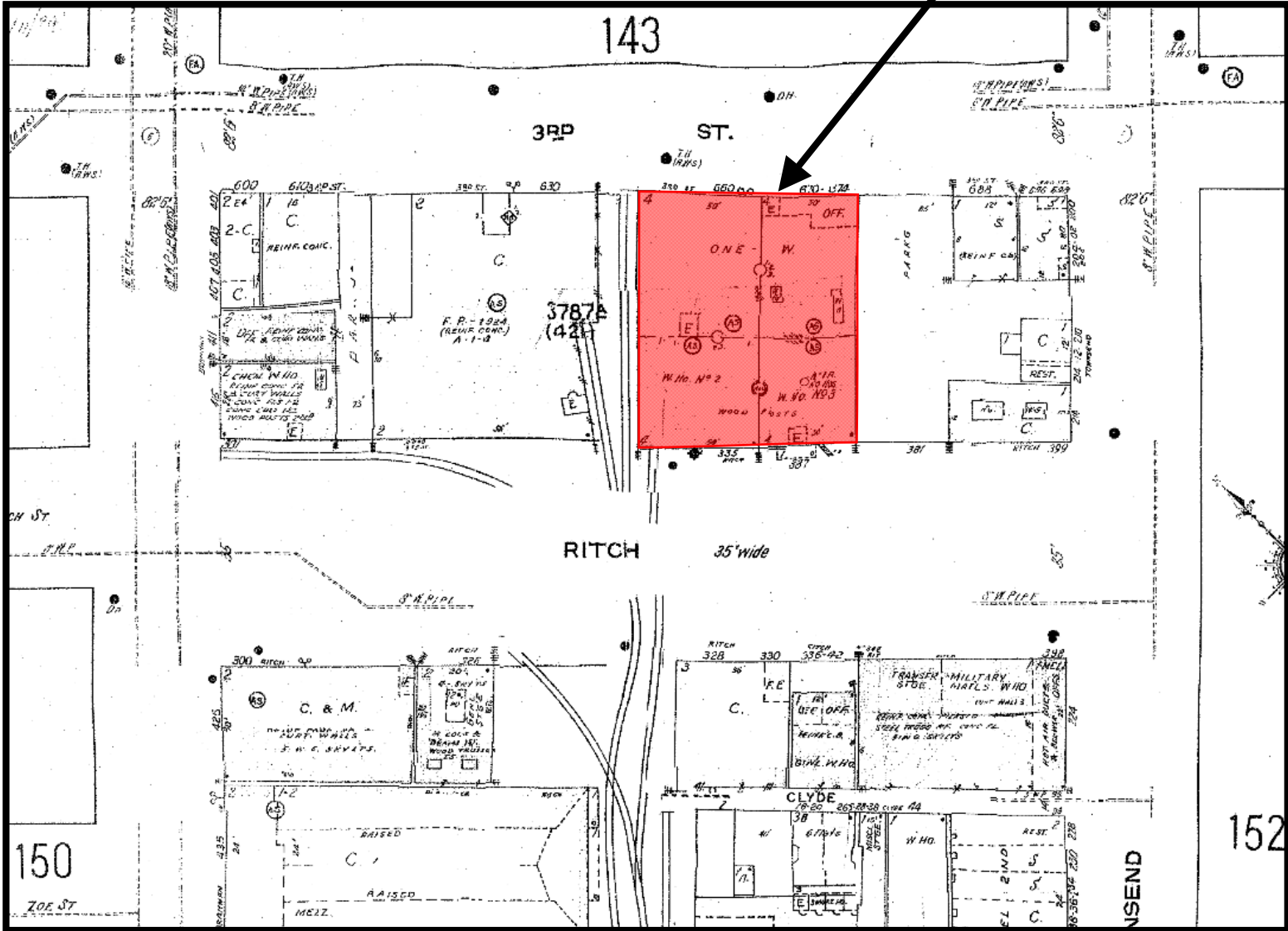
SUBJECT PROPERTY



Conditional Use Authorization
& Office Allocation
Case Number 2013.0627BC
660 3rd Street

Sanborn Map*

SUBJECT PROPERTY



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



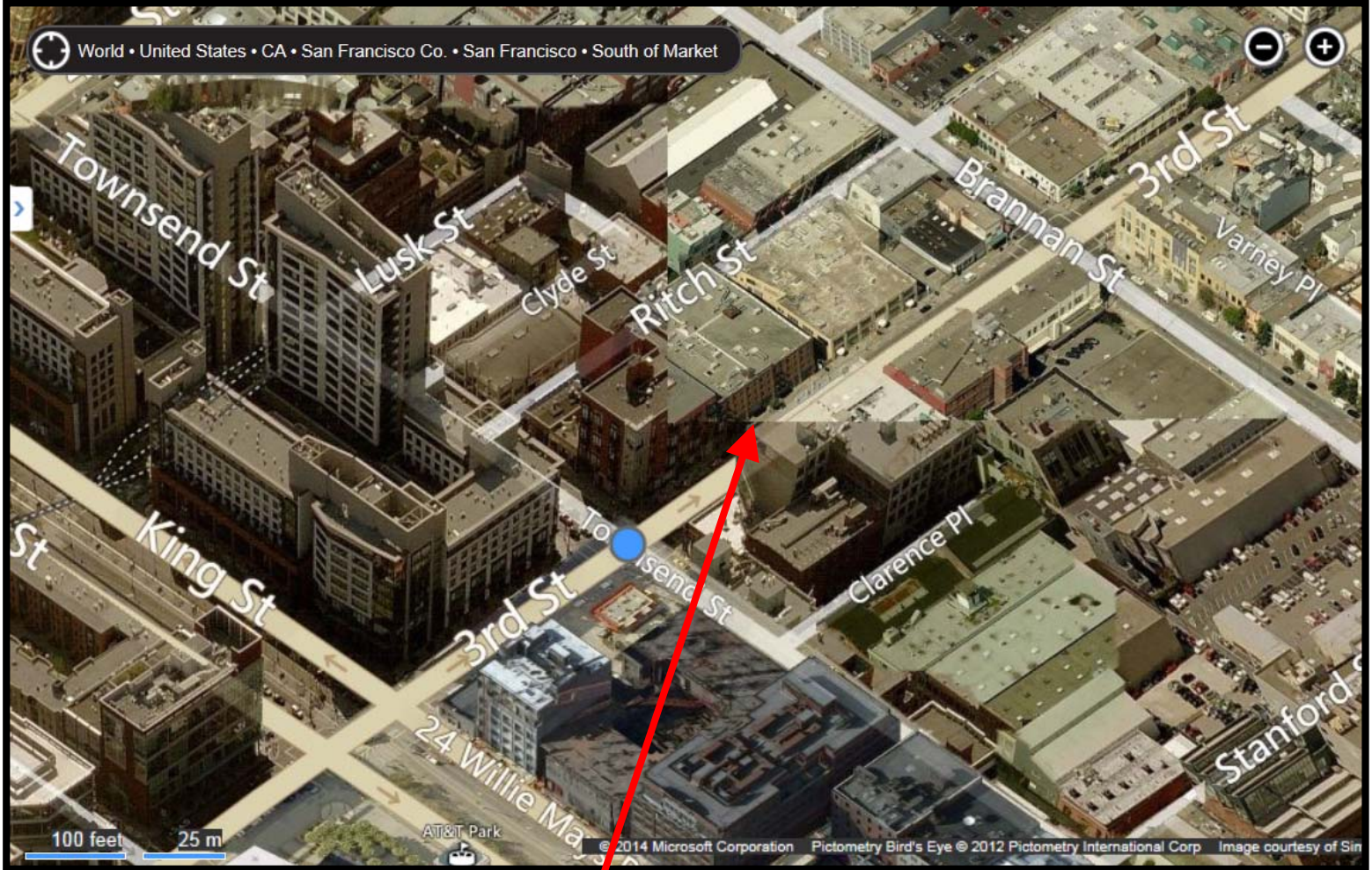
Conditional Use Authorization
 & Office Allocation
 Case Number 2013.0627BC
 660 3rd Street

Zoning Map



Conditional Use Authorization
& Office Allocation
Case Number 2013.0627BC
660 3rd Street

Aerial Photo



660 3rd Street



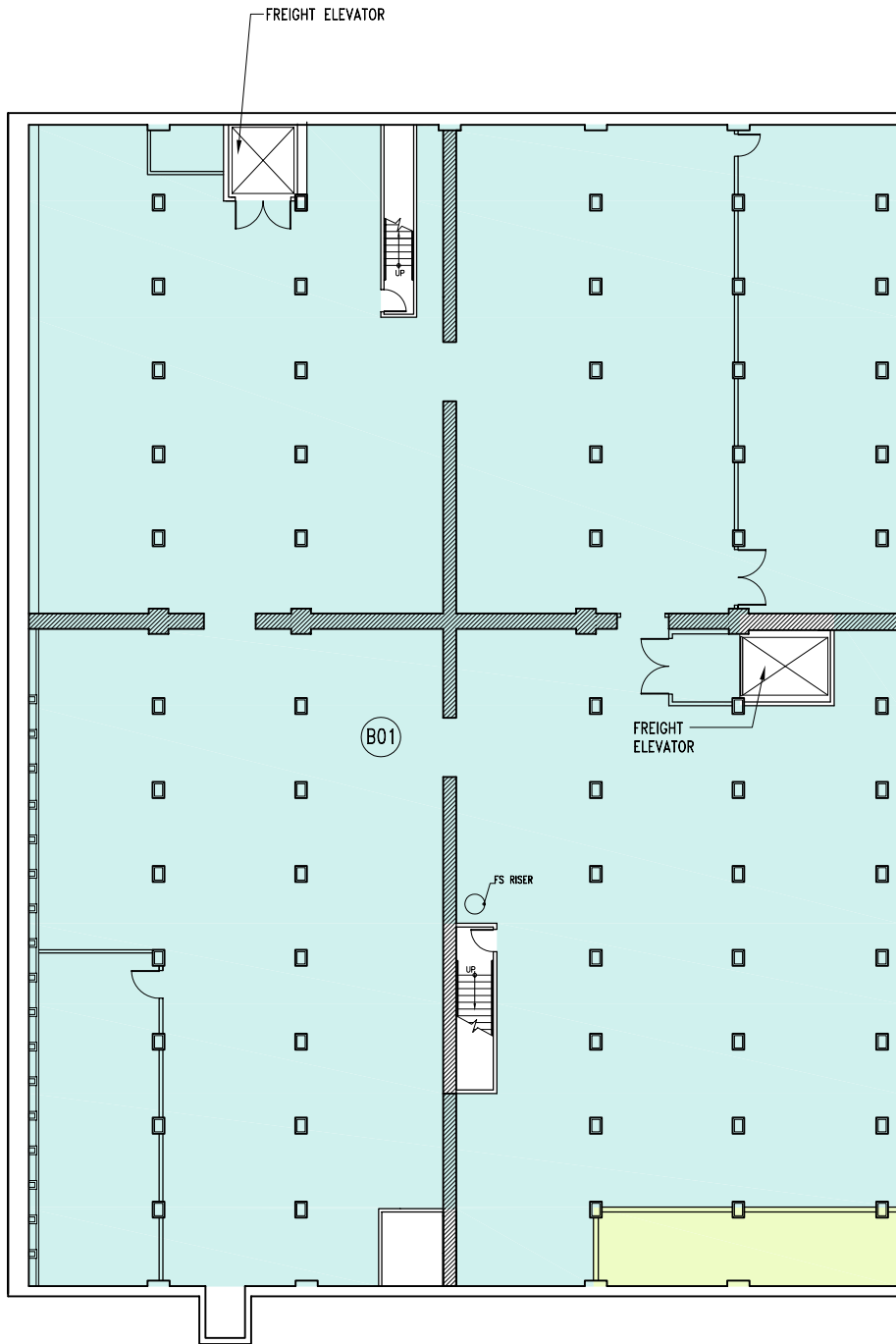
Conditional Use Authorization
& Office Allocation
Case Number 2013.0627BC
660 3rd Street

Aerial Photo



665 3rd Street





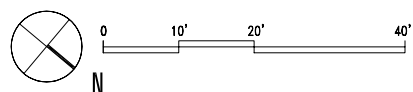
- BUILDING COMMON AREA
- BASEMENT STORAGE #B01

NOVEMBER 30, 2010

TENANT AREAS
BASEMENT PLAN
 660 THIRD STREET

THE OFFICE OF
CHARLES F. BLOSZIES AIA
 LTD
 ARCHITECTURE | STRUCTURES

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 e-mail: archenghe.com

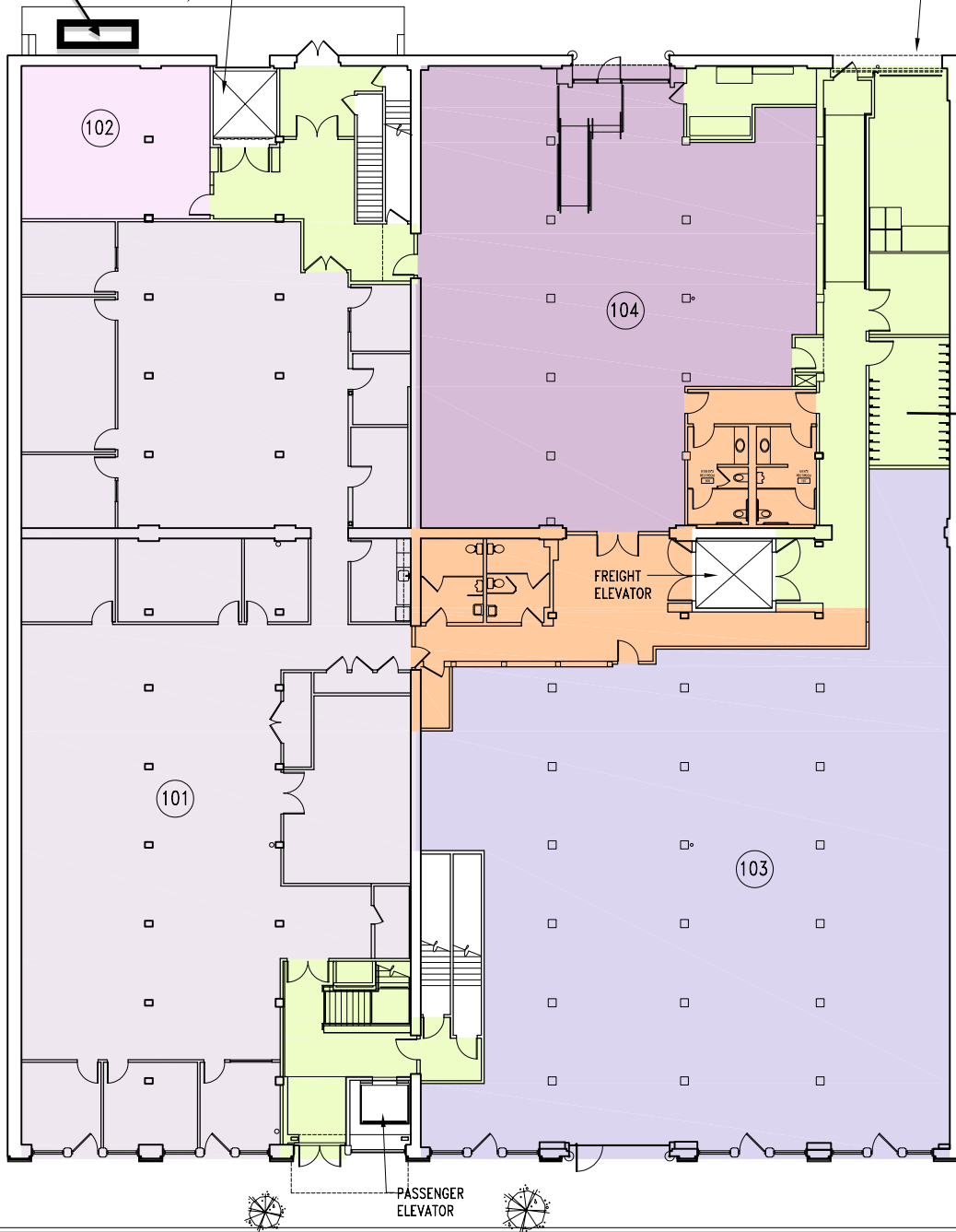


Rack for 3 bicycles

LOADING DOCK
FREIGHT ELEVATOR

R I T C H S T R E E T

LOADING DOCK



Bike Storage Room
16 bicycle spaces

FREIGHT
ELEVATOR

PASSENGER
ELEVATOR

T H I R D S T R E E T

March 3, 2104

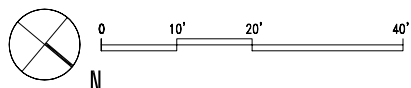
- BUILDING COMMON AREA
- FLOOR COMMON AREA
- #101 & #200
- #102
- #103
- #104

GROUND FLOOR PLAN

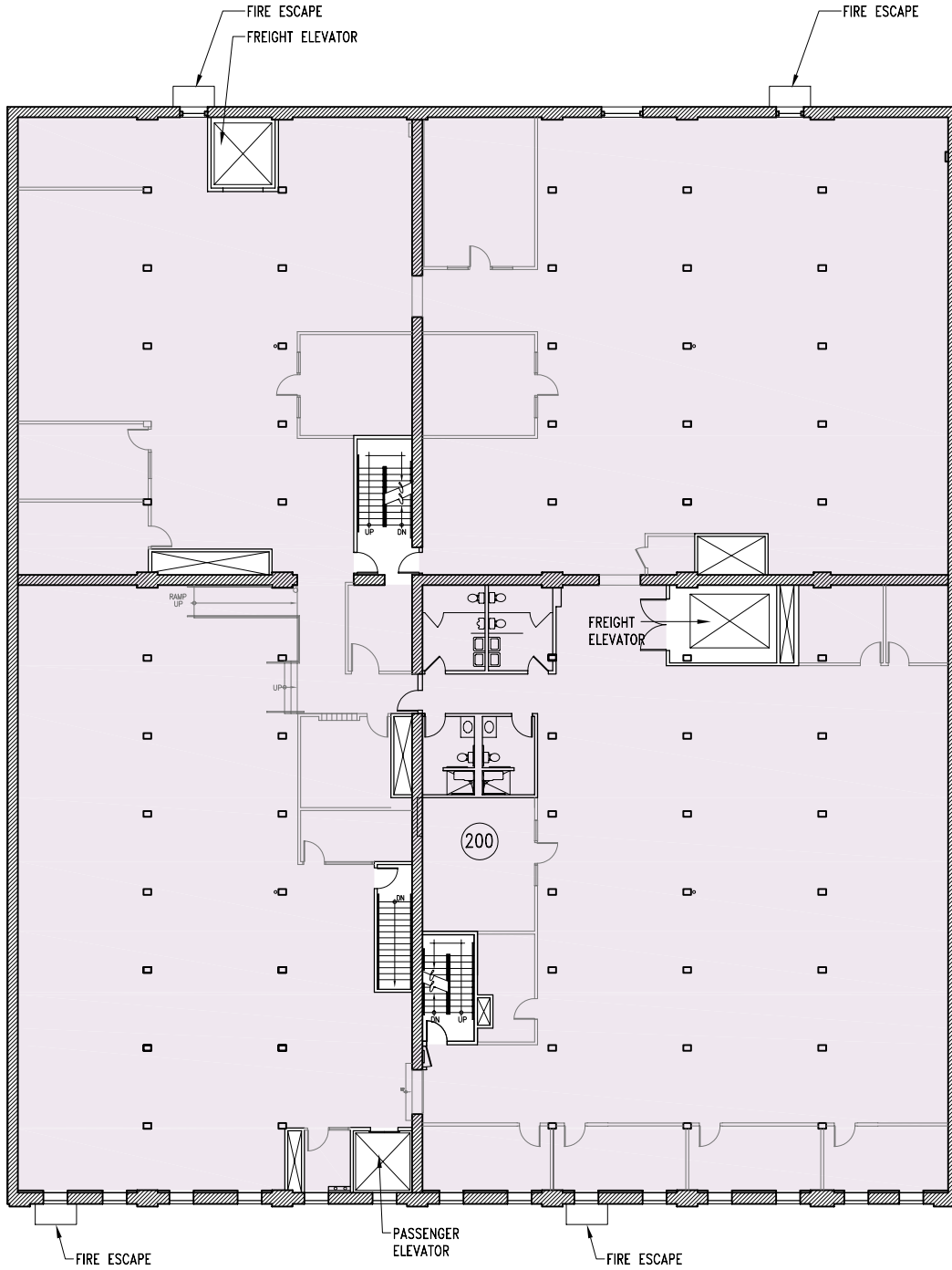
660 THIRD STREET

THE OFFICE OF
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R I T C H S T R E E T

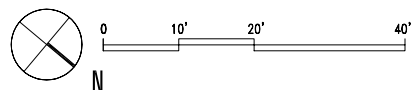


T H I R D S T R E E T

SECOND FLOOR TENANT #101 & #200

NOVEMBER 30, 2010

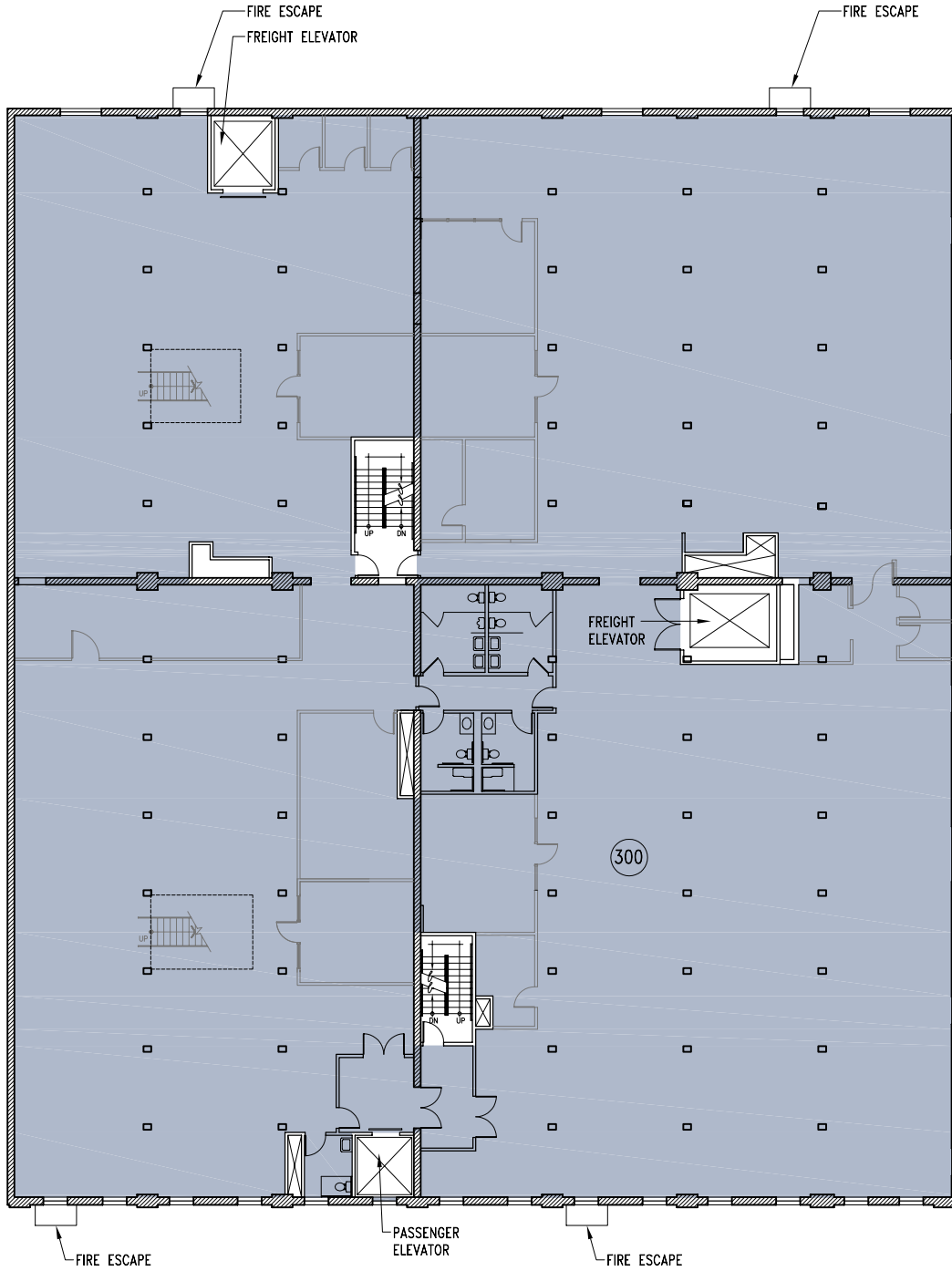
TENANT AREAS
SECOND FLOOR PLAN
 660 THIRD STREET



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RITCH STREET



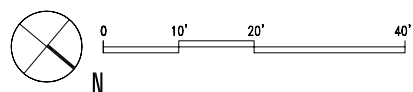
THIRD STREET

NOVEMBER 30, 2010

THIRD FLOOR TENANT #300 & #400

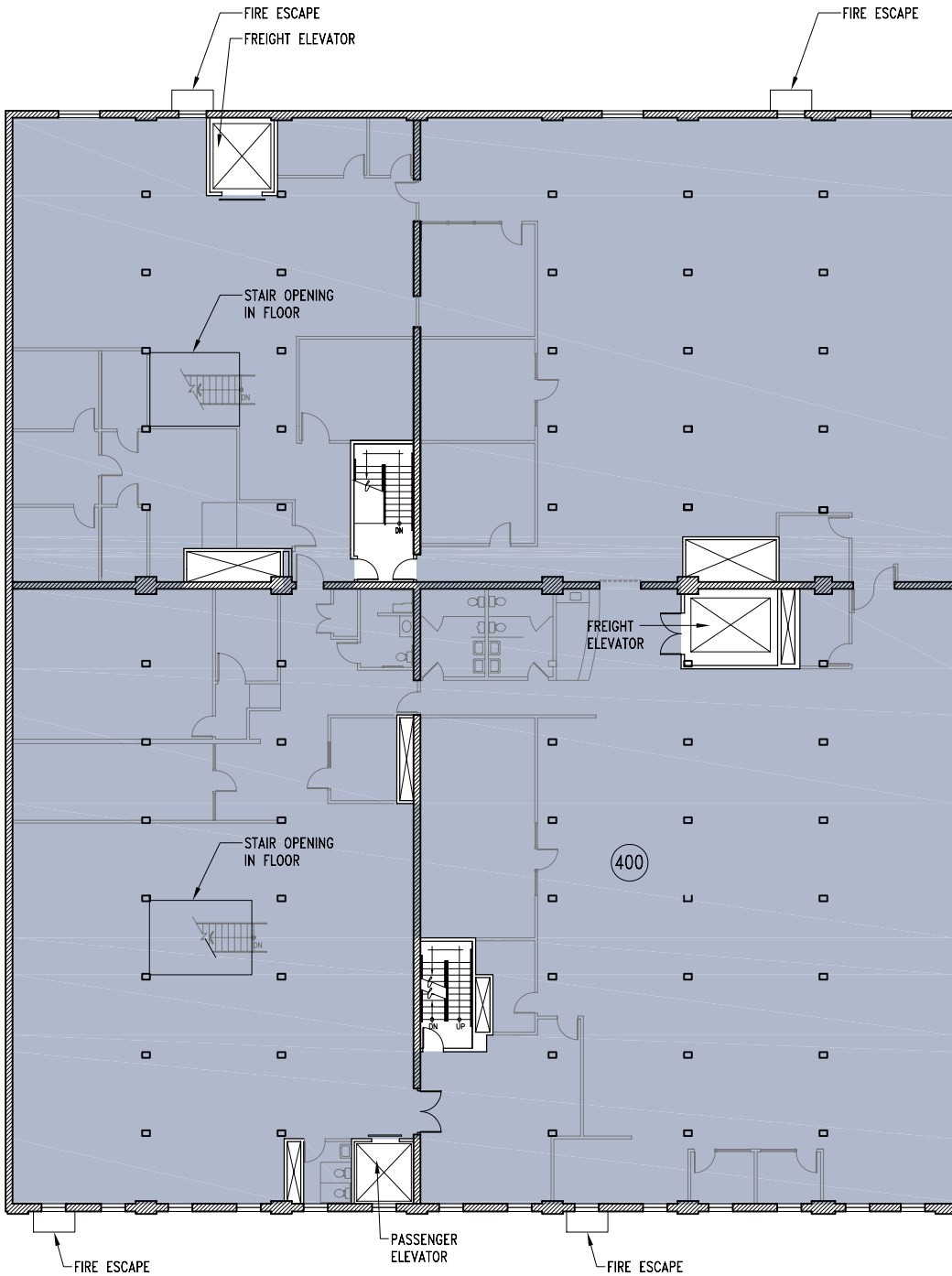
TENANT AREAS
THIRD FLOOR PLAN
 660 THIRD STREET

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R I T C H S T R E E T



T H I R D S T R E E T

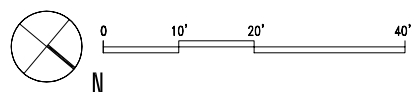
■ FOURTH FLOOR TENANT #300 & #400

NOVEMBER 30, 2010

TENANT AREAS
FOURTH FLOOR PLAN
 660 THIRD STREET

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REUBEN, JUNIUS & ROSE, LLP

September 2, 2014

By Messenger

President Cindy Wu
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

**Re: 660 Third Street - Adaptive Re-Use of South End Terminal Warehouse,
Located in the South End Historic District
Planning Department Case No.: 2013.0627C
Hearing Date: September 11, 2014
Our File No.: 7462.01**

Dear President Wu and Commissioners:

At the Planning Commission hearing on a Conditional Use Application for a change of use to office at the South End Terminal Warehouse¹ located at 660 Third Street (the “Building” or “660 Third Street”), held on June 12, 2014, the Planning Commission requested, among other things, that the applicant provide additional information regarding the past uses of the building. The applicant submitted to the Planning Department staff the attached chart of historical vacancies at 660 Third Street covering the eighteen year period between 1997 and 2014. (Exhibit F.) Two continuances brought the application to the September 11, 2014 Planning Commission hearing.

The Building was purchased by the Rabin family in San Francisco in 1962. The Building’s original use in the early 1900s was warehouse space. Butterfield Auction Company occupied most of the Building from the late 1960s to 1990, for office use occupying the entire fourth floor and one-half of the third floor; a total of 30,000 sq. ft., in addition to storage space. The office space was used for sourcing and listing of art works and antiques. In 1985, Rabin Brothers Auctioneers, an industrial and machinery auction company, moved into the Building. Rabin Brothers used an additional 10,000 sq. ft. for office space and 20,000 sq. ft. for storage. These occupancies continued until approximately 1996, when both Rabin and Butterfield moved out and the Building became vacant. Both the Butterfield and Rabin office space uses, a total of 40,000 sq. ft., pre-dated the adoption of the SLI zoning on April 6, 1990, and are therefore grandfathered as legal non-conforming uses under Planning Code Section 180, which have not

¹ The South End Terminal Warehouse is a historic building designed by the well known and highly regarded architect William Koenig, and constructed in 1902.

James A. Reuben | Andrew J. Junius | Kevin H. Rose | Daniel A. Frattin
Sheryl Reuben¹ | David Silverman | Thomas Tunny | Jay F. Drake | John Kevlin
Lindsay M. Petrone | Melinda A. Sarjapur | Mark H. Loper | Jody Knight | Jared Eigerman^{2,3} | John McInerney III²

1. Also admitted in New York 2. Of Counsel 3. Also admitted in Massachusetts

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been abandoned at any time. This office use also pre-dated the adoption of office limits (large office cap) in 1985, and do not require an office allocation under Planning Code Section 321 because the office space is not being converted – it was office space as far back as the 1960s and has never been used for anything other than office space. Hence, there is no conversion of the third and fourth floor offices. The first and second floors remained vacant for a long period of time and then were occupied for a brief period by a retail clothing outlet center. When the retail outlet vacated, the first and second floors became vacant once again.

The Building remained entirely vacant from the first quarter of 1997 through the second quarter of 2000, notwithstanding that it was actively marketed and offered 80,000 sq. ft. of space. A single floor of this four-story Building was leased in the third quarter of 2000 and an additional floor was leased in the fourth quarter of 2000, when multimedia tenants began to seek space for start-up businesses and tech and software development. Many multimedia uses were allowed by the Planning Department at that time in this Zoning District as “Business Services”. Most subsequent occupancies were for the same or similar “Business Services” uses, which today are designated as “office” uses.

The Building remained half vacant until the third quarter of 2001, when occupancy expanded to approximately 74,000 square feet, and then remained fairly constant through the third quarter of 2002. For the next two quarters, the Building was again more than 50 percent vacant. The Building was not fully occupied until the second quarter of 2003, and it remained occupied until the first quarter of 2005, when it dropped down again to approximately 50 percent occupancy. The Building then fluctuated between 14 percent occupancy and fifty percent occupancy until the fourth quarter of 2007. From that time to the present, occupancy has varied between 77 percent and 100 percent, with the same or similar multimedia, start-up businesses, tech and software development.

The extensive history of vacancies ranging between zero percent occupancy and 50 percent occupancy belies any argument that the Building is appropriate or useful for light industrial/production, distribution, or repair uses. The principally permitted uses allowed without conditional use authorization in this zoning district are not suitable for this Building, due to the stacked, four-story configuration of the Building, column spacing, low ceiling heights, and lack of parking and loading space. A former loading area that existed when the building was constructed in 1902, at the rear of the Building on what is now Ritch Street, now opens onto a sidewalk and an alley that is too narrow to accommodate a delivery truck. Nearly all PDR uses would require a loading space. There is no open space anywhere on the property, which precludes any possibility of residential use. While the Building could potentially be used as a storage warehouse as it was from 1902 to the beginning of the 1960s, storage use would not provide jobs in any significant number, and storage use is discouraged in the Downtown Area by Planning Department policy.

The Planning Code permits office use of 660 Third Street under certain conditions, all of which are satisfied in this case. In fact, most of the historic buildings in the neighborhood have already received conditional use approval for office use, including the very similar building located directly across the street at 665 Third Street, which was granted conditional use approval for office use on October 24, 2013, on a 6-1 vote, without opposition. The spokeswoman for opposition to the conditional use for 660 Third Street, Sue Hestor, notably declared and made known at the public hearing on 665 Third Street that the conditional use for office was “office development done right”. (See Minutes of Planning Commission hearing for 665 Third Street, attached as Exhibit A). Sue Hestor continued on at length to emphasize her support for the conversion of 665 Third Street to office and the mitigation fees it would generate for the City. There is no material difference between the buildings at 665 Third Street and 660 Third Street. It would be a gross injustice to the Rabin family to treat them and their Building differently from 665 Third Street. Indeed, it would represent an abrupt about-face from the Planning Commission’s approval of every similar conditional use application that preceded this application.

We have searched the Planning Department records and were not able to find a single instance of a conditional use application for office use in a historic building located within a Historic District ever being denied by the Planning Commission. The Planning Department’s Case Report for the original Planning Commission hearing for 660 Third Street held on May 1, 2014 (attached as Exhibit B) provided a recommendation of approval of the conditional use supported by ten findings of fact. Staff did not recommend any conditions of approval, other than two boilerplate paragraphs that actually did not apply because they related only to new construction. No construction is proposed. In short, the staff’s recommendation of approval for 660 Third Street was unconditional. None of the facts have changed with respect to 660 Third Street.

The Planning Code allows office use as a conditional use for certain buildings in this zoning district, in order to encourage improved maintenance and repair of historic buildings through adoption of Historic Building Maintenance Plans, which the owner has agreed to adopt. The Historic Building Maintenance Plan for 660 Third Street, developed in coordination with the Planning Department’s Historic Resource Specialists, is attached as Exhibit C.

The application for 660 Third Street, filed on May 16, 2013, would have been approved five months ago, just as all such applications had been approved in the past, but for the fact that it got swept into a maelstrom created by an unrelated project at Showplace Square, known as “One Henry Adams Street”, a historic building where approximately half of the tenants were apparently concerned about their continued occupancy. With respect to Showplace Square, the Project application was ultimately denied.

The neighborhood surrounding 660 Third Street is dominated by large office buildings, many of them historic buildings, as well as Brown and Toland's four story headquarters, and new mid-rise residential buildings. The neighborhood is served by ample public transit including Muni, Cal Trans, and the Third Street light rail line, which allow office workers easy access to the neighborhood without using automobiles.

The conditional use for 660 Third Street has been unanimously recommended for approval by the Historic Preservation Commission (See HPC Resolution No. 0731, attached as Exhibit D). Approval of the conditional use application would not only ensure preservation and a high standard of maintenance for an important historic building, but would also produce over \$1.5 million in mitigation fees for the City to use for affordable housing and other community priorities. In the midst of a housing crisis, this would be a significant contribution to the City, without any downside.

No production, distribution or repair tenants have come forward to occupy 660 Third Street for approximately twenty years, notwithstanding that it was actively marketed at all times. In fact, the 80,000 square foot Building remained entirely vacant for more than five years, and half vacant for an additional five years, a total of ten years of extreme underuse of the Building, which contributed neither jobs nor income to the City. No historic building can survive indefinitely without occupants.

Business Services/multimedia tenants thankfully arrived in 2001-2001 to occupy and thereby save the Building. Frog Design, one of the largest design firms in the country, currently occupies nearly one-half of the Building, 30,000 sq. ft. There are approximately 350 workers currently employed in the Building, which is fully leased to Building Services/multimedia and design tenants (Frog Design). The "Business Services" land use category more recently fell into disfavor, and has been deleted from the Planning Code. Historic buildings with existing Business Service uses were subsequently required to obtain Conditional Use Authorization to maintain the same uses, which have now been lumped into the "office" category, notwithstanding that the uses do not resemble traditional "office" use. Rather, they employ open floor plans to encourage ease of collaboration among workers, and incorporate many non-traditional uses of "office" space such as design space, large lounge areas, kitchens, dining areas, and game areas.

The re-characterization of uses that had been previously allowed as Business Services/multimedia was not done because of a change in the character of the use, but rather was heavily influenced by a desire on the part of the City to capture office mitigation fees subsequent to the adoption of Prop M. However, this category of uses should not be disallowed by a denial of the very pathway provided in the Planning Code to allow these uses, namely the conditional use authorization application. In addition, approval of the conditional use is consistent with the

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President Cindy Wu
Planning Commission
September 2, 2014
Page 5

Planning Department's proposed Central Corridor Plan, under which 660 Third Street is planned to be rezoned to UMU (Urban Mixed-Use) Zoning, which principally permits office use.

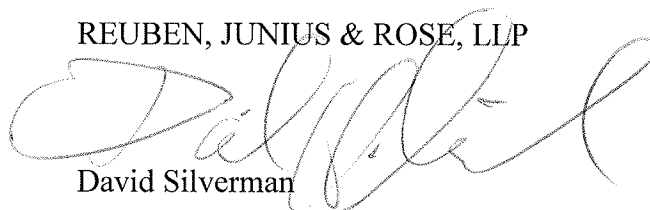
The proposed conditional use satisfies all of the Planning Code requirements for the adaptive reuse of a historic building for office. We respectfully request that you approve the application.

Thirty thousand square feet of office use is independently grandfathered as a legal use that predates both the adoption of the SLI zoning in 1990 and the adoption of office limits in 1985.

Thank you for your consideration.

Yours truly,

REUBEN, JUNIUS & ROSE, LLP

A handwritten signature in black ink, appearing to read 'David Silverman', is written over the typed name below.

David Silverman

cc: Rodney Fong, Vice-President
Christine D. Johnson, Commissioner
Michael J. Antonini, Commissioner
Rich Hillis, Commissioner
Kathrin Moore, Commissioner
Dennis Richards, Commissioner
Rich Sucre, Planning Department

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LIST OF EXHIBITS

Exhibit A - Minutes of Planning Commission Hearing held on Oct. 24, 2013 for 665 Third Street

Exhibit B - Planning Department Case Report dated May 1, 2014

Exhibit C - Historic Building Maintenance Plan

Exhibit D - Historic Preservation Commission Resolution No. 0731 in Support of the Conditional Use application

Exhibit E – Historic Documents regarding Rabin Brothers and Butterfield Occupancy

Exhibit F – Historic Vacancies 1997-2014

Planning Department

October 24, 2013

SAN FRANCISCO PLANNING COMMISSION

Meeting Minutes

Commission Chambers, Room 400
City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Thursday, October 24, 2013

12:00 p.m.

Regular Meeting

COMMISSIONERS PRESENT: Fong, Wu, Antonini, Borden, Hillis, Moore, Sugaya

COMMISSIONER ABSENT: None

THE MEETING WAS CALLED TO ORDER BY PRESIDENT FONG AT 12:04 PM.

escape that currently spans the entire building façade, which is 45 feet in length. The property is located within the Castro Street Neighborhood Commercial District, and 40-X Height and Bulk District.

SPEAKERS: + Neil Guillianio – AIDS Foundation services provided, expansion
+ Betsy Sandidge – Project overview
+ Andrea Aielle – Combination of all three programs will benefit the Castro
- Rose Jajabeko – Deck area noise

ACTION: AFTER CLOSING PUBLIC HEARING; ZONING ADMINISTRATOR INDICATED AN INTENT TO GRANT

12a. 2013.0226BC (R. SUCRÉ: 415/575-9108)

665 3RD STREET - located between Brannan and Townsend Streets, Lot 013 in Assessor's Block 3788 - **Request for an Office Development Authorization** under Planning Code Section 321 to establish up to 123,700 gsf of office space within the South End Landmark District, SLI (Service/Light Industrial) Zoning District and 65-X Height and Bulk District. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.

Preliminary Recommendation: Approve with Conditions

SPEAKERS: + Caroline Eiber – Project description
+ Sue Hestor – Office development done right

ACTION: Approved with Conditions

AYES: Fong, Wu, Antonini, Borden, Hillis, Moore

NAYES: Sugaya

MOTION: 19012

12b. 2013.0226BC (R. SUCRÉ: 415/575-9108)

665 3RD STREET - located between Brannan and Townsend Streets, Lot 013 in Assessor's Block 3788 - **Request for a Conditional Use Authorization**, pursuant to Planning Code Sections 303, 803.9(a), and 817.48, for a change in use of up to 123,700 gsf from printing use (PDR-Production, Distribution and Repair) to office use. The subject property is located within the South End Landmark District, SLI (Service/Light Industrial) Zoning District, and 65-X Height and Bulk District.

Preliminary Recommendation: Approve with Conditions

SPEAKERS: + Caroline Eiber – Project description
+ Sue Hestor – Office development done right

ACTION: Approved with Conditions

AYES: Fong, Wu, Antonini, Borden, Hillis, Moore

NAYES: Sugaya



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use Authorization & Office Development Authorization

HEARING DATE: MAY 1, 2014
CONTINUED FROM: MARCH 27, 2014 AND APRIL 3, 2014

Date: April 21, 2014
Case No.: 2013.0627BC
Project Address: 660 3rd Street
Zoning: SLI (Service/Light Industrial) Zoning District
South End Landmark District
65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
1 Bush Street, Ste. 600
San Francisco, CA 94104
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: Approval with Conditions

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PROJECT DESCRIPTION

The proposed project is a change in use of up to 80,000 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

SITE DESCRIPTION AND PRESENT USE

The proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the west side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 Categorical Exemption.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	March 6, 2014	March 6, 2014	60 days
Posted Notice	20 days	March 13, 2014	March 11, 2014	51 days
Mailed Notice	20 days	March 6, 2014	March 6, 2014	60 days

The proposal does not require Section 312 Neighborhood notification, since the subject property is located within the SLI Zoning District.

PUBLIC COMMENT

As of April 21, 2014, the Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the proposed development impact fees.

ISSUES AND OTHER CONSIDERATIONS

- **General Plan:** The Urban Design Element of the General Plan contains objectives and policies, which encourage the retention and reuse of notable landmarks and areas of historic, architectural, or aesthetic value. The proposal would retain and reuse an existing historic resource with a compatible new use.
- **East SoMa Plan:** The Land Use Chapter of the East SoMa (South of Market) Area Plan contains objectives and policies that encourage the retention of smaller-scale, flexible office spaces throughout East SoMa. Although the East SoMa Area Plan did not revise the land use controls for the SLI Zoning District, the plan does permit limited office space throughout East SoMa, in order to support a flexible space for all types of office users. The proposal would establish new office use within a landmark property. This office use would be consistent with the immediate area's mixed use character, and would promote a flexible space for all types of office users.

- Central SoMa Plan: 660 3rd Street is located within the proposed Central SoMa Area Plan, which is currently under review and development by the San Francisco Planning Department. According to the Draft Central SoMa Area Plan, the project site would be rezoned from SLI to MUO (Mixed-Use Office). Within the MUO Zoning District, office use is a principally permitted use.
- Preservation of Historic Buildings within South of Market Mixed Use Districts: The subject building is able to use Planning Code Section 803.9(a), since the subject building is a contributing resource to the South End Historic District (which is locally designated as noted in Article 10 of the San Francisco Planning Code) and is located outside of the SSO (Service/Secondary Office) Zoning District, and since the proposal would include an aggregate gross square footage in excess of 25,000 gsf.
- Historic Preservation Commission: The Project was reviewed by the Historic Preservation Commission (HPC) on February 19, 2014. The HPC determined that the proposed project would enhance the feasibility of preserving the existing building, as noted in HPC Resolution No. 0731.
- Office Development Authorization: The Project would change the use of up to 80,000 gsf of PDR use to office use. Within the SLI (Service/Light Industrial) Zoning District, office use is only permitted within landmark properties, pursuant to Planning Code Section 803.9(a) and 817.48. As of April 21, 2014, there is approximately 2.09 million square feet of "Large" Cap Office Development available under the Section 321 office allocation program.
- Existing Use: As noted by the Project Sponsor, 660 3rd Street is currently occupied by office tenants on all levels and was formerly used as an auction space (PDR use) with accessory office and storage, and ground floor retail.
- Development Impact Fees: The Project would be subject to the following development impact fees, which are estimated as follows:

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Transit Impact Development Fee (80,000 gsf – Change In Use from PDR to Office)	411 (@ \$6.10)	\$ 488,000
Jobs-Housing Linkage (80,000 gsf – Change in Use from PDR to Office)	413 (@ \$7.02)	\$561,600
Child Care Development In-Lieu Fee (80,000 gsf – New Office Development)	414 (@ \$1.16)	\$92,800
Eastern Neighborhoods Impact Fee (Tier 1-Change In Use from PDR to Non-Residential - 80,000 gsf)	423 (@ \$3.47)	\$277,600
Alternative Means of Satisfying Open Space Requirement in SoMa Mixed-Use Districts (Approx. 888 sq ft of open space required for 80,000 of office use)	425 (@ \$0.92)	\$817
	TOTAL	\$1,420,817

Please note that these fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application, as based upon the annual updates managed by the Development Impact Fee Unit of the Department of Building Inspection.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorization to allow office use (up to 80,000 gsf) within a designated historic building in the SLI Zoning District, pursuant to Planning Code Sections 303, 803.9(a), and 817.48.

In addition, the Commission must authorize an Office Development Authorization of up to 80,000 gsf of office space pursuant to Planning Code Section 321.

BASIS FOR RECOMMENDATION

- The Project maintains and promotes office use, which is encouraged throughout the East SoMa area of the City.
- The Project would be consistent with the historic character of the immediate neighborhood, would be consistent with the uses found within the immediate vicinity, and would assist in maintaining the area's diverse economic base.
- The Project meets all applicable requirements of the Planning Code.
- The Project is desirable for, and compatible with the surrounding neighborhood.
- The Project has the support of the Historic Preservation Commission, as documented in HPC Resolution No. 0731.
- The Project represents an allocation of approximately four percent of the large cap office space currently available for allocation.
- The authorization of the office space will allow for new businesses in the area, which will contribute to the economic activity in the neighborhood.
- At current rates, the project will produce approximately \$1,420,817 in fees that will benefit the community and City.

RECOMMENDATION:

Approval with Conditions

Attachments:

Draft Motions – Conditional Use Authorization & Office Development Authorization

Exhibits:

- Parcel Map
- Sanborn Map
- Zoning Map
- Aerial Photos
- Site Photos

Executive Summary
Hearing Date: May 1, 2014

CASE NO. 2013.0627BC
660 3rd Street

Architectural Drawings:

- Floor Plans
- Historic Building Maintenance Plan

Historic Preservation Commission Resolution No. 0731

Project Sponsor Submittal

Public Correspondence

Categorical Exemption

Attachment Checklist

- | | |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project sponsor submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input checked="" type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input checked="" type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | <input type="checkbox"/> Health Dept. Review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Community Meeting Notice |
| <input type="checkbox"/> Context Photos | <input type="checkbox"/> Inclusionary Affordable Housing Program:
Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos | |

Exhibits above marked with an "X" are included in this packet

RS _____
Planner's Initials

RS: G:\Documents\Office Allocation\2013.0627B 660 3rd St\ExecutiveSummary_660 3rd St.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
- Transit Impact Development Fee (Sec. 411)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other (EN Impact Fees)

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Planning Commission Draft Motion HEARING DATE: MAY 1, 2014

Date: May 1, 2014
Case No.: 2013.0627BC
Project Address: 660 3rd Street
Zoning: SLI (Service/Light Industrial) Zoning District
 South End Landmark District
 65-X Height and Bulk District
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richard.sucre@sfgov.org
Recommendation: Approval with Conditions

ADOPTING FINDINGS RELATING TO AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2013 – 2014 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO PLANNING CODE SECTION 321 THAT WOULD AUTHORIZE UP TO 80,000 GROSS SQUARE FEET OF OFFICE USE AT 660 3RD STREET, LOT 008 IN ASSESSOR’S BLOCK 3788, WITHIN THE SLI (SERVICE/LIGHT INDUSTRIAL) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 16, 2013, David Silverman of Reuben, Junius & Rose, LLP (hereinafter “Project Sponsor”), on behalf of Gorr Partners, LLC (Property Owner) filed an application with the Planning Department (hereinafter “Department”) for an Office Development Authorization to establish up to 80,000 gsf of office use at 660 3rd Street (Block 3788 Lot 008) in San Francisco, California.

The project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 Categorical Exemption.

On May 1, 2014, the Commission adopted Motion No. XXXXX, approving a Conditional Use Authorization for the Proposed Project (Conditional Use Application No. 2013.0627C). Findings

contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On May 1, 2014, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2013.0627B.

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.

MOVED, that the Commission hereby authorizes the Office Development Authorization requested in Application No. 2013.0627B, subject to the conditions contained in "EXHIBIT A" of this motion, 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 proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the east side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.
3. **Surrounding Properties and Neighborhood.** The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).
4. **Project Description.** The proposed project is a change in use of up to 80,000 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

5. **Public Comment.** The Department has received one correspondence regarding the proposal. This correspondence requested information on the proposed development impact fees.
6. **Office Development Authorization.** Planning Code Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

I. 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.

Currently, there is approximately 2.09 million gross square feet of available "Large Cap" office space in the City. Additionally, the proposed project is subject to various development fees that will benefit the surrounding community and the city. The Project is located in close proximity to many public transportation options, including a number of Muni and transit lines. Therefore, the Project will help maintain the balance between economic growth, housing, transportation and public services.

II. THE CONTRIBUTION OF THE OFFICE DEVELOPMENT TO, AND ITS EFFECTS ON, THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN.

The proposed project is consistent with the General Plan, as outlined in Section 8 below.

III. THE QUALITY OF THE DESIGN OF THE PROPOSED OFFICE DEVELOPMENT.

The proposed project offers high quality design for the proposed office development, which is consistent and compatible with the neighborhood's overall massing and form. In particular, the proposed project is sensitive to the surrounding South End Landmark District, and provides maintenance and preservation plan to ensure the preservation of the subject property, as noted in Historic Preservation Commission Resolution No. 0731.

IV. THE SUITABILITY OF THE PROPOSED OFFICE DEVELOPMENT FOR ITS LOCATION, AND ANY EFFECTS OF THE PROPOSED OFFICE DEVELOPMENT SPECIFIC TO THAT LOCATION.

- a) Use. *The proposed project is located within the SLI (Service/Light Industrial) Zoning District, which permits office use in landmark properties pursuant to Planning Code Sections 803.9(a) and 817.48. The subject lot is located in an area primarily characterized by commercial and light industrial*

development. There are several office use buildings on the subject block, and on blocks to the east and south of the project site.

- b) Transit Accessibility. *The area is served by a variety of transit options. The project site is within a quarter-mile of various Muni routes, including the 10-Townsend, 30-Stockton, 45-Union/Stockton, and 76X-Marin Headlands Express, as well as the N-Judah and KT-Ingleside/Third Street Rail Lines. Further, the project site is located within two blocks of the Caltrain Station on King and 4th Streets, and the proposed Central Subway.*
- c) Open Space Accessibility. *The Project will pay the in-lieu fee for the required on-site useable open space, and is located within one block of open space at South Park.*
- d) Urban Design. *The proposed project reinforces the surrounding landmark district by providing a Historic Building Maintenance Plan for 660 3rd Street. This HBMP provides a program for regular maintenance and rehabilitation and assists in rectifying inappropriate alterations to the subject property, thus providing a benefit to the larger city through appropriate historic preservation. The Historic Preservation Commission approved this HBMP, as noted by the Historic Preservation Commission Resolution No. 0731.*
- e) Seismic Safety. *The proposed project would be designed in conformance with current seismic and life safety codes as mandated by the Department of Building Inspection. In 1987, the subject property was seismically upgraded.*

V. 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.

- a) Anticipated Employment Opportunities. *The Project includes a total of 80,000 gross square feet of office space. As noted by the Project Sponsor, the additional office square footage will create new opportunities for employment.*
- b) Needs of Existing Businesses. *The Project will supply office space in the East SoMa area, which allows office use in landmark properties within SLI Zoning District. The existing building will provide office space with high ceilings and large floor plates, which are characteristics desired by emerging technology businesses. This building type offers flexibility for new businesses to further grow in the future. Currently, almost all of the existing office space is already occupied by existing businesses.*
- c) Availability of Space Suitable for Anticipated Uses. *The Project will provide large open floor plates, which will allow for quality office space that is suitable for a variety of office uses and sizes.*

VI. THE EXTENT TO WHICH THE PROPOSED DEVELOPMENT WILL BE OWNED OR OCCUPIED BY A SINGLE ENTITY.

Currently, the existing building is leased to a variety of office tenants.

VII. THE USE, IF ANY, OF TRANSFERABLE DEVELOPMENT RIGHTS ("TDR's") BY THE PROJECT SPONSOR.

The Project does not include any Transfer of Development Rights.

7. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. XXXXX, Case No. 2013.0627C (Conditional Use Authorization, pursuant to Planning Code Sections 303, 803.9(a), and 817.48) apply to this Motion, and are incorporated herein as though fully set forth.
8. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposal would not significantly affect any neighborhood serving retail uses, as numerous retail uses would still be present in the area. Most of the surrounding retail serves the adjacent business community. Currently, the ground floor retail space is vacant.

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

The proposal will not impact the existing housing or neighborhood character. The surrounding neighborhood has a mixed character composed of residential, commercial, office, and light industrial uses.

- C. That the City's supply of affordable housing be preserved and enhanced.

The proposal will not impact any of the existing housing.

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

The proposal will not alter the existing commuter traffic patterns. The existing building is well-served by public transportation options. The location of the site will enable employees and visitors to the building to walk or use public transit. Parking or loading is not required per Planning Code Sections 151.1 and 161(k).

- 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 proposed project will assist in maintaining a diverse economic base by enhancing a commercial use.

- 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 safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is located in the South End Landmark District, and the proposal would enhance the feasibility to preserve the existing building by allowing office use and engaging within a Historic Building Maintenance Plan.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. The Commission hereby finds that approval of the Office Development Authorization would 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 **APPROVES Office Development Application No. 2013.0627B** subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, in general conformance with the plans stamped Exhibit B and dated March 4, 2014, on file in Case Docket No. 2013.0627B.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 Office-Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission **ADOPTED** the foregoing Motion on May 1, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: May 1, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for an Office Development Authorization to authorize up to 80,000 gross square feet of office use located at 660 3rd Street, Lot 008 in Assessor's Block 3788 pursuant to Planning Code Section 321 within the SLI (Service Light Industrial) Zoning District and a 65-X Height and Bulk District; in general conformance with plans, dated March 3, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0627B and subject to conditions of approval reviewed and approved by the Commission on May 1, 2014 under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit B of Motion No. XXXXX, Case No. 2013.0627C (Conditional Use Authorization Under Sections 303 and 803.9(a)) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for 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 for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 4, 2014 under Motion No. XXXXX.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Office Development Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Development Timeline - Office.** Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this conditional use authorization.

For information about compliance, contact the Planning Department at 415-558-6378, www.sf-planning.org.

Draft Motion
May 1, 2014

CASE NO. 2013.0627B
660 3rd Street

2. **Extension.** This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said construction is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact the Planning Department at 415-558-6378, www.sf-planning.org.



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|--|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input type="checkbox"/> Other |

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Planning Commission Draft Motion HEARING DATE: MAY 1, 2014

Date: May 1, 2014
Case No.: 2013.0627BC
Project Address: 660 3rd Street
Zoning: SLI (Service/Light Industrial) Zoning District
South End Landmark District
65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
1 Bush Street, Ste. 600
San Francisco, CA 94104
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: Approval with Conditions

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303, 803.9(A), AND 817.48 OF THE PLANNING CODE TO CONVERT UP TO 80,000 GSF OF PDR USE TO OFFICE USE AT 660 3RD STREET, LOT 008 IN ASSESSOR'S BLOCK 3788 WITHIN THE SLI (SERVICE/LIGHT INDUSTRIAL) DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 16, 2013, David Silverman of Reuben, Junius & Rose, LLP (hereinafter "Project Sponsor"), on behalf of Gorr Partners, LLC (Property Owner) filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 303 and 803.9(a) of the Planning Code to change the use of up to 80,000 gsf of PDR space to office use within the SLI (Service/Light Industrial) Zoning District, South End Landmark District, and a 65-X Height and Bulk District.

On February 19, 2014, the San Francisco Historic Preservation Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2013.0627C, in order to provide a recommendation to the San Francisco Planning Commission on the project's feasibility to preserve the subject building. The HPC determined that the proposed project would enhance the feasibility of preserving the existing building, as noted in HPC Resolution No. 0731.

On April 3, 2014, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2013.0627C.

The project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 Categorical Exemption.

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.

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2013.0627C, subject to the conditions contained in "EXHIBIT A" of this motion, 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 proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the east side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.
3. **Surrounding Properties and Neighborhood.** The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).
4. **Project Description.** The proposed project is a change in use of up to 80,000 gsf from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

5. **Public Comment.** The Department has received one correspondence regarding the proposal. This correspondence requested information on the proposed development impact fees.
6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

A. **Commercial Uses in Mixed Use Districts.** Planning Code Section 803.9(a) states that any use which is permitted as a principal or conditional use within the SSO (Service/Secondary Office) Zoning District, excluding nighttime entertainment, may be permitted as a conditional use in "a contributory building which is proposed for conversion to office use of an aggregate gross square footage of 25,000 or more per building and which is located outside the SSO District yet within a designated historic district." For all such buildings the following conditions shall apply:

- (1) the provisions of Sections 316 through 318 of this Code must be met;
- (2) in addition to the conditional use criteria set out in Sections 303(c)(6) and 316 through 316.8, it must be determined that allowing the use will enhance the feasibility of preserving the landmark, significant or contributory building; and
- (3) the landmark, significant or contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.

660 3rd Street is a contributing resource to the South End Landmark District, which is listed in Article 10 of the San Francisco Planning Code. It is located within the SLI Zoning District, which is outside of the SSO (Service/Secondary Office) Zoning District, and includes a proposal which will result in a conversion to office use of an aggregate gross floor area in excess of 25,000 sf.

Further, the proposal has been reviewed by the Historic Preservation Commission on February 19, 2014, and was determined to enhance the feasibility of preserving the subject building, as documented in HPC Resolution No. 0731.

- B. **Useable Open Space.** Planning Code Section 135.3 states that 1 sq. ft. per 90 sq. ft. of occupied floor area of new, converted or added square footage will be required for office uses, as defined in Planning Code Section 890.70, in South of Market Mixed Use Districts.

The Project is required to provide 888 sq ft of useable open space for the 80,000 gsf of new office use. Pursuant to Planning Code Section 425, the proposed project will provide a payment to the Open Space Fund, as authorized by the Zoning Administrator.

- C. **Off-Street Parking.** Within the SLI Zoning District (which is part of the SOMA Mixed Use Districts), Planning Code Section 151.1 states there is no required off-street parking.

Currently, the subject building does not possess any off-street parking spaces. As a contributing resource to a designated local historic district listed in Article 10 of the San Francisco Planning Code, there is no minimum off-street parking requirement for the subject building, per Planning Code Section 161(k).

- D. **Off-Street Freight Loading.** Planning Section 152.1 of the Planning Code requires 0.1 off-street freight loading spaces for every 10,000 square feet of gross floor area of office use.

As a contributing resource to a designated local historic district listed in Article 10 of the San Francisco Planning Code, there is no minimum off-street freight loading requirement for the subject building, per Planning Code Section 161(k).

- E. **Bicycle Parking Requirement.** Planning Section 155.2 of the Planning Code requires at least one Class 1 bicycle parking space for every 5,000 occupied square feet of office space and a minimum of two Class 2 bicycle parking spaces for any office uses greater than 5,000 gross square feet plus one Class 2 bicycle parking space for each additional 50,000 occupied square feet.

The proposed project includes up to 80,000 gsf of office use, which triggers at least sixteen (16) Class 1 bicycle parking spaces, and three (3) Class 2 bicycle parking spaces. The proposed project includes sixteen (16) Class 1 bicycle parking spaces and three (3) Class 2 bicycle parking spaces; therefore, the project meets this requirement.

- F. **Shower Facility and Clothes Locker Requirement.** Planning Section 155.4 of the Planning Code requires at least four showers and twenty-four clothes lockers when gross square footage exceeds 50,000 square feet of the office use floor area.

As outlined within Planning Code Section 155.4(d), the Project Sponsor shall seek an exemption from the Zoning Administrator to provide arrangements for shower and locker facilities at a health club or other facility within three blocks of the building, which will be available to tenants at no cost to the building employees; therefore, the proposed project would comply with Planning Code Section 155.3.

- G. **Office Development Authorization.** Planning Code Section 321 outlines the requirements for an Office Development Authorization from the Planning Commission for new office space in excess of 25,000 gsf.

The proposed project has submitted an application for an Office Development Authorization. The proposed project will seek an office development authorization for up to approximately 80,000 gsf of office space from the Planning Commission. See Case No. 2013.0627B.

- H. **Jobs-Housing Linkage Program.** Planning Code Section 413 applies the Jobs-Housing Linkage Fee to any project that increases by at least 25,000 gross square feet the total amount of any combination of entertainment use, hotel use, Integrated PDR use, office, research and development use, retail use, and/or Small Enterprise Workspace use.

The proposed project includes a change in use of up to 80,000 gsf from PDR to office use and is subject to the Jobs-Housing Linkage Program, as outlined in Planning Code Section 413. The Project Sponsor may elect between the Housing Requirement option, the Payment to Housing Developer option, the In-Lieu Fee Payment option or compliance by combination payment to Housing Developer and payment of In-Lieu Fee at the time of building permit issuance. The Project Sponsor has elected to satisfy this requirement through payment of an in-lieu fee.

- I. **Child Care Requirements for Office Development Projects.** Planning Code Section 414 applies the Child Care Requirements for Office Development Projects to any project that increases by at least 50,000 gross square feet the total amount of office space.

The proposed project includes 80,000 gsf of office use and is subject to the Child Care Requirements for Office Development Projects Requirement. Prior to issuance of the first construction document, the Project Sponsor will elect between compliance by providing an on-site child-care facility, compliance in conjunction with the sponsors of other development projects to provide an on-site child care facility at another project, compliance in conjunction with the sponsors of other development projects to provide a child-care facility within one mile of the development projects, compliance by payment of an in-lieu fee, compliance by combining payment of an in-lieu fee with construction of a child care facility or compliance by entering into an arrangement with a non-profit organization. The Project Sponsor shall pay the in-lieu fee to comply with this requirement.

- J. **Eastern Neighborhood Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project within the Eastern Neighborhoods Area Plan that results in the addition of gross square feet of non-residential space.

The proposed project includes a change in use of up to 80,000 gsf from PDR to office use. These uses are subject to Eastern Neighborhood Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees shall be paid prior to the issuance of the building permit application.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- (1) The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The proposed use is in keeping with other uses on the block face. The immediate block along 3rd Street features a variety of uses, including light industrial, general commercial, and multi-story residential, as well as professional office. The office use will complement the mix of goods and services currently available in the surrounding district and will contribute to the economic vitality of the neighborhood by expanding office square footage at this location. Currently, the surrounding district features a number of former light industrial and warehouse properties that have been converted to office use. The project will support the continued maintenance of the historic resource, which is a positive contribution to the neighborhood.

- (2) That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The height and bulk of the existing building will remain the same and the proposal will not alter the existing appearance or character of the project vicinity. The proposed work includes a maintenance and preservation program, which will eventually include exterior alterations that will remove incompatible alterations to the ground floor. These exterior alterations would be subject to a Certificate of Appropriateness, and would be reviewed by the Historic Preservation Commission at the time of application.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Planning Code does not require parking for the proposed use. The project is in close proximity to numerous transit options, including the proposed Central Subway, Caltrain, and Muni bus lines, which could offer alternatives to private vehicles.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The proposed project will comply with the City's requirements to minimize noise, glare, odors, or other harmful emissions. Conditions of approval are included to address potential issues.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The proposed change of use does not require any additional exterior tenant improvements. The proposal will not include loading or service areas. The Project Sponsor will not alter the

existing street trees. Screening and open space requirements will be met. Signage will comply with Planning Code requirements.

- (3) That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- (4) That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The proposed project is not located within a Neighborhood Commercial District.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

The Project will enhance an existing commercial use and will enhance the diverse economic base of the City.

URBAN DESIGN

Objectives and Policies

OBJECTIVE 2:

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWING.

Policy 2.4:

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

Policy 2.5:

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

The Project will preserve and reuse a contributing resource to a designated historic district.

EAST SOMA AREA PLAN

LAND USE

Objectives and Policies

OBJECTIVE 1.1:

ENCOURAGE PRODUCTION OF HOUSING AND OTHER MIXED-USE DEVELOPMENT IN EAST SOMA WHILE MAINTAINING ITS EXISTING SPECIAL MIXED-USE CHARACTER.

Policy 1.1.2:

Encourage small flexible, office space throughout East SoMa and encourage larger office in the 2nd Street Corridor.

OBJECTIVE 1.4:

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN EAST SOMA.

Policy 1.4.1:

Permit limited office space throughout East SoMa to support a flexible space for all types of office users.

HISTORIC RESOURCES

Objectives and Policies

OBJECTIVE 8.2:

PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE EAST SOMA AREA PLAN.

Policy 8.2.3:

Promote and offer incentives for the rehabilitation and adaptive reuse of historic buildings in the East SoMa area plan.

Generally, the East SoMa Area Plan encourages the reuse of the historic buildings and the production of small, flexible office space. The proposed project is consistent with the policies and objectives of the East SoMa Area Plan. The proposed project will contribute to the economic diversity and mixed-use character of the neighborhood and will reuse a contributing building in a designated historic district.

9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

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

The proposal would not significantly affect any neighborhood serving retail uses, as numerous retail uses would still be present in the area. Currently, the project does not include any retail use.

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

The proposal will not impact the existing housing or neighborhood character. The surrounding neighborhood has a mixed character composed of residential, commercial, office, and light industrial uses.

- C. That the City's supply of affordable housing be preserved and enhanced.

The proposal will not impact any of the existing housing.

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

The proposal will not alter the existing commuter traffic patterns. The existing building is well-served by public transportation options. The location of the site will enable employees and visitors to the building to walk or use public transit. Parking is not required per Planning Code Sections 151.1 and 161(k).

- 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 proposed project will assist in maintaining a diverse economic base by enhancing a commercial use.

- 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 safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is located in the South End Landmark District, and the proposal would enhance the feasibility to preserve the existing building by allowing office use and engaging within a Historic Building Maintenance Plan.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would 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 **APPROVES Conditional Use Application No. 2013.0627C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plan on file, dated March 3, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) 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 30-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 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives NOTICE that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on May 1, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: May 1, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow office use located at 660 3rd Street, Block 3788, Lot 008, pursuant to Planning Code Section(s) 303 and 803.9(a) within the SLI District and a 65-X Height and Bulk District; in general conformance with plans, dated March 3, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0627C and subject to conditions of approval reviewed and approved by the Commission on May 1, 2014 under Motion No. XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for 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 for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 4, 2014 under Motion No XXXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Diligent pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Additional Project Authorization. The Project Sponsor must obtain an Office Development Authorization under Planning Code Section 321 to allocate office square footage and satisfy all the conditions thereof. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PARKING AND TRAFFIC

Bicycle Parking. Pursuant to Planning Code Section 155.2, the Project shall provide no fewer than 16 Class 1 bicycle parking spaces and 3 Class 2 bicycle parking spaces

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Showers and Lockers. Pursuant to Planning Code Section 155.4(d), the Project shall seek an exemption from the Zoning Administrator to provide arrangements for shower and locker facilities at a health club or other facility within three blocks of the building, which will be available to tenants at no cost to the building employees.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

Transit Impact Development Fee. Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Jobs Housing Linkage. Pursuant to Planning Code Section 413 (formerly 313), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Childcare Requirements for Office and Hotel Development Projects. Pursuant to Section 414 (formerly 314), the Project Sponsor shall pay the in-lieu fee as required. The net addition of gross floor area subject to the fee shall be determined based on drawings submitted with the Building Permit Application.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Eastern Neighborhoods Infrastructure Impact Fee. Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

SoMa Mixed-Use Usable Open Space In Lieu Fee. Pursuant to Planning Code Section 425, in South of Market Mixed Use Districts, the open space requirement for non-residential requirements shall be satisfied through payment of a fee in accordance with Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, <http://sfdpw.org>

Draft Motion
May 1, 2014

CASE NO. 2013.0627BC
660 3rd Street

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

660 3rd Street San Francisco, CA - Historic Building Maintenance Plan
February 12, 2014

This plan provides a cycle of maintenance to be performed on an annual basis as well as a long term basis for maintaining the historic building located at 660 3rd Street in the South End Landmark District. Annual inspections will be performed to assess the needs for maintenance as well as planning for any future larger capital needs. Tiebacks were constructed in approximately 2000. The building was recently inspected for seismic safety and found to be seismically sound. All proposed work shall follow the appropriate preservation standards, as guided by the Historic Preservation Commission.

ROOF

Inspected and repaired annually to preserve seals and prevent water intrusion. Replacement scheduled every 15 -20 years due to flat roof design.

Timeframe: Annual (Inspection); 15-20 years (Replacement)

SKYLIGHT

Inspected and sealed/caulked/cleaned as needed annually to prevent water intrusion. Replacement of cracked or broken panes due to weather/acts of God/vandalism as necessary.

Timeframe: Annual (Inspection); As-Needed (Replacement)

WINDOWS

Windows are required to maintain a wood design for historical preservation purposes, especially the windows facing Third Street and Ritch Street. Windows on the north side of the building are metal.

For wood windows, regular sealing is required for maximizing HVAC efficiency. Inspection for damage, warping, water intrusion and proper function to be done annually. Painting of the wood framing done as necessary. Replacement of cracked or broken panes due to weather/acts of God/vandalism as necessary. All window replacement shall follow accepted preservation standards, including *National Park Service Preservation Brief No. 9: Repair of Historic Wooden Windows*.

Timeframe: As-Needed (Repair/Replacement)

BRICK EXTERIOR

Annual inspection of the integrity of the brick exterior focusing on removing graffiti and vandalism, and repairing mortar to prevent damage, blight, mold and other growths. Inspect for efflorescence and water infiltration, repair and repoint using mortar to match historic mortar compositions as feasible. Any new mortar shall match the existing mortar in material, color and composition. Inspect for spalling and looses, cracked or dislodged brick. Repair as required. If necessary, good faith efforts will be made to replace severely damaged bricks with salvaged brick to the extent feasible. All brick repair shall follow accepted preservation standards, including *National Park Service Preservation Brief No. 1: Cleaning and Water-*

Repellent Treatments for Historic Masonry Buildings and National Park Service Preservation Brief No. 2: Repointing Mortar Joints in Historic Masonry Buildings.

Timeframe: Annual (Inspection); As-Needed (Repair/Replacement)

EXTERIOR FASCIA (LOWER LEVEL)

Removal of graffiti and vandalism as necessary. Repair or waterproof exterior fascia, as needed. Proposed treatments may include adding sealant to the base of 660 3rd Street, as necessary to prevent water intrusion. Any proposed sealants shall maintain the integrity of the brick, and shall not impact the brick's porosity, color, finish or texture. Proposed work may also include application of a water intrusion product on interior of basement wall, as necessary.

Timeframe: As-Needed (Repair/Replacement)

EXTERIOR LEDGES

Inspected and repaired annually. Cleaning and removal of bird nests done annually. Possible installation of preventative measures to control/prevent nesting issues. Preventative measures shall be temporary in nature, and shall not include the application of any substance or chemical, which may have an impact upon the historic brick or other historic materials. In addition, any anchors or other attachment methods for these preventative measures shall be reversible in nature and not affect or damage any historic materials.

Timeframe: Annual (Inspection); As-Needed (Preventative Measure)

SIGNAGE PROGRAM

A uniform sign program will provide firm guidance for future tenants on the appropriateness of signage on the exterior. This sign program shall provide guidelines on size, material, location, method of illumination, and method of attachment. The sign program shall follow the guidelines established by Appendix I of Article 10 of the San Francisco Planning Code. The sign program shall be reviewed and approved by Planning Department Preservation staff through an Administrative Certificate of Appropriateness as delegated by the Historic Preservation Commission. The sign program shall be developed in coordination with tenant improvements and occupation.

Timeframe: 1 Year (Sign Program)

INTERPRETIVE EXHIBIT

A permanent interpretive exhibit will provide knowledge to the public on the historic features of the building and the South End Landmark District. This exhibit shall be constructed of durable materials, and shall be accessible by tenants and the public. Information will be permanently displayed in the building lobby within the next six months to assist in educating tenants and visitors about the history of the building and the South End Landmark District. Public information will be searched to assist with assembling background information relevant to the building and its setting. A qualified historian or architectural historian will be consulted to create the exhibit. Department staff shall be consulted on the location, content and design. The interpretative exhibit shall be reviewed and approved by Planning Department

Preservation staff.

Timeframe: 6 Months from Approval of Conditional Use Authorization/Office Development Authorization (Interpretative Exhibit)



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. 0731

HEARING DATE: February 19, 2014

Date: February 12, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose, LLP
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Reviewed By: Tim Frye, Preservation Coordinator
tim.frye@sfgov.org

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE FEASIBILITY OF PRESERVING THE SUBJECT PROPERTY FOR THE PROPOSED CHANGE IN USE FROM PDR TO OFFICE USE AT 660 3RD STREET (ASSESSOR'S BLOCK 3788, LOT 008), LOCATED WITHIN SLI (SERVICE/LIGHT INDUSTRIAL) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

1. WHEREAS, on May 16, 2013, the Project Sponsor (David Silverman, Reuben, Junius & Rose, LLP) filed a Conditional Use Application and Office Development Authorization with the San Francisco Planning Department for 660 3rd Street (Block 3788, Lots 008).
2. WHEREAS, the proposed project intends to utilize Planning Code Section 803.9(a) to allow a change in use of 80,000 sf from PDR to office use at 660 3rd Street. Pursuant to Planning Code Section 803.9(a), the following provision is intended to support the economic viability of buildings of historic importance within a South of Market Mixed Use District:
 - (a) Preservation of Landmark Buildings, Significant or Contributory Buildings Within the Extended Preservation District and/or Contributory Buildings Within Designated Historic Districts within the South of Market Mixed Use Districts. Within the South of Market Mixed Use District, any use which is permitted as a principal or conditional use within the SSO District, excluding nighttime entertainment use, may be permitted as a conditional use in
 - (a) a landmark building located outside a designated historic district,
 - (b) a contributory building which is proposed for conversion to office use of an aggregate gross square footage of 25,000 or more per building and which is located outside the SSO District yet within a designated historic district, or

(c) a building designated as significant or contributory pursuant to Article 11 of this Code and located within the Extended Preservation District.

For all such buildings the following conditions shall apply:

- (1) the provisions of Sections 316 through 318 of this Code must be met;
- (2) in addition to the conditional use criteria set out in Sections 303(c)(6) and 316 through 316.8, it must be determined that allowing the use will enhance the feasibility of preserving the landmark, significant or contributory building; and
- (3) the landmark, significant or contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.

A contributory building which is in a designated historic district outside the SSO District may be converted to any use which is a principal use within the SSO District provided that:

- (1) such use does not exceed an aggregate square footage of 25,000 per building; and
 - (2) prior to the issuance of any necessary permits the Zoning Administrator
 - (a) determines that allowing the use will enhance the feasibility of preserving the contributory building; and
 - (b) the contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.
3. WHEREAS, City Charter 4.135 established the Historic Preservation Commission. All duties and responsibilities of the Landmarks Preservation Advisory Board ("LPAB") are under the purview and responsibility of the Historic Preservation Commission.
 4. WHEREAS, on February 19, 2014, the Department presented the proposed project to the Historic Preservation Commission. The Commission's comments on the compliance of the proposed project with the Secretary of the Interior's Standards for Rehabilitation and the ability of the proposed project to enhance the feasibility of the historic resource through implementation of a Historic Building Maintenance Plan (HBMP) would be forwarded to the Planning Commission for consideration under Planning Code Section 803.9(a).

THEREFORE BE IT RESOLVED that the Historic Preservation Commission has reviewed the proposed project at 660 3rd Street, on Lots 008 in Assessor's Block 3788, and this Commission has provided the following comments:

- The Historic Building Maintenance Plan appropriately outlines a program for cyclical maintenance, repair and preservation, as well as a uniform sign program and permanent interpretative exhibit, thus reinforcing the building's contribution to the surrounding landmark district and providing for public dissemination of the building and district's history.

Resolution No. 0731
Hearing Date: February 19, 2014

CASE NO. 2013.0627BC
660 3rd Street

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Recording Secretary to transmit this Resolution, and other pertinent materials in the Case File No. 2013.0627BC to the Planning Commission.

I hereby certify that the foregoing Resolution was **ADOPTED** by the Historic Preservation Commission at its regularly scheduled meeting on February 19, 2014.

Jonas P. Ionin
Commission Secretary

PRESENT: Hasz, Hyland, Johnck, Matsuda, Pearlman and Wolfram

ABSENT: Johns

ADOPTED: October 2, 2013

STANDARD INDUSTRIAL LEASE — GROSS

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION



Mullis

1. Parties. This Lease, dated, for reference purposes only, August 10, 19 80, is made by and between G.O.R.R. (A California Partnership)

and Butterfield & Butterfield (A California Corporation) (herein called "Lessor")

(herein called "Lessee")

2. Premises. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the County of San Francisco State of California commonly known as 660 Third Street, San Francisco, California

and described as 4 story warehouse

Said real property including the land and all improvements therein, is herein called "the Premises".

3. Term.

3.1 Term. The term of this Lease shall be for eight (8) years commencing on October 1, 1980 and ending on September 30, 1988 unless sooner terminated pursuant to any provision hereof.

3.2 Delay in Possession. Notwithstanding said commencement date, if for any reason Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the term hereof, but in such case, Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee, provided, however, that if Lessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Lessee may, at Lessee's option, by notice in writing to Lessor within ten (10) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Lessee is not received by Lessor within said ten (10) day period, Lessee's right to cancel this Lease hereunder shall terminate and be of no further force or effect.

3.3 Early Possession. If Lessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, such occupancy shall not advance the termination date, and Lessee shall pay rent for such period at the initial monthly rates set forth below.

4. Rent. Lessor shall pay to Lessor as rent for the Premises, monthly payments of \$ 6,500.00, in advance, on the 1st day of each month of the term hereof. Lessee shall pay Lessor upon the execution hereof \$ 13,000.00 as rent for the first and last month of the lease. The rent shall increase to \$8,000.00 on October 1, 1982.

Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Lessor at the address stated herein or to such other persons or at such other places as Lessor may designate in writing.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof \$ 6,500.00 as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Lessee's failure to do so shall be a material breach of this Lease. If the monthly rent shall, from time to time, increase during the term of this Lease, Lessee shall thereupon deposit with Lessor additional security deposit so that the amount of security deposit held by Lessor shall at all times bear the same proportion to current rent as the original security deposit bears to the original monthly rent set forth in paragraph 4 hereof. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the term hereof, and after Lessee has vacated the Premises. No trust relationship is created herein between Lessor and Lessee with respect to said Security Deposit.

6. Use.

6.1 Use. The Premises shall be used and occupied only for office and warehouse use.

or any other use which is reasonably comparable and for no other purpose.

6.2 Compliance with Law.

(a) Lessor warrants to Lessee that the Premises, in its state existing on the date that the Lease term commences, but without regard to the use for which Lessee will use the Premises, does not violate any covenants or restrictions of record, or any applicable building code, regulation or ordinance in effect on such Lease term commencement date. In the event it is determined that this warranty has been violated, then it shall be the obligation of the Lessor, after written notice from Lessee, to promptly, at Lessor's sole cost and expense, rectify any such violation. In the event Lessee does not give to Lessor written notice of the violation of this warranty within six months from the date that the Lease term commences, the correction of same shall be the obligation of the Lessee at Lessee's sole cost. The warranty contained in this paragraph 6.2 (a) shall be of no force or effect if, prior to the date of this Lease, Lessee was the owner or occupant of the Premises, and, in such event, Lessee shall correct any such violation at Lessee's sole cost.

(b) Except as provided in paragraph 6.2(a), Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term or any part of the term hereof, regulating the use by Lessee of the Premises. Lessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance or, if there shall be more than one tenant in the building containing the Premises, shall tend to disturb such other tenants.

6.3 Condition of Premises.

(a) Lessor shall deliver the Premises to Lessee clean and free of debris on Lease commencement date (unless Lessee is already in possession) and Lessor further warrants to Lessee that the plumbing, lighting, air conditioning, heating, and loading doors in the Premises shall be in good operating condition on the Lease commencement date. In the event that it is determined that this warranty has been violated, then it shall be the obligation of Lessor, after receipt of written notice from Lessee setting forth with specificity the nature of the violation, to promptly, at Lessor's sole cost, rectify such violation. Lessee's failure to give such written notice to Lessor within thirty (30) days after the Lease commencement date shall cause the conclusive presumption that Lessor has complied with all of Lessor's obligations hereunder. The warranty contained in this paragraph 6.3(a) shall be of no force or effect if prior to the date of this Lease, Lessee was the owner or occupant of the Premises.

(b) Except as otherwise provided in this Lease, Lessee hereby accepts the Premises in their condition existing as of the Lease commencement date or the date that Lessee takes possession of the Premises, whichever is earlier, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and any covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessor acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Lessee's business.

7. Maintenance, Repairs and Alterations.

7.1 Lessor's Obligations. Subject to the provisions of Paragraphs 6, 7.2, and 9 and except for damage caused by any negligent or intentional act or omission of Lessee, Lessee's agents, employees, or invitees in which event Lessee shall repair the damage, Lessor, at Lessor's expense, shall keep in good order, condition and repair the foundations, exterior walls and the exterior roof of the Premises. Lessor shall not, however, be obligated to paint such exterior, nor shall Lessor be required to maintain the interior surface of exterior walls, windows, doors or plate glass. Lessor shall have no obligation to make repairs under this Paragraph 7.1 until a reasonable time after receipt of written notice of the need for such repairs. Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition and repair.

7.2 Lessee's Obligations.

(a) Subject to the provisions of Paragraphs 6, 7.1 and 9, Lessee, at Lessee's expense, shall keep in good order, condition and repair the Premises and every part thereof (whether or not the damaged portion of the Premises or the means of repairing the same are reasonably or readily accessible to Lessee) including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, (Lessee shall procure and

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maintain, at Lessee's expense, an air conditioning system maintenance contract) ventilating, electrical and lighting facilities and equipment within the Premises, fixtures, interior walls and interior surface of exterior walls, ceilings, windows, doors, plate glass, and skylights, located within the Premises, and all landscaping, driveways, parking lots, fences and signs located in the Premises and all sidewalks and parkways adjacent to the Premises. Lessee expressly waives the benefit of any statute now or hereinafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition and repair.

(b) If Lessee fails to perform Lessee's obligations under this Paragraph 7.2 or under any other paragraph of this Lease, Lessor may at Lessor's option enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf and put the Premises in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall be due and payable as additional rent to Lessor together with Lessee's next rental installment.

(c) On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Lessee shall repair any damage to the Premises occasioned by the installation or removal of its trade fixtures, furnishings and equipment. Notwithstanding anything to the contrary otherwise stated in this Lease, Lessee shall leave the air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing and fencing on the premises in good operating condition.

7.3 Alterations and Additions.

(a) Lessee shall not, without Lessor's prior written consent make any alterations, improvements, additions, or Utility Installations in, on or about the Premises, except for nonstructural alterations not exceeding \$2,500 in cumulative costs during the term of this Lease. In any event, whether or not in excess of \$2,500 in cumulative cost, Lessee shall make no change or alteration to the exterior of the Premises, nor the exterior of the building(s) on the Premises without Lessor's prior written consent. As used in this Paragraph 7.3 the term "Utility Installation" shall mean carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing and fencing. Lessor may require that Lessee remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term, and restore the Premises to their prior condition. Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Lessor against any liability for mechanics and materialmen's liens and to insure completion of the work. Should Lessee make any alterations, improvements, additions, or Utility Installations without the prior approval of Lessor, Lessor may require that Lessee remove any or all of the same.

(b) Any alterations, improvements, additions or Utility Installations in, on or about the Premises that Lessee shall desire to make and which requires the consent of the Lessor shall be presented to Lessor in written form, with proposed detailed plans. If Lessor shall give its consent, the consent shall be deemed conditioned upon Lessee acquiring a permit to do so from appropriate governmental agencies, the furnishing of a copy thereof to Lessor prior to the commencement of the work and the compliance by Lessee of all conditions of said permit in a prompt and expeditious manner.

(c) Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien claim or demand indemnifying Lessor against liability for the same and holding the Premises free from the effect of such lien or claim. In addition, Lessor may require Lessee to pay Lessor's attorneys fees and costs in participating in such action if Lessor shall decide it is to its best interest to do so.

(d) Unless Lessor requires their removal, as set forth in Paragraph 7.3(a), all alterations, improvements, additions and Utility Installations, whether or not such Utility Installations constitute trade fixtures of Lessee), which may be made on the Premises, shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration of the term. Notwithstanding the provisions of this Paragraph 7.3, all Lessee's machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Lessee and may be removed by Lessee subject to the provisions of Paragraph 7.2(c).

8. Insurance; Indemnity.

8.1 Liability Insurance - Lessee. Lessee shall, at Lessee's expense, obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance insuring Lessor and Lessor against any liability arising out of the use, occupancy or maintenance of the Premises and all other areas appurtenant thereto. Such insurance shall be in an amount not less than \$500,000 per occurrence. The policy shall insure performance by Lessee of the indemnity provisions of this Paragraph 8. The limits of said insurance shall not, however, limit the liability of Lessee hereunder.

8.2 Liability Insurance - Lessor. Lessor shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance, insuring Lessor, but not Lessee, against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto in an amount not less than \$500,000 per occurrence.

8.3 Property Insurance. Lessor shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Premises, but not Lessee's fixtures, equipment or tenant improvements in an amount not to exceed the full replacement value thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood (in the event same is required by a lender having a lien on the Premises), special extended perils ("all risk", as such term is used in the insurance industry) but not plate glass insurance. In addition, the Lessor shall obtain and keep in force, during the term of this Lease, a policy of rental value insurance covering a period of one year, with loss payable to Lessor, which insurance shall also cover all real estate taxes and insurance costs for said period.

8.4 Payment of Premium Increase.

(a) Lessee shall pay to Lessor, during the term hereof, in addition to the rent, the amount of any increase in premiums for the insurance required under Paragraphs 8.2 and 8.3 over and above such premiums paid during the Base Period, as hereinafter defined, whether such premium increase shall be the result of the nature of Lessee's occupancy, any act or omission of Lessee, requirements of the holder of a mortgage or deed of trust covering the Premises, increased valuation of the Premises, or general rate increases. In the event that the Premises have been occupied previously, the words "Base Period" shall mean the last twelve months of the prior occupancy. In the event that the Premises have never been previously occupied, the premiums during the "Base Period" shall be deemed to be the lowest premiums reasonably obtainable for said insurance assuming the most nominal use of the Premises. Provided, however, in lieu of the Base Period, the parties may insert a dollar amount at the end of this sentence which figure shall be considered as the insurance premium for the Base Period: \$ _____ In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$1,000,000 procured under paragraph 8.2.

(b) Lessee shall pay any such premium increases to Lessor within 30 days after receipt by Lessee of a copy of the premium statement or other satisfactory evidence of the amount due. If the insurance policies maintained hereunder cover other improvements in addition to the Premises, Lessor shall also deliver to Lessee a statement of the amount of such increase attributable to the Premises and showing in reasonable detail, the manner in which such amount was computed. If the term of this Lease shall not expire concurrently with the expiration of the period covered by such insurance, Lessee's liability for premium increases shall be prorated on an annual basis.

(c) If the Premises are part of a larger building, then Lessee shall not be responsible for paying any increase in the property insurance premium caused by the acts or omissions of any other tenant of the building of which the Premises are a part.

8.5 Insurance Policies. Insurance required hereunder shall be in companies holding a "General Policyholders Rating" of at least B plus, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best Insurance Guide". Lessor shall deliver to Lessor copies of policies of liability insurance required under Paragraph 8.1 or certificates evidencing the existence and amounts of such insurance. No such policy shall be cancellable or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof, or Lessor may order such insurance and charge the cost thereof to Lessor, which amount shall be payable by Lessee upon demand. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in Paragraph 8.3.

8.6 Waiver of Subrogation. Lessee and Lessor each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under paragraph 8.3, which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

8.7 Indemnity. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessor's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, and in case any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.

8.8 Exemption of Lessor from Liability. Lessee hereby agrees that Lessor shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises, nor shall Lessor be liable for injury to the person of Lessee, Lessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the same damage or injury results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is made accessible to Lessee. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the building in which the Premises are located.

13. Defaults; Remedies.

13.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

- (a) The vacating or abandonment of the Premises by Lessee.
- (b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of three days after written notice thereof from Lessor to Lessee. In the event that Lessor serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes such Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.
- (c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of 30 days after written notice hereof from Lessor to Lessee, provided, however, that if the nature of Lessee's default is such that more than 30 days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.
- (d) (i) The making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee becomes a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days. Provided, however, in the event that any provision of this paragraph 13.1(d) is contrary to any applicable law, such provision shall be of no force or effect.

(e) The discovery by Lessor that any financial statement given to Lessor by Lessee, any assignee of Lessee, any subtenant of Lessee, any successor in interest of Lessee or any guarantor of Lessee's obligation hereunder, and any of them, was materially false.

13.2 Remedies. In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of relating, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; that portion of the leasing commission paid by Lessor pursuant to Paragraph 15 applicable to the unexpired term of this Lease.

(b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

13.3 Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a late charge equal to 6% of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of rent, then rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding paragraph 4 or any other provision of this Lease to the contrary.

13.5 Impounds. In the event that a late charge is payable hereunder, whether or not collected, for three (3) installments of rent or any other monetary obligation of Lessee under the terms of this Lease, Lessee shall pay to Lessor, if Lessor shall so request, in addition to any other payments required under this Lease, a monthly advance installment, payable at the same time as the monthly rent, as estimated by Lessor, for real property tax and insurance expenses on the Premises which are payable by Lessee under the terms of this Lease. Such fund shall be established to insure payment when due, before delinquency, of any or all such real property taxes and insurance premiums. If the amounts paid to Lessor by Lessee under the provisions of this paragraph are insufficient to discharge the obligations of Lessee to pay such real property taxes and insurance premiums as the same become due, Lessee shall pay to Lessor, upon Lessor's demand, such additional sums necessary to pay such obligations. All moneys paid to Lessor under this paragraph may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a default in the obligations of Lessee to perform under this Lease, then any balance remaining from funds paid to Lessor under the provisions of this paragraph may, at the option of Lessor, be applied to the payment of any monetary default of Lessee in lieu of being applied to the payment of real property tax and insurance premiums.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the building on the Premises, or more than 25% of the land area of the Premises which is not occupied by any building, is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing only within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area of the building taken bears to the total floor area of the building situated on the Premises. No reduction of rent shall occur if the only area taken is that which does not have a building located thereon. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss of or damage to Lessee's trade fixtures and removable personal property. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefor by the condemning authority. Lessee shall pay any amount in excess of such severance damages required to complete such repair.

15. Broker's Fee.

(a) Upon execution of this Lease by both parties, Lessor shall pay to _____ licensed real estate broker(s), a fee as set forth in a separate agreement between Lessor and said broker(s), or in the event there is no separate agreement between Lessor and said broker(s), the sum of \$ _____, for brokerage services rendered by said broker(s) to Lessor in this transaction.

(b) Lessor further agrees that if Lessee exercises any Option as defined in paragraph 30 of this Lease, which is granted to Lessee under this Lease, or any subsequently granted option which is substantially similar to an Option granted to Lessee under this Lease, or if Lessee acquires any rights to the Premises or other premises described in this Lease which are substantially similar to what Lessee would have acquired had an Option herein granted to Lessee been exercised, or if Lessee remains in possession of the Premises after the expiration of the term of this Lease after having failed to exercise an Option, or if said broker(s) are the procuring cause of any other lease or sale entered into between the parties pertaining to the Premises and/or any adjacent property in which Lessor has an interest, then as to any of said transactions, Lessor shall pay said broker(s) a fee in accordance with the schedule of said broker(s) in effect at the time of execution of this Lease.

(c) Lessor agrees to pay said fee not only on behalf of Lessor but also on behalf of any person, corporation, association, or other entity having an ownership interest in said real property or any part thereof, when such fee is due hereunder. Any transferee of Lessor's interest in this Lease, whether such transfer is by agreement or by operation of law, shall be deemed to have assumed Lessor's obligation under this Paragraph 15. ~~Said Broker shall be a third party beneficiary of the provisions of this Paragraph 15.~~

16. Estoppel Certificate.

(a) Lessee shall at any time upon not less than ten (10) days' prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) At Lessor's option, Lessee's failure to deliver such statement within such time shall be a material breach of this Lease or shall be conclusive upon Lessee (i) that this Lease is in full force and effect, without modification except as may be represented by Lessor, (ii) that there are no uncured defaults in Lessor's performance, and (iii) that not more than one month's rent has been paid in advance or such failure may be considered by Lessor as a default by Lessee under this Lease.

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(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee hereby agrees to deliver to any lender or purchaser designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three years' financial statements of Lessee. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Lessor's Liability.** The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title or a lessee's interest in a ground lease of the Premises, and except as expressly provided in Paragraph 15, in the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any transfer in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.

18. **Severability.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Interest on Past-due Obligations.** Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease, provided, however, that interest shall not be payable on late charges incurred by Lessee nor on any amounts upon which late charges are paid by Lessee.

20. **Time of Essence.** Time is of the essence.

21. **Additional Rent.** Any monetary obligations of Lessee to Lessor under the terms of this Lease shall be deemed to be rent.

22. **Incorporation of Prior Agreements; Amendments.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the real estate broker listed in Paragraph 15 hereof nor any cooperating broker on this transaction nor the Lessor or any employee or agents of any of said persons has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of said Premises and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all applicable laws and regulations in effect during the term of this Lease except as otherwise specifically stated in this Lease.

23. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to Lessor at the address noted below the signature of the respective parties, as the case may be. Either party may by notice to the other specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.

24. **Waivers.** No waiver by Lessor or any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to, or approval of any act, shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

25. **Recording.** Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.

26. **Holding Over.** If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Lessee, but all options and rights of first refusal, if any, granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month to month tenancy.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions.** Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.

29. **Binding Effect; Choice of Law.** Subject to any provisions hereof restricting assignment or subletting by Lessee and subject to the provisions of Paragraph 17, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State wherein the Premises are located.

30. **Subordination.**

(a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease of the date of recording thereof.

(b) Lessee agrees to execute any documents required to effectuate an attornment, a subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Lessee's failure to execute such documents within 10 days after written demand shall constitute a material default by Lessee hereunder, or, at Lessor's option, Lessor shall execute such documents on behalf of Lessee as Lessee's attorney-in-fact. Lessee does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to execute such documents in accordance with this paragraph 30(b).

31. **Attorney's Fees.** If either party or the broker named herein brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the court. ~~The provisions of this paragraph shall inure to the benefit of the broker named herein who seeks to enforce a right hereunder.~~

32. **Lessor's Access.** Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the Premises any ordinary "For Sale" signs and Lessor may at any time during the last 120 days of the term hereof place on or about the Premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent.

34. **Signs.** Lessee shall not place any sign upon the Premises without Lessor's prior written consent except that Lessee shall have the right, without the prior permission of Lessor to place ordinary and usual for rent or sublet signs thereon.

35. **Merger.** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

36. **Consents.** Except for paragraph 33 hereof, wherever in this Lease the consent of one party is required to an act of the other party, such consent shall not be unreasonably withheld.

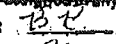
37. **Guarantor.** In the event that there is a guarantor of this Lease, said guarantor shall have the same obligations as Lessee under this Lease.

38. **Quiet Possession.** Upon Lessee paying the rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease. The individuals executing this Lease on behalf of Lessor represent and warrant to Lessee that they are fully authorized and legally capable of executing this Lease on behalf of Lessor and that such execution is binding upon all parties holding an ownership interest in the Premises.

39. **Options.**

39.1 **Definition.** As used in this paragraph the word "Options" has the following meaning: (1) the right or option to extend the term of this Lease or to renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; (2) the option or right of first refusal to lease the Premises or the right of first offer to lease the Premises or the right of first refusal to lease other property of Lessor or the right of first offer to lease other property of Lessor; (3) the right or option to purchase the Premises, or the right of first refusal to purchase the Premises, or the right of first offer to purchase the Premises or the right or option to purchase other property of Lessor, or the right of first refusal to purchase other property of Lessor or the right of first offer to purchase other property of Lessor.

39.2 **Options Personal.** Each Option granted to Lessee in this Lease are personal to Lessee and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Lessee, provided, however, the Option may be exercised by or assigned to any

In Witness: 

Lessee Affiliate as defined in paragraph 2 of this Lease. The Options herein granted to Lessee are not assignable separate and apart from this Lease.

39.3 Multiple Options. In the event that Lessee has any multiple options to extend or renew this Lease a later option cannot be exercised unless the prior option to extend or renew this Lease has been so exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary, (i) during the time commencing from the date Lessor gives to Lessee a notice of default pursuant to paragraph 13.1(b) or 13.1(c) and continuing until the default alleged in said notice of default is cured, or (ii) during the period of time commencing on the day after a monetary obligation to Lessor is due from Lessee and unpaid (without any necessity for notice thereof to Lessee) continuing until the obligation is paid, or (iii) at any time after an event of default described in paragraphs 13.1(a), 13.1(d), or 13.1(e) (without any necessity of Lessor to give notice of such default to Lessee), or (iv) in the event that Lessor has given to Lessee three or more notices of default under paragraph 13.1(b), where a late charge becomes payable under paragraph 13.4 for each of such defaults, or paragraph 13.1(c), whether or not the defaults are cured, during the 12 month period prior to the time that Lessee intends to exercise the subject Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of paragraph 39.4(a)

(c) All rights of Lessee under the provisions of an Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if after such exercise and during the term of this Lease, (i) Lessee fails to pay to Lessor a monetary obligation of Lessee for a period of 30 days after such obligation becomes due (without any necessity of Lessor to give notice thereof to Lessee), or (ii) Lessee fails to commence to cure a default specified in paragraph 13.1(c) within 30 days after the date that Lessor gives notice to Lessee of such default and/or Lessee fails thereafter to diligently prosecute said cure to completion, or (iii) Lessee commits a default described in paragraph 13.1(a), 13.1(d) or 13.1(e) (without any necessity of Lessor to give notice of such default to Lessee), or (iv) Lessor gives to Lessee three or more notices of default under paragraph 13.1(b), where a late charge becomes payable under paragraph 13.4 for each such default, or paragraph 13.1(c), whether or not the defaults are cured.

40. Multiple Tenant Building. In the event that the Premises are part of a larger building or group of buildings then Lessee agrees that it will abide by keep and observe all reasonable rules and regulations which Lessor may make from time to time for the management, safety, care, and cleanliness of the building and grounds, the parking of vehicles and the preservation of good order therein as well as for the convenience of other occupants and tenants of the building. The violations of any such rules and regulations shall be deemed a material breach of this Lease by Lessee.

41. Security Measures. Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of Lessee, its agents and invitees from acts of third parties.

42. Easements. Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of Parcel Maps and restrictions, so long as such easements, rights, dedications, Maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee shall sign any of the aforementioned documents upon request of Lessor and failure to do so shall constitute a material breach of this Lease.

43. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

44. Authority. If Lessee is a corporation, trust, or general or limited partnership, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity, if Lessee is a corporation, trust or partnership, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor evidence of such authority satisfactory to Lessor.

45. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. Addendum. Attached hereto is an addendum or addenda containing paragraphs 47 through 50 which constitutes a part of this Lease.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

IF THIS LEASE HAS BEEN FILLED IN IT HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR HIS APPROVAL. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR BY THE REAL ESTATE BROKER OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION RELATING THERETO; THE PARTIES SHALL RELY SOLELY UPON THE ADVICE OF THEIR OWN LEGAL COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

The parties hereto have executed this Lease at the place on the dates specified immediately adjacent to their respective signatures.

Executed at _____
on _____
Address 660 Third Street
San Francisco, CA 94107

GORR Partnership
By: [Signature]
By: _____
"LESSOR" (Corporate seal)

Executed at _____
on _____
Address 60 Federal Street
San Francisco, CA 94107

Butterfield and Butterfield
(A California Corporation)
By: [Signature]
By: Secretary - Treasurer
"LESSEE" (Corporate seal)

47. Tenant Improvements.

Not later than May 1, 1980, Lessee shall submit to Lessor, for Lessor's review and approval, three (3) copies of plans and specifications for all alterations and improvements which Lessee proposes to make to or in the Premises prior to Lessee's initial occupancy thereof. Within twenty (20) days after receipt of such plans and specifications, Lessor shall advise Lessee whether or not such plans and specifications are acceptable to Lessor in its sole discretion and what changes, if any, Lessor requires to be made in such plans and specifications. Lessee shall promptly make all changes in such plans and specifications required by Lessor and shall submit such changed plans and specifications to Lessor for Lessor's review and approval as provided above. Upon approval of the plans and specifications by Lessor, Lessee may enter the Premises and commence construction of the improvements in accordance with such plans and specifications and shall diligently pursue construction of such improvements to completion. All construction shall be done by a contractor approved by Lessor and shall be carried out and completed in a first class manner and at Lessee's sole cost and expense, and Lessee shall indemnify and hold Lessor harmless from any claim, damage, cost, liability or expense arising therefrom. Without limiting the generality of the foregoing, all such construction work shall also be subject to the provisions of Section 7.3 of the Lease. Notwithstanding any delays in the completion of such construction from any cause whatever, or any inability of Lessee to occupy or use the Premises as a result thereof, rent shall be payable hereunder from and after August 1, 1980.

48. Utilities.

Lessor shall pay for the cost of water, electricity and heat provided to the Premises to the extent such utilities are currently being supplied to the Premises or to the extent necessary to maintain normal general office operations, including the operation of standard small business machines. In the event Lessee elects to install and/or operate large or energy-intensive equipment, including without limitation air conditioning and refrigeration units, or to install or utilize new utilities, Lessee shall at its sole cost, install separate utility lines or services to the Premises to provide utility service to such new equipment and utilities. All such new and separate utility lines shall be separately metered, and Lessee shall pay the costs of such new services directly to the utility company providing them.

49. Water Damage.

Notwithstanding anything to the contrary contained herein, including without limitation Section 8.8 hereof, both Lessor and Lessee acknowledge that Lessor has used its best efforts to seal the basement of the Premises against water leaks and seepage and the condensation of moisture, but that, notwithstanding such efforts, at certain times water may leak or seep into, and/or moisture may condense in, the basement. Lessor and Lessee agree that Lessor shall not be obligated to attempt to seal the basement further or to make any further repairs in this regard (except to the extent such repairs are required as a result of new damage resulting from fire or other casualty) and that, in all events, Lessor shall not be liable to Lessee for any personal injuries, property damage

or consequential damage resulting from such water leaks and seepage or from moisture, including without limitation damage to any inventory or other goods, equipment or material stored in the basement.

50. Early Termination.

Lessor shall have the right at any time after the fourth year of the term hereof to terminate this Lease upon not less than one (1) year's prior written notice to Lessee. In the event of such early termination, Lessor shall reimburse Lessee for the unamortized cost of the tenant improvements to the Premises made by Lessee and consented to by Lessor. The amortization of such tenant improvements shall be calculated over the term of this Lease or the useful life of such improvements, whichever is less.

G.O.R.R. Partnership

By John W. Crull
General Partner

Butterfield & Butterfield

By Bertina Keller
Secretary - Treasurer
LESSEE

DEPARTMENT OF BUILDING INSPECTION

MAR 29 1985

CANCELLED

CANCELLED ON: 3-13-85
NOTIFIED: Butterfield
MAILED ON: 2-21-85

APPROVED FOR ISSUANCE
DIST. 3
TITLE 24.2
EXPERIENCE
CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

BUILDING PERMIT
3/8
084093
APPROVAL NUMBER

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS
FORM 3 PRE-APPROVAL SITE INSPECTION REQUIRED
FORM 8 OVER-THE-COUNTER ISSUANCE
2 NUMBER OF PLAN SETS 6/1/85

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS FOR PERMISSION TO BUILD ACCORDING TO THE PLANS AND SPECIFICATIONS SUBMITTED HERewith AND ACCORDING TO THE ESCROW PLAN FOR THE PURPOSE HEREINAFTER SET FORTH.

DATE FILED: 3/24/85
PLUMBING PERMIT NO.: 132181
(1) STREET ADDRESS OF JOB: 660-3rd St.
PERMIT NO.: 1500
ESTIMATED COST OF JOB: 1500.00
DATE: 6/1/85

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING
(4A) TYPE OF CONSTRUCTION: 3
(5A) NO. OF STORIES OF OCCUPANCY: 3
(6A) NO. OF BASEMENTS AND CELLARS: 1
(7A) PRESENT USE: OFFICES
(8A) OCCUP. CLASS: B-2
(9A) NO. OF DWELLING UNITS: 2

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION
(4B) TYPE OF CONSTRUCTION: 3
(5B) NO. OF STORIES OF OCCUPANCY: 3
(6B) NO. OF BASEMENTS AND CELLARS: 1
(7B) PROPOSED USE: SAME
(8B) OCCUP. CLASS: B-2
(9B) NO. OF DWELLING UNITS: 2

(10) IS AUTO DRIVEWAY TO BE CONSTRUCTED OR ALTERED? YES NO
(11) WILL STREET SPACE BE USED FOR CONSTRUCTION? YES NO
(12) ELECTRICAL WORK TO BE PERFORMED? YES NO
(13) PLUMBING WORK TO BE PERFORMED? YES NO
(14) GENERAL CONTRACTOR: American Bros. 1600 CORTLAND AVE. 94110
(15) OWNER: Butterfield 660-3rd St. 94107 (ACP: 826-7515)
(16) WHERE IS DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION REFERENCED TO PLANS IS NOT SUFFICIENT:
Complete interior painting; steel decking above
John cover; all work per S.P. 826-7515 #4506
CODE SEC

ADDITIONAL INFORMATION - FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES NO
(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT: FT.
(19) DOES THIS ALTERATION CREATE SPACE OR HORIZ. EXTENSION TO BUILDING? YES NO
(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA: SQ. FT.
(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REMOVED OR ALTERED? YES NO
(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES NO
(23) ANY OTHER EXISTING BLDG. ON LOT? IF YES, SHOW ON PLAN: YES NO
(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES NO
(25) ARCHITECT OR ENGINEER (DESIGN OR CONSTRUCTION):
(26) CONSTRUCTION LEADER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "NONE")

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.
No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.
Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.
Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.
ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.
BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED. WHEN REQUIRED FOR THE APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10); (11); (12); (13); (22); or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.
In dividing up existing materials must have a clearance of not less than two inches from all electrical wires or equipment.
CHECK APPROPRIATE BOX:
 OWNER ARCHITECT ENGINEER
 LESSEE AGENT WITH POWER OF ATTORNEY
 CONTRACTOR ATTORNEY IN FACT

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.
In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:
I. Certificate of Consent to Self-insure issued by the Director of Industrial Relations.
II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
III. An exact copy or duplicate of I. certified by the Director or (II) certified by the insurer.
IV. The cost of the work to be performed is \$100 or less.
V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply therewith, the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
VI. I certify as the owner, or the agent of the owner, that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

APPLICANT'S CERTIFICATION
I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

Applicant's Signature: S.P. 826-7515 5/28/84

OFFICIAL COPY

DEPARTMENT OF BUILDING INSPECTION


CONDITIONS AND STIPULATIONS

APPROVED: *As indicated*
[Signature] 9/6/84
BUILDING INSPECTOR/BUR. OF BLDG. INSP

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED: APPROVED FOR ADMINISTRATIVE USE ONLY. NO LETTERING. ANY LETTERING REQUIRES SEPARATE PERMIT, (FORM A).
[Signature] SEP 12 1984
CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW BY THE PLANNING

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED: 
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED: *As noted*
[Signature] 9/27/84
CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED:
BUREAU OF ENGINEERING

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED:
DEPARTMENT OF PUBLIC HEALTH

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED:
REDEVELOPMENT AGENCY

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED:
RESIDENTIAL ENV. INSPECTOR, DIV. OF AP' & HOTEL INSP., B.B.I.

DATE: _____
REASON: _____
NOTIFIED MR. _____

APPROVED:

DATE: _____
REASON: _____
NOTIFIED MR. _____

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application, and with the statements of conditions or stipulations, which are hereby made a part of this application.

Number of attachments: _____ OWNER'S AUTHORIZED AGENT: _____

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

THE RABIN BROTHERS
Auctioneers & Appraisers
660 Third Street
San Francisco, California 94107
(415) 543-9500

RABIN

January 29, 1987

Mr. Al. Kingsland
NATIONAL GUARDIAN
P.O. Box 24591
San Francisco, CA 94124

Re: Alarm Service #M398 - Rabin/GORR

Dear Mr. Kingsland:


This is to advise you that Mr. Ruben Aguallo, holding Pass #53, and Mrs. Christina Aguallo, holding Pass #52, are no longer connected with this company.

We would like to request that these pass numbers referenced above be cancelled, effective February 1, 1987.

Thank you for your cooperation.

Sincerely yours,

RABIN BROTHERS/GORR PARTNERSHIP


Celedonio Q. Pestrana
Building Manager

CQP:pp

cc: Ruben Aguallo
Christina Aguallo

National Guardian Alarm Services

A Division of National Guardian Security Services Corp.

TEAR OFF THIS STUB AND RETURN WITH PAYMENT TO INSURE PROPER CREDIT

NATIONAL GUARDIAN ALARM SERVICE
 A Division of National Guardian Security Services Corp
 NATIONAL GUARDIAN-SF
 PO BOX 52215
 PHOENIX, AZ 85072-2215

STATEMENT

SERVICE AT

BUTTERFIELD & BUTTERFIELD
 660 THIRD STREET
 SAN FRANCISCO CA 94107

PAYMENT DUE UPON RECEIPT

BILL TO

GORR PARTNERSHIP
 % THE RABIN BROTHERS
 660 - 3RD STREET
 SAN FRANCISCO CA 94107

ACCOUNT NO. 114282-0000	DATE 09/11/87
----------------------------	------------------

NAME
 GORR PARTNERSHIP
 PLEASE FILL IN AMOUNT PAID

INVOICE NO.	INVOICE AMOUNT	AMOUNT PAID
145605	90.00	
146271	60.00	
146513	60.00	

INVOICE NO.	ACCOUNT NO.	CUST. P.O. NO.	DATE
	114282-0000		09/11/87
FROM	TO	DESCRIPTION	AMOUNT
07/31/87		SERVICE CAL # 145605 REPLACED TRANSPONDER AND REINSTATED TRANSFORMER DUE TO CONSTRUCTION SYSTEM TESTED GOOD	90.00 <i>pd 90.00</i> <i>9-24-87</i> <i>117</i>
08/06/87		SERVICE CAL # 146271 FOUND SYSTEM OFF. RESET SAME AND TESTED 10-4	60.00
08/23/87		SERVICE CAL # 146513 DX'ED BELL DUE TO CONSTRUCTION	60.00
UNAPP CRD 100.00		UNAPP CRD 0.00	TOTAL CURRENT DUE 210.00
30 DAYS	60 DAYS	90 DAYS	120 DAYS
TOTAL PAST DUE			
TOTAL DUE			210.00

TOTAL AMOUNT DUE	210.00	PLEASE PAY THIS AMOUNT
------------------	--------	------------------------

TOTAL AMOUNT PAID

PLEASE REMIT YOUR BALANCE IN FULL TODAY.

G.O.R.R. PARTNERSHIP NO. 2

% RABIN BROTHERS

660 THIRD STREET 415-543-9500
SAN FRANCISCO, CA 94107

1062

October 13, 1988

11-24/052
1210(8)

*PAY TO THE
ORDER OF*

COMMITTE FOR A BETTER SOUTH OF MARKET

\$750.00*****

The sum of 750 dollars 00 cts

DOLLARS

THIRD - BRANNAN OFFICE

WELLS FARGO BANK

601 THIRD STREET, SAN FRANCISCO, CA 94107

FOR South of Market REZONING

Barbara Mendonca

⑈001062⑈ ⑆121000248⑆0052 063823⑈

*ja
By I. Rabin*

Nov. 7, 1989

Inv.# P-327

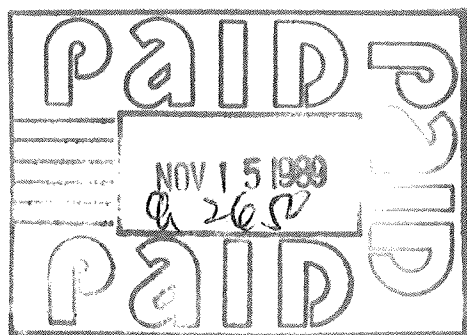
GORR PARTNERSHIP

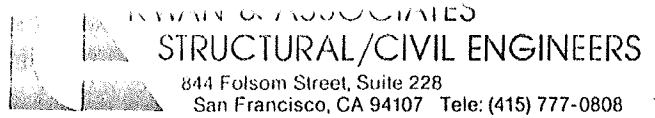
Rabin Brothers
660 Third Street
San Francisco, CA 94107

Re: Post Earthquake Inspection @ 660 Third St. S.F.

S T A T E M E N T

Billing for Professional Service Rendered.....\$300.00





Nov. 1, 1989

Rabin Brother Auctioneers
660 3rd St.
San Francisco, CA 94107

Attn: Mr. Irving Rabin

Re: 660 3rd Street, S.F.
Safety of Building Structure

Dear Mr. Rabin,

Pursuant to your request, we inspected the subject property on Oct. 23, 1989 to determine the damage to structure caused by the October 17 earthquake. From our walk-thru inspection of the entire building, we observed the building suffered no apparent failure or distortion with only very minor cracks at non-structural elements. We, therefor, determined that the building was safe to be occupied. No repair work seems to be needed.

Qualifications:

Our services consist of professional opinions and recommendations with no warranty or guarantee as to the conformance with the Uniform Building Code. Lack of available documents for our review, the absence of special strength of the existing materials and lack of structural analysis makes it difficult to accurately evaluate the structural strength of the building. Unanticipated structural conditions are commonly encountered and cannot be fully determined by our review. The opinions contained in this report are based on a limited walk through visual observation of the premises after the earthquake of October 17, 1989 to provide a preliminary opinion on temporary continued occupancy of the building. Hidden conditions, lack of available documents for our review, the absence of specific knowledge of strength of the existing materials and lack of detailed structural analysis makes it difficult to accurately evaluate the structural strength of the building to sustain further earthquake and other loading and forces. Normal care has been taken to provide the professional's opinions contained herein. No warranties are either expressed or implied.

Report Distribution:

The opinions expressed herein are intended solely for your benefit and are not to be made available to, or to be relied upon, by any other person, firm or

entity without our prior written consent.

Very truly yours,



Lok C. Kwan
Structural Engineer S1836



F

660 Third Street - Historical Vacancies 1997-2014 (Costar)

Period	Vacant Available %	Vacant Available SF	Vacant Available SF %	Occupied SF	Occupied %	Leased SF	Leased %
QTD	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2014 1Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2013 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2013 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2013 2Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2013 1Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2012 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2012 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2012 2Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2012 1Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2011 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2011 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2011 2Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2011 1Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2010 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2010 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2010 2Q	5.9%	5,653	5.9%	93,251	97.2%	95,904	100.0%
2010 1Q	5.9%	21,653	22.6%	74,251	77.4%	79,904	83.3%
2009 4Q	0.0%	16,000	16.7%	79,904	83.3%	79,904	83.3%
2009 3Q	0.0%	16,000	16.7%	79,904	83.3%	79,904	83.3%
2009 2Q	0.0%	16,000	16.7%	79,904	83.3%	79,904	83.3%
2009 1Q	0.0%	16,000	16.7%	79,904	83.3%	79,904	83.3%
2008 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2008 3Q	3.6%	3,490	3.6%	92,414	96.4%	95,904	100.0%
2008 2Q	6.6%	6,304	6.6%	89,600	93.4%	95,904	100.0%
2008 1Q	5.4%	5,142	5.4%	78,762	82.1%	95,904	100.0%
2007 4Q	5.2%	17,000	17.7%	48,904	51.0%	83,904	87.5%
2007 3Q	0.0%	50,400	52.6%	45,504	47.4%	45,504	47.4%
2007 2Q	0.0%	50,400	52.6%	45,504	47.4%	45,504	47.4%
2007 1Q	0.0%	50,400	52.6%	32,904	34.3%	45,504	47.4%
2006 4Q	0.0%	63,000	65.7%	32,904	34.3%	32,904	34.3%
2006 3Q	0.0%	63,000	65.7%	32,904	34.3%	32,904	34.3%
2006 2Q	0.0%	63,000	65.7%	32,904	34.3%	32,904	34.3%
2006 1Q	0.0%	81,885	85.4%	14,019	14.6%	14,019	14.6%
2005 4Q	0.0%	74,719	77.9%	21,185	22.1%	21,185	22.1%
2005 3Q	0.0%	74,719	77.9%	21,185	22.1%	21,185	22.1%
2005 2Q	0.0%	61,200	63.8%	34,704	36.2%	34,704	36.2%
2005 1Q	0.0%	52,336	54.6%	43,568	45.4%	43,568	45.4%
2004 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%

2004 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2004 2Q	0.0%	84,618	88.2%	11,286	11.8%	11,286	11.8%
2004 1Q	50.5%	84,618	88.2%	11,286	11.8%	59,698	62.2%
2003 4Q	50.5%	84,618	88.2%	16,312	17.0%	59,698	62.2%
2003 3Q	50.5%	84,618	88.2%	16,312	17.0%	59,698	62.2%
2003 2Q	50.5%	84,618	88.2%	16,312	17.0%	59,698	62.2%
2003 1Q	0.0%	39,225	40.9%	11,286	11.8%	56,679	59.1%
2002 4Q	0.0%	31,700	33.1%	64,204	66.9%	64,204	66.9%
2002 3Q	44.3%	70,710	73.7%	25,194	26.3%	67,704	70.6%
2002 2Q	44.3%	70,710	73.7%	25,194	26.3%	67,704	70.6%
2002 1Q	44.3%	70,710	73.7%	25,194	26.3%	67,704	70.6%
2001 4Q	44.3%	74,210	77.4%	21,694	22.6%	64,204	66.9%
2001 3Q	44.3%	74,210	77.4%	11,286	11.8%	64,204	66.9%
2001 2Q	22.2%	48,955	51.0%	46,949	49.0%	68,204	71.1%
2001 1Q	22.2%	48,955	51.0%	46,949	49.0%	68,204	71.1%
2000 4Q	0.0%	52,755	55.0%	43,149	45.0%	43,149	45.0%
2000 3Q	9.9%	23,000	24.0%	72,904	76.0%	82,404	85.9%
2000 2Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
2000 1Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
1999 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
1999 3Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
1999 2Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
1999 1Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%
1998 4Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%
1998 3Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%
1998 2Q	0.0%	3,500	3.6%	92,404	96.4%	92,404	96.4%
1998 1Q	0.0%	2,700	2.8%	93,204	97.2%	93,204	97.2%
1997 4Q	0.0%	0	0.0%	95,904	100.0%	95,904	100.0%
1997 3Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%
1997 2Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%
1997 1Q	0.0%	1,700	1.8%	94,204	98.2%	94,204	98.2%



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. 0731

HEARING DATE: February 19, 2014

Date: February 12, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose, LLP
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Reviewed By: Tim Frye, Preservation Coordinator
tim.frye@sfgov.org

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE FEASIBILITY OF PRESERVING THE SUBJECT PROPERTY FOR THE PROPOSED CHANGE IN USE FROM PDR TO OFFICE USE AT 660 3RD STREET (ASSESSOR'S BLOCK 3788, LOT 008), LOCATED WITHIN SLI (SERVICE/LIGHT INDUSTRIAL) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

1. WHEREAS, on May 16, 2013, the Project Sponsor (David Silverman, Reuben, Junius & Rose, LLP) filed a Conditional Use Application and Office Development Authorization with the San Francisco Planning Department for 660 3rd Street (Block 3788, Lots 008).
2. WHEREAS, the proposed project intends to utilize Planning Code Section 803.9(a) to allow a change in use of 80,000 sf from PDR to office use at 660 3rd Street. Pursuant to Planning Code Section 803.9(a), the following provision is intended to support the economic viability of buildings of historic importance within a South of Market Mixed Use District:
 - (a) Preservation of Landmark Buildings, Significant or Contributory Buildings Within the Extended Preservation District and/or Contributory Buildings Within Designated Historic Districts within the South of Market Mixed Use Districts. Within the South of Market Mixed Use District, any use which is permitted as a principal or conditional use within the SSO District, excluding nighttime entertainment use, may be permitted as a conditional use in
 - (a) a landmark building located outside a designated historic district,
 - (b) a contributory building which is proposed for conversion to office use of an aggregate gross square footage of 25,000 or more per building and which is located outside the SSO District yet within a designated historic district, or

(c) a building designated as significant or contributory pursuant to [Article 11](#) of this Code and located within the Extended Preservation District.

For all such buildings the following conditions shall apply:

- (1) the provisions of Sections [316](#) through [318](#) of this Code must be met;
- (2) in addition to the conditional use criteria set out in Sections [303\(c\)\(6\)](#) and [316](#) through [316.8](#), it must be determined that allowing the use will enhance the feasibility of preserving the landmark, significant or contributory building; and
- (3) the landmark, significant or contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.

A contributory building which is in a designated historic district outside the SSO District may be converted to any use which is a principal use within the SSO District provided that:

- (1) such use does not exceed an aggregate square footage of 25,000 per building; and
 - (2) prior to the issuance of any necessary permits the Zoning Administrator
 - (a) determines that allowing the use will enhance the feasibility of preserving the contributory building; and
 - (b) the contributory building will be made to conform with the San Francisco Building Code standards for seismic loads and forces which are in effect at the time of the application for conversion of use.
3. WHEREAS, City Charter 4.135 established the Historic Preservation Commission. All duties and responsibilities of the Landmarks Preservation Advisory Board ("LPAB") are under the purview and responsibility of the Historic Preservation Commission.
4. WHEREAS, on February 19, 2014, the Department presented the proposed project to the Historic Preservation Commission. The Commission's comments on the compliance of the proposed project with the Secretary of the Interior's Standards for Rehabilitation and the ability of the proposed project to enhance the feasibility of the historic resource through implementation of a Historic Building Maintenance Plan (HBMP) would be forwarded to the Planning Commission for consideration under Planning Code Section 803.9(a).

THEREFORE BE IT RESOLVED that the Historic Preservation Commission has reviewed the proposed project at 660 3rd Street, on Lots 008 in Assessor's Block 3788, and this Commission has provided the following comments:

- The Historic Building Maintenance Plan appropriately outlines a program for cyclical maintenance, repair and preservation, as well as a uniform sign program and permanent interpretative exhibit, thus reinforcing the building's contribution to the surrounding landmark district and providing for public dissemination of the building and district's history.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Recording Secretary to transmit this Resolution, and other pertinent materials in the Case File No. 2013.0627BC to the Planning Commission.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission at its regularly scheduled meeting on February 19, 2014.

Jonas P. Ionin
Commission Secretary

PRESENT: Hasz, Hyland, Johnck, Matsuda, Pearlman and Wolfram
ABSENT: Johns
ADOPTED: October 2, 2013

660 3rd Street San Francisco, CA - Historic Building Maintenance Plan
February 12, 2014

This plan provides a cycle of maintenance to be performed on an annual basis as well as a long term basis for maintaining the historic building located at 660 3rd Street in the South End Landmark District. Annual inspections will be performed to assess the needs for maintenance as well as planning for any future larger capital needs. Tiebacks were constructed in approximately 2000. The building was recently inspected for seismic safety and found to be seismically sound. All proposed work shall follow the appropriate preservation standards, as guided by the Historic Preservation Commission.

ROOF

Inspected and repaired annually to preserve seals and prevent water intrusion. Replacement scheduled every 15 -20 years due to flat roof design.

Timeframe: Annual (Inspection); 15-20 years (Replacement)

SKYLIGHT

Inspected and sealed/caulked/cleaned as needed annually to prevent water intrusion. Replacement of cracked or broken panes due to weather/acts of God/vandalism as necessary.

Timeframe: Annual (Inspection); As-Needed (Replacement)

WINDOWS

Windows are required to maintain a wood design for historical preservation purposes, especially the windows facing Third Street and Ritch Street. Windows on the north side of the building are metal.

For wood windows, regular sealing is required for maximizing HVAC efficiency. Inspection for damage, warping, water intrusion and proper function to be done annually. Painting of the wood framing done as necessary. Replacement of cracked or broken panes due to weather/acts of God/vandalism as necessary. All window replacement shall follow accepted preservation standards, including *National Park Service Preservation Brief No. 9: Repair of Historic Wooden Windows*.

Timeframe: As-Needed (Repair/Replacement)

BRICK EXTERIOR

Annual inspection of the integrity of the brick exterior focusing on removing graffiti and vandalism, and repairing mortar to prevent damage, blight, mold and other growths. Inspect for efflorescence and water infiltration, repair and repoint using mortar to match historic mortar compositions as feasible. Any new mortar shall match the existing mortar in material, color and composition. Inspect for spalling and looses, cracked or dislodged brick. Repair as required. If necessary, good faith efforts will be made to replace severely damaged bricks with salvaged brick to the extent feasible. All brick repair shall follow accepted preservation standards, including *National Park Service Preservation Brief No. 1: Cleaning and Water-*

Repellent Treatments for Historic Masonry Buildings and National Park Service Preservation Brief No. 2: Repointing Mortar Joints in Historic Masonry Buildings.

Timeframe: Annual (Inspection); As-Needed (Repair/Replacement)

EXTERIOR FASCIA (LOWER LEVEL)

Removal of graffiti and vandalism as necessary. Repair or waterproof exterior fascia, as needed. Proposed treatments may include adding sealant to the base of 660 3rd Street, as necessary to prevent water intrusion. Any proposed sealants shall maintain the integrity of the brick, and shall not impact the brick's porosity, color, finish or texture. Proposed work may also include application of a water intrusion product on interior of basement wall, as necessary.

Timeframe: As-Needed (Repair/Replacement)

EXTERIOR LEDGES

Inspected and repaired annually. Cleaning and removal of bird nests done annually. Possible installation of preventative measures to control/prevent nesting issues. Preventative measures shall be temporary in nature, and shall not include the application of any substance or chemical, which may have an impact upon the historic brick or other historic materials. In addition, any anchors or other attachment methods for these preventative measures shall be reversible in nature and not affect or damage any historic materials.

Timeframe: Annual (Inspection); As-Needed (Preventative Measure)

SIGNAGE PROGRAM

A uniform sign program will provide firm guidance for future tenants on the appropriateness of signage on the exterior. This sign program shall provide guidelines on size, material, location, method of illumination, and method of attachment. The sign program shall follow the guidelines established by Appendix I of Article 10 of the San Francisco Planning Code. The sign program shall be reviewed and approved by Planning Department Preservation staff through an Administrative Certificate of Appropriateness as delegated by the Historic Preservation Commission. The sign program shall be developed in coordination with tenant improvements and occupation.

Timeframe: 1 Year (Sign Program)

INTERPRETIVE EXHIBIT

A permanent interpretive exhibit will provide knowledge to the public on the historic features of the building and the South End Landmark District. This exhibit shall be constructed of durable materials, and shall be accessible by tenants and the public. Information will be permanently displayed in the building lobby within the next six months to assist in educating tenants and visitors about the history of the building and the South End Landmark District. Public information will be searched to assist with assembling background information relevant to the building and its setting. A qualified historian or architectural historian will be consulted to create the exhibit. Department staff shall be consulted on the location, content and design. The interpretative exhibit shall be reviewed and approved by Planning Department

Preservation staff.

Timeframe: 6 Months from Approval of Conditional Use Authorization/Office Development Authorization (Interpretative Exhibit)

SUE C. HESTOR

Attorney at Law

870 Market Street, Suite 1128 San Francisco, CA 94102

office (415) 362-2778 cell (415) 846-1021

hestor@earthlink.net

February 23, 2014

Rich Sucre
Planning Department
1650 Mission Street 4th fl
San Francisco CA 94103

RE: Development impact fees to be paid by office projects

I believe you were the Planner assigned to the following projects -

2012.0799 - 270 Brannan

2012.0906 - 333 Brannan

2013.0226 - 665 3rd Street

2013.0544 - 410 Townsend

2013.0627 - 660 3rd Street

Each of these projects is required by San Francisco Code to pay Development impact fees, including housing and transit fees, as well as other fees related to their location.

I request copies of the sheets showing calculations of the fees that must be paid for each of these projects, including all transmissions to DBI, or other Departments related to imposition of any of these fees. This SPECIFICALLY includes attributions of square footage to prior uses and calculations related to those uses, and any draft calculations or information exchanged with the developer or its agents.

I specifically ask for **all emails or electronic files** where the fees to be paid in conjunction with the building permit are set out or calculated.

Please call me at 824 1167 or 846 1021 if you have any questions about this.

I request that this email and any calculation of the fees required be placed into the HARD COPY FILE for each of these projects.

Sincerely,

Sue Hestor
870 Market Street #1128
San Francisco CA 94102

846 1021 - cell
824 1167 - home office



SAN FRANCISCO PLANNING DEPARTMENT

CEQA Categorical Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)	
Case No.	Permit No.	Plans Dated	
<input type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRER if over 50 years old)	<input type="checkbox"/> New Construction	<input type="checkbox"/> Project Modification (GO TO STEP 7)
Project description for Planning Department approval.			

STEP 1: EXEMPTION CLASS

TO BE COMPLETED BY PROJECT PLANNER

Note: If neither class applies, an <i>Environmental Evaluation Application</i> is required.	
<input type="checkbox"/>	Class 1 – Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.; change of use if principally permitted or with a CU.
<input type="checkbox"/>	Class 3 – New Construction. Up to three (3) new single-family residences or six (6) dwelling units in one building; commercial/office structures; utility extensions.
<input type="checkbox"/>	Class__

STEP 2: CEQA IMPACTS

TO BE COMPLETED BY PROJECT PLANNER

If any box is checked below, an <i>Environmental Evaluation Application</i> is required.	
<input type="checkbox"/>	Transportation: Does the project create six (6) or more net new parking spaces or residential units? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?
<input type="checkbox"/>	Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities) within an air pollution hot spot? (refer to EP_ArcMap > CEQA Catex Determination Layers > Air Pollution Hot Spots)
<input type="checkbox"/>	Hazardous Materials: Any project site that is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve soil disturbance of any amount or a change of use from industrial to commercial/residential? If yes, should the applicant present documentation of a completed Maher Application that has been submitted to the San Francisco Department of Public Health (DPH), this box does not need to be checked, but such documentation must be appended to this form. In all other circumstances, this box must be checked and the project applicant must submit an Environmental Application with a Phase I Environmental Site Assessment and/or file a Maher Application with DPH. (refer to EP_ArcMap > Maher layer.)

<input type="checkbox"/>	Soil Disturbance/Modification: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? (refer to EP_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)
<input type="checkbox"/>	Noise: Does the project include new noise-sensitive receptors (schools, day care facilities, hospitals, residential dwellings, and senior-care facilities) fronting roadways located in the noise mitigation area? (refer to EP_ArcMap > CEQA Catex Determination Layers > Noise Mitigation Area)
<input type="checkbox"/>	Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or on a lot with a slope average of 20% or more? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography)
<input type="checkbox"/>	Slope = or > 20%: Does the project involve excavation of 50 cubic yards of soil or more, square footage expansion greater than 1,000 sq. ft., shoring, underpinning, retaining wall work, or grading on a lot with a slope average of 20% or more? <i>Exceptions: do not check box for work performed on a previously developed portion of site, stairs, patio, deck, or fence work.</i> (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography) If box is checked, a geotechnical report is required and a Certificate or higher level CEQA document required
<input type="checkbox"/>	Seismic: Landslide Zone: Does the project involve excavation of 50 cubic yards of soil or more, square footage expansion greater than 1,000 sq. ft., shoring, underpinning, retaining wall work, grading –including excavation and fill on a landslide zone – as identified in the San Francisco General Plan? <i>Exceptions: do not check box for work performed on a previously developed portion of the site, stairs, patio, deck, or fence work.</i> (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report is required and a Certificate or higher level CEQA document required
<input type="checkbox"/>	Seismic: Liquefaction Zone: Does the project involve excavation of 50 cubic yards of soil or more, square footage expansion greater than 1000 sq ft, shoring, underpinning, retaining wall work, or grading on a lot in a liquefaction zone? <i>Exceptions: do not check box for work performed on a previously developed portion of the site, stairs, patio, deck, or fence work.</i> (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report will likely be required
<input type="checkbox"/>	Serpentine Rock: Does the project involve any excavation on a property containing serpentine rock? <i>Exceptions: do not check box for stairs, patio, deck, retaining walls, or fence work.</i> (refer to EP_ArcMap > CEQA Catex Determination Layers > Serpentine)
If no boxes are checked above, GO TO STEP 3. If one or more boxes are checked above, an <u>Environmental Evaluation Application</u> is required.	
<input type="checkbox"/>	Project can proceed with categorical exemption review. The project does not trigger any of the CEQA impacts listed above.
Comments and Planner Signature (optional):	

**STEP 3: PROPERTY STATUS – HISTORIC RESOURCE
TO BE COMPLETED BY PROJECT PLANNER**

PROPERTY IS ONE OF THE FOLLOWING: (refer to Parcel Information Map)	
<input type="checkbox"/>	Category A: Known Historical Resource. GO TO STEP 5.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 50 years of age). GO TO STEP 4.
<input type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 50 years of age). GO TO STEP 6.

**STEP 4: PROPOSED WORK CHECKLIST
TO BE COMPLETED BY PROJECT PLANNER**

Check all that apply to the project.	
<input type="checkbox"/>	1. Change of use and new construction. Tenant improvements not included.
<input type="checkbox"/>	3. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	4. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	5. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	6. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	7. Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	8. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	9. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. GO TO STEP 5.
<input type="checkbox"/>	Project does not conform to the scopes of work. GO TO STEP 5.
<input type="checkbox"/>	Project involves four or more work descriptions. GO TO STEP 5.
<input type="checkbox"/>	Project involves less than four work descriptions. GO TO STEP 6.

**STEP 5: CEQA IMPACTS – ADVANCED HISTORICAL REVIEW
TO BE COMPLETED BY PRESERVATION PLANNER**

Check all that apply to the project.	
<input type="checkbox"/>	1. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	2. Interior alterations to publicly accessible spaces.
<input type="checkbox"/>	3. Window replacement of original/historic windows that are not “in-kind” but are consistent with existing historic character.
<input type="checkbox"/>	4. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	5. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	6. Restoration based upon documented evidence of a building’s historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
<input type="checkbox"/>	7. Addition(s) , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior’s Standards for Rehabilitation</i> .

<input type="checkbox"/>	8. Other work consistent with the <i>Secretary of the Interior Standards for the Treatment of Historic Properties</i> (specify or add comments):
<input type="checkbox"/>	9. Reclassification of property status to Category C. (Requires approval by Senior Preservation Planner/Preservation Coordinator) a. Per HRER dated: _____ (attach HRER) b. Other (specify):
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST check one box below.	
<input type="checkbox"/>	Further environmental review required. Based on the information provided, the project requires an <i>Environmental Evaluation Application</i> to be submitted. GO TO STEP 6.
<input type="checkbox"/>	Project can proceed with categorical exemption review. The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. GO TO STEP 6.
Comments (optional):	
Preservation Planner Signature:	

**STEP 6: CATEGORICAL EXEMPTION DETERMINATION
TO BE COMPLETED BY PROJECT PLANNER**

<input type="checkbox"/>	Further environmental review required. Proposed project does not meet scopes of work in either (check all that apply): <input type="checkbox"/> Step 2 – CEQA Impacts <input type="checkbox"/> Step 5 – Advanced Historical Review STOP! Must file an <i>Environmental Evaluation Application</i>.	
<input type="checkbox"/>	No further environmental review is required. The project is categorically exempt under CEQA.	
	Planner Name:	Signature or Stamp:
	Project Approval Action:	
	<small>*If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.</small>	
	Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action.	