



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission Status of Office Development Annual Limit Program

Date: June 2, 2011
For Hearing On: June 9, 2011
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Recommendation: **Informational Only - No Action Required**

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This memorandum is prepared as part of the Zoning and Compliance Division's ongoing efforts to monitor and report on policies and programs that may be of particular interest to the Planning Commission. Similar reports on this particular subject matter were prepared in 2007 and again in 2009. This matter is before the Planning Commission for informational purposes only; no action is required.

BACKGROUND

The Office Development Annual Limitation Program ("Annual Limit Program") became effective in 1985 with the adoption of the Downtown Plan Amendments to the Planning Code (Sections 320–325). The Annual Limit Program regulates the establishment of any office space of more than 25,000 gross square feet (gsf) in area. Any such project requires an "office space allocation" from the Planning Commission.

A total of 950,000 gsf becomes available for allocation by the Planning Commission in each approval period, which begins on October 17th every year. Of the total new available space, 75,000 gsf is reserved for Small Allocation projects (projects with between 25,000 and 49,999 gsf of office space) and the remaining 875,000 gsf is available for Large Allocation projects (projects with at least 50,000 gsf of office space). Any available office space not allocated by the Commission in a given year is carried over to subsequent years.

PLANNING COMMISSION PROJECT REVIEW

Planning Code Section 321(b) states that in reviewing projects, the Planning Commission shall approve "only those office developments which they shall determine in particular promote the public welfare, convenience and necessity, and shall be empowered under this section to disapprove the remainder." Planning Code Section 321(b)(3) states that in determining which office developments best promote the public welfare, convenience and necessity, the Planning Commission shall consider:

- (A) Apportionment of office space over the course of the Approval Period in order to maintain a balance between economic growth, on the one hand, and housing, transportation and public services, on the other.
- (B) The contribution of the office development to, and its effects on, the objectives and policies of the General Plan.
- (C) The quality of the design of the proposed office development.
- (D) The suitability of the proposed office development for its location, and any effects of the proposed office development specific to that location.
- (E) 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.
- (F) The extent to which the proposed development will be owned or occupied by a single entity.
- (G) The use, if any, of Transfer of Development Rights (TDR) by the project sponsor.

Further, these criteria can be used to grade and rank projects so that those applications deemed to provide the greatest promotion of public welfare, convenience and necessity can be given preference over others in years where the requests for office allocation outstrip the available space. This process is known colloquially as “the Beauty Contest.”

The Planning Commission does not authorize office projects sponsored by the Redevelopment Agency, the Port, or State and Federal Agencies. Although the Planning Commission does not approve these projects (except for projects in the Mission Bay Redevelopment Area, which are brought to the Commission for allocation and design review), all office space must be subtracted from the amount available for allocation at the time the projects receive a building permit. Commission actions on Section 321 applications may be appealed to the Board of Appeals.

OFFICE DEVELOPMENT PERFORMANCE REQUIREMENTS

Planning Code Section 321(d)(2) states that “construction of an office development shall commence within 18 months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development.” This Code Section is also typically recorded as a condition of approval on all allocations of office space.

Also, under Section 321(e), the Planning Commission shall have authority to adopt such rules and regulations as it may determine are appropriate to carry out the Annual Limit Program. The following are summaries of the three most recent Commission Resolutions affecting the Annual Limit process (full copies of each are also attached to this memorandum):

1. On July 12, 2001 the Commission adopted Resolution 16185, which provides that the Department review both Large and Small Office Allocation projects as received, without conducting the Beauty Contest, because the space available exceeded the demand. It also added a requirement that Project Sponsors provide evidence of debt and equity

financing sufficient to allow projects to proceed, and that sponsors provide the Department with progress reports at six-month intervals.

2. On May 30, 2002, the Commission adopted Resolution 16418 which states that it “hereby adopts a policy that it will closely monitor projects, but will not seek at this time to revoke the approvals of projects which have exceeded the construction commencement date, and further, to the extent that formal extensions are necessary, encourages the projects that have specific construction commencement dates to consider applying for extensions or re-authorization.” Additionally, Resolution 16418 (1) required submittal of project schedules and status reports, (2) stated an inclination to approve additional 18-month extensions when necessary, and (3) set forth a clear definition of a ‘commencement of construction.’
3. On March 26, 2009, the Commission adopted Resolution 17846A in which it recognized “that the current global economic crisis has exceeded the depth and breadth of recent economic downturns, resulting in a profound impact on the liquidity and stability of credit markets and the availability of financing for a range of land-use development projects.” Resolution 17846A reaffirmed the policy of Resolution 16418 to monitor Annual Limit projects but not seek to revocation of approvals of active projects, although it also stated that “authorized projects that are not diligently pursued should be revoked.”

STATUS OF PROJECTS IDENTIFIED UNDER RESOLUTION 17846A

Resolution 17846A also instructed the Planning Department to undertake two types of hearings. First, it requested that the two Annual Limit Program projects that, at the time of its adoption, had exceeded the 18-month performance timeline by more than 5 years and that did not appear to be actively seeking completion of their entitlements be scheduled for revocation. Second, it requested that the four Annual Limit projects that had exceeded their 18-month performance timelines by lesser periods of time be scheduled for informational presentations. These projects are discussed below:

1. *801 Market Street (2000.277B)*. The Commission had requested in Resolution 17846A that this project be scheduled for revocation. The Department has been informed by the Project Sponsor that the project is no longer being pursued. The 112,750 gsf allocated for the project have been returned to the Annual Limit Program.
2. *48 Tehama Street (2000.1215B)*. The Department is not aware of any meaningful steps to begin work or carry the development diligently to completion. The 18-month construction commencement window expired in March of 2003 and, in keeping with the Commission’s request in Resolution 17846A, the 49,300 gsf of office space allocated for this project are scheduled to be heard by the Planning Commission for revocation on June 9, 2011.
3. *524 Howard Street (1998.843B)*. The Commission had requested in Resolution 17846A that this project, with an 18-month construction commencement window that expired in

September of 2001 - be scheduled for an informational update. The Commission received an update on this project from Department Staff in March of 2011, and in keeping with the Commission's direction at that time, the 201,989 gsf of office space allocated for this project are scheduled to be heard by the Planning Commission for revocation on June 9, 2011.

4. *120 Howard Street (2006.0616B)*. The Commission had requested in Resolution 17846A that this project - with a 67,931 gsf office allocation - be scheduled for an informational update. Since the adoption of Resolution 17846A construction of the project has commenced. Accordingly, no hearing has been scheduled.
5. *350 Bush Street (2000.541B)*. The 18-month construction commencement window for this project (with a 344,500 gsf allocation) expired in May of 2003. A building permit was filed to construct the building in August of 2007 (although it has been neither approved or issued) and the Planning Commission received an update from the Project Sponsor in October of 2007. In keeping with 2009's Resolution 17846A, this project - and the associated project at 500 Pine Street - are scheduled to be heard by the Planning Commission on June 9, 2011 for an informational update. A submittal by the Project Sponsor is also attached to this memorandum.
6. *500 Pine Street (2000.539B)*. The 18-month construction commencement window for this project (with a 44,450 gsf allocation) expired in September of 2002. The Planning Commission received an update from the Project Sponsor in October of 2007 and a building permit was approved to construct the building in September of 2008, however the permit has not yet been issued. A related permit to perform shoring, excavation, and related site preparation was submitted in June of 2008 but has not yet been approved. In keeping with Resolution 17846A, this project - and the associated project at 350 Bush Street - are scheduled to be heard by the Planning Commission on June 9, 2011 for an informational update. A submittal by the Project Sponsor is also attached to this memorandum.

STATUS OF THE SMALL ALLOCATION "CAP" AND SMALL ALLOCATION PROJECTS

The carryover from previous approval periods plus the 75,000 gsf of new allocable space made available in October 2010 provides for 1,231,669 gsf for Small Allocation projects at the present time. No projects have yet been granted allocations in the current (2010-2011) cycle.

The Department has five pending Small Allocation projects on file under Section 321 requesting a total of 227,209 gsf. Should all of these projects be approved during the current cycle, there would be 1,004,460 gsf remaining in the Small Cap until October 17, 2011.

Over the course of the Annual Limit Program, the Planning Commission has approved 35 Small Allocation projects under Section 321. Of these projects, 17 have had their approvals revoked or have been re-approved as another project and another 18 projects, totaling 718,331 gsf, have retained their approvals.

Of the 18 projects that have retained their approvals, 16 have been completed. The remaining two projects have exceeded the 18 month construction commencement timeline. Both are scheduled to appear before the Commission on June 9, 2011, one - 48 Tehama Street - for revocation and the other - 500 Pine Street - for an informational update, as requested under Resolution 17846A.

STATUS OF THE LARGE ALLOCATION "CAP" AND LARGE ALLOCATION PROJECTS

The carryover from the previous approval period along with (a) the 875,000 gsf of new allocable space made available in October 2010 and (b) the 635,000 gsf of space allocated during the current (2010-2011) allocation cycle provides for 2,895,133 gsf for Large Allocation projects at the present time.

The Department has one pending Large Allocation project on file under Section 321 seeking 261,691 gsf. Should this project be approved during the current cycle, there would be 2,633,442 gsf remaining in the Large Cap until October 17, 2011.

Additionally, the Department has five projects in the 'pre-application' phase, for a total of 2,849,370 square feet (including 1.3 million gsf at the proposed Transbay Tower and 1.4 million gsf elsewhere in the Transbay area). These are projects for which other Department review has commenced (e.g. environmental evaluation) but for which no office allocation has yet been requested.

Over the course of the Annual Limit Program, the Planning Commission has approved 69 Large Allocation projects¹ under Section 321. Of these projects, 13 have had their approvals revoked or have been re-approved as other projects, while the remaining 56 projects, totaling 14,117,285 gsf, retain their approvals. Of these 56, five have exceeded the 18 month construction commencement timelines. Two of those are discussed elsewhere in this memorandum: (1) 524 Howard Street, which is scheduled to appear before the Commission on June 9, 2011 for revocation and (2) 350 Bush Street, which is scheduled to also appear before the Commission on June 9 for an informational update. The remaining three are discussed below:

1. *535 Mission Street (2006.1273B)*. While the 18-month construction commencement window expired in September of 2001, there has been some activity of note. Specifically, a building permit application to execute the project and its allocation of 293,750 gsf of office space was filed in 2005, issued in 2008, and then appealed. The appeal was ultimately withdrawn and excavation, shoring, and pile-driving activities began. Presumably due to economic conditions, work was halted, the excavated areas were filled-in, and the site is now at least partially in use as a parking lot. The Department has

¹ This figure excludes two non-project, District-wide allocations made under the Alexandria Mission Bay Life Sciences and Technology Development District. Established in October 2008 by Planning Commission Motion Number 17709, this District was created with a total allocation of 1,350,000 square feet of office space to be used both by previously allocated office projects and future allocations at designated buildings within the District. Of the total 1.35 million square feet, 227,020 gsf is to be allocated only upon request and in specific annual allotments on October 18 of 2009, 2010 and 2011. Of these 227,020 gsf, 200,000 gsf have already been allocated.

been informed that at least some occasional work in furtherance of the project continues to occur.

2. *100 California Street (2006.0660B)*. The Department is not aware of any meaningful steps to begin work or carry the development, which has an allocation of 76,500 gsf of office space, diligently to completion. The 18-month construction commencement window expired in July of 2009.
3. *505-525 Howard Street aka "Foundry Square Three" (2008.0001B)*. Prior to the expiration of the 18-month construction commencement window in December of 2009, a building permit was filed in order to execute the project and its 74,500 gsf of office space. That permit application has not been approved, nor is the Department aware of any other steps to move the project forward.

CONCLUSIONS

Planning Commission policy for Annual Limit projects which have exceeded their construction commencement dates is to provide close monitoring but not to revoke approvals for active projects.

At the June 9, 2011 hearing, the Commission will have the opportunity to (1) revoke authorizations for two Annual Limit projects that have exceeded their construction commencement periods by more than five years and which do not appear to be active, and (2) hear an update on a two additional, inter-related Annual Limit projects which have recently been before the Commission but which have exceeded their construction commencement periods.

Aside from these projects, only the three other Annual Limit projects above have exceeded their construction commencement timelines, and all by less than three years. Given the Commission's adopted policies, the continued state of the economy and the relatively brief passage of time since the expiration of the construction commencement windows for these three particular projects, the Commission may wish to avoid intervention at this point. Barring further direction from the Commission, Staff will continue to monitor these projects and to keep the Commission appraised of notable developments.

Attachments:

Planning Commission Resolution 16185

Planning Commission Resolution 16418

Planning Commission Resolution 17846A

Detailed Accounting of Allocations under the Annual Limit Program

Materials Submitted by Sponsor of 350 Bush Street and 500 Pine Street Projects

SAN FRANCISCO
PLANNING COMMISSION
RESOLUTION NO. 16185
(OFFICE DEVELOPMENT ANNUAL LIMIT)

WHEREAS, On September 10, 1985 the Board of Supervisors passed the Downtown Plan Zoning Ordinance, which was signed into law by the Mayor on September 17, 1985 and became effective on October 17, 1985 and includes a limit on office development of 2.85 million square feet over a 3 year period beginning October 17, 1985; and

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

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

On November 20, 1997, the Planning Commission adopted Resolution No. 14497, which required project authorization applications eligible under Section 322(c)(2)(A) to be reviewed in accordance with the Director of Planning's memorandum dated November 13, 1997 (with modifications), eliminating the grading system for the criteria of Section 321(b)(3)(A-G); and which also allowed projects to be reviewed on an individual basis as they were ready; and

On December 7, 2000, the Planning Commission adopted Resolution No. 16043, which required project authorization applications eligible under Section 322(c)(2)(A) to be reviewed in accordance with the Director of Planning's memorandum dated December 7, 2000. This memorandum established one review period for Large Buildings beginning February 2, 2001, continued to allow Small Buildings to be reviewed on an individual basis as they were ready, and modified the application of evaluation criteria; and

On October 17, 2001, there will be 875,000 gsf of office space available for allocation to large buildings. There are eight applications for large (50,000 gsf or more) office development projects on file with the Planning Department, totaling 1,619,040 gsf, however many of these may not be eligible for consideration in the 2001-2002 Approval Period; and

As much as 269,564 gsf of space will be available for allocation to small buildings on October 17, 2001. There are seven applications for small (25,000-50,000 gsf) office development projects on file with the Planning Department, totaling 344,497 gsf, exceeding the amount that will be available for allocation during the 2001-2002 allocation period. However, the Department expects to recapture space from office development projects that are not moving forward; and

The memorandum from the Director of Planning dated May 24, 2001 (Revised June 20, 2001) proposing modifications to the Rules of the Office Development Annual Limitation Program imposed by Sections 320-323 of the Planning Code was presented to the Planning Commission and public testimony was received on the matter on June 21, 2001. An updated memo dated July 5, 2001 was presented to the Planning Commission and public testimony was received on the matter on July 12, 2001.

NOW, THEREFORE BE IT RESOLVED, That the Planning Commission will review project authorization applications eligible under Section 322(c)(2)(A) during the 2001-2002 Approval Period and subsequent Approval Periods until modified by the Commission, in accordance with the Planning Department's Memorandum dated July 5, 2001, which establishes monthly review periods for Large and Small Buildings during the 2001-2002 Approval Period, beginning on October 17, 2001. This memorandum also modifies the application of Evaluation Criteria to require, among other things, that applications include evidence of the ability of the project sponsor to arrange sufficient debt and equity financing to proceed with construction of the project. Additionally, the Commission is requiring that progress reports for approved projects be presented to them at six-month intervals, until construction of the project has commenced.

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission on July 12, 2001.

Linda Avery
Commission Secretary

SAN FRANCISCO
PLANNING COMMISSION
RESOLUTION NO. 16418
(OFFICE DEVELOPMENT ANNUAL LIMIT)

WHEREAS, On September 10, 1985 the Board of Supervisors passed the Downtown Plan Zoning Ordinance, which was signed into law by the Mayor on September 17, 1985 and became effective on October 17, 1985 and includes a limit on office development of 2.85 million square feet over a 3 year period beginning October 17, 1985; and

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

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

On November 20, 1997, the Planning Commission adopted Resolution No. 14497, which required project authorization applications eligible under Section 322(c)(2)(A) to be reviewed in accordance with the Director of Planning's memorandum dated November 13, 1997 (with modifications), eliminating the grading system for the criteria of Section 321(b)(3)(A-G); and which also allowed projects to be reviewed on an individual basis as they were ready; and

On December 7, 2000, the Planning Commission adopted Resolution No. 16043, which required project authorization applications eligible under Section 322(c)(2)(A) to be reviewed in accordance with the Director of Planning's memorandum dated December 7, 2000. This memorandum established one review period for Large Buildings beginning February 2, 2001, continued to allow Small Buildings to be reviewed on an individual basis as they were ready, and modified the application of evaluation criteria; and

On July 12, 2001, the Planning Commission adopted Resolution No. 16185, which required project authorization applications eligible under Section 322(c)(2)(A) to be reviewed in accordance with the Director of Planning's memorandum dated July 5, 2001. This memorandum established monthly review periods for both Large and Small Buildings to be reviewed on an individual basis as they were ready, and modified the application of evaluation criteria; and

In granting project authorization under the Annual Limit for specific projects, the Planning Commission declared that project sponsors should proceed expeditiously and not land bank their authorizations, and if project sponsors were not willing to proceed, the Planning Commission would seek to revoke their authorization; and

The Planning Commission recognizes that conditions have changed dramatically, with the

downturn in the economy and the events of September 11, 2001. There is currently a high office vacancy rate and commercial financing for new construction is difficult to obtain. Projects are not being voluntarily land banked, but often can not commence construction, and

The Planning Commission believes that a policy of monitoring the approvals of those projects not under construction, and ensuring that projects under construction proceeded as expeditiously as possible under the circumstances, serves the City well, so long as the Annual Limit Allocation is not over-subscribed. Under similar conditions in the early 1990s, the Planning Commission adopted such a policy, and when the economy recovered in the late 1990s, a number of projects were already approved and could move forward without undue delay; and

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

Under this condition, projects that do not commence construction are not automatically revoked. Rather the Commission has the right to revoke such projects, but is not compelled to do so. If the Commission chooses to revoke an Annual Limit Authorization, it must revoke at a publicly noticed hearing on the project. Most current projects, except three, were approved under this Code provision; and

The memorandum from the Zoning Administrator dated May 23, 2002 proposing a policy of monitoring the progress of Annual Limit projects was presented to the Planning Commission and public testimony was received on the matter on May 30, 2002.

NOW, THEREFORE BE IT RESOLVED, That the Planning Commission hereby adopts a policy that it will closely monitor projects, but will not seek at this time to revoke the approvals of projects which have exceeded the construction commencement date, and further, to the extent that formal extensions are necessary, encourages the projects that have specific construction commencement dates to consider applying for extensions or re-authorization;

ALSO, BE IT FURTHER RESOLVED, that the Planning Commission, as previously established by Commission policy in 1991, hereby adopts policies on project authorization revocation and the definition of "commencement construction date as set forth below:

1. Projects will be required to submit a detailed Project Schedule. The Project Schedule will be required to include dates for completion of construction drawings, obtaining financing commitments, site clearance, toxic remediation, purchase of TDRs, site permits, fence construction, grading, shoring and excavation addendum, foundation addendum.

In order to minimize unnecessary or premature demolition of sound buildings and displacement of existing businesses, no demolition permits will be issued until construction or toxic remediation, if required, is ready to commence. This condition shall not supersede any previous project authorization, which anticipated early demolition of an existing UMB.

2. Thereafter, projects will be required to submit an annual status report in the Fall to coincide with the release of the annual allocation. The report will be required to summarize the progress on design, construction, financing, affirmative action and marketing activities. This report will be required to be combined with one of the two biannual Monitoring Reports required as a condition of approval. The Department will inform the Commission on each project's status and, if necessary, schedule a public hearing for the Commission's review of the project's progress.
3. As stated in Sec. 321 of the Planning Code, construction will be required to commence within 18 months of approval. A project that does not commence construction within the period specified above or proceed diligently with construction will be subject to revocation of its Project Authorization.

For those projects that have a specific condition for commencement of construction and have not yet commenced, to the extent that formal extensions are necessary, it is recommended that new submittals to amend prior approvals include the standard 18-month language. It shall be the Commission's policy to extend these authorizations.

4. It is proposed that the Zoning Administrator adopt a definition of commencement of construction applicable to projects under construction as well as future projects to be used in evaluating whether a project is meeting its project schedule.

Commencement of construction will be defined as follows:

“Construction shall be deemed to have commenced within the meaning of Section 321(d)2 when the following actions have occurred:

- “a. A valid Site or Building Permit has been issued;
- “b. TDR’s have been purchased and a Notice of Use has been recorded;
- “c. A valid grading, shoring and excavation addenda has been issued;
- “d. An attractive, solid fence has been erected to City standards;
- “e. Grading, shoring and excavation work has commenced and is being pursued diligently. Such construction activity must be in conformity with any required conditions of approval regarding on-site archeological investigation, excavation and artifact retrieval.

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission on May 30, 2002.

Linda Avery
Commission Secretary

AYES: Commissioners Chinchilla/Fay/Baltimore/Lim/Salinas/Theoharis

NOES: Commissioner Joe

ABSENT: None

ADOPTED: May 30, 2002

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SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 17846A

HEARING DATE: MARCH 26, 2009

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

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

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

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

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

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

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

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

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

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

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

- 1) A valid Site or Building Permit has been issued;
- 2) TDRs have been purchased and a Notice of Use has been recorded;
- 3) A valid grading, shoring and excavation addenda has been issued;
- 4) An attractive, solid fence has been erected to City standards;
- 5) Grading, shoring and excavation work has commenced and are being pursued diligently. Such construction activity must be in conformity with any required conditions of approval regarding on-site archeological investigation, excavation and artifact removal.

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

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

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

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

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

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

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

- 1) 801 Market Street (2000.277B) – approved April 19, 2001
- 2) 48 Tehama Street (2000.1215B) – approved September 13, 2001

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

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

- 1) 801 Market Street (2000.277B)
- 2) 48 Tehama Street (2000.1215B)

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

- 1) 524 Howard Street (1998.843B)
- 2) 350 Bush Street (2000.541B)
- 3) 500 Pine Street (2000.539B)
- 4) 120 Howard Street (2006.0616B)

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

Linda D. Avery
Commission Secretary

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

NOES: Commissioners Antonini and Lee

ABSENT: None

ADOPTED: March 26, 2009

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Office Development Annual Limitation (Annual Limit) Program Update

The Office Development Annual Limit (Annual Limit) Program became effective in 1985 with the adoption of the Downtown Plan Amendments to the Planning Code (Sections 320–325) and was subsequently amended by Propositions M (1986) and C (1987). The Program defines and regulates the allocation of any office development project that exceeds 25,000 gross square feet (gsf) in area.

A total of 950,000 gsf of office development potential becomes available for allocation in each approval period, which begins on October 17th every year. Of the total new available space, 75,000 gsf is reserved for Small Allocation projects (projects with between 25,000 and 49,999 gsf of office space), and the remaining 875,000 gsf is available for Large Allocation projects (projects with at least 50,000 gsf of office space). Any available office space not allocated in a given year is carried over to subsequent years.

The following is an update on the status of the Annual Limit Program, including current availability and summaries of previously approved and pending projects.

PRE-APPLICATION OFFICE PROJECTS*

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Pre-Application Projects

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2006.1523E!	50 First Street	940,000	Environmental and transportation reviews submitted 12/21/06	Sarah Jones	Transbay
2007.0456E	181 Fremont Street	493,000	Environmental review submitted 5/15/07	Sarah Jones	Transbay
2008.0789E!K	425 Mission Street	1,300,000	Environmental, transportation and shadow reviews submitted 7/1/08	Sarah Jones	Transbay / Transit Tower
2009.1153ER	2095 Jerrold Ave / 901 Rankin	35,770	General Plan Referral in process; CEQA expected Summer '11	Andrea Contreras	Produce Market
2008.0021E	Park Merced	80,600	All non-office components already approved	Rick Cooper	Will require subsequent office allocation case.
Subtotal Pre-Application Projects		2,849,370			

*Projects that have submitted for initial Department review (i.e. environmental review), but have not submitted an application pursuant to Planning Code Section 321 (Office Development Annual Limit)

PENDING "SMALL" OFFICE PROJECTS

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

SMALL OFFICE PROJECTS: 2010-2011 Approval Period

Amount Currently Available	1,231,669
Subtotal <i>Pending</i> Projects	227,209
Pipeline Availability	1,004,460

Pending Projects

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2005.0942	2300 Harrison Street	47,430	On hold per request from applicant - E (CatEx) issued (10/28/05)	Corey Teague	21,108 sq. ft. of the building's space has historically (prior to the requirements of Prop. M) been approved for and used as Office space. A 1999 Zoning Administrator decision allowed the subject property to increase by 24,584 sq. ft. (to a total of 45,692 sq. ft.) without being considered an office development as defined by Section 320. The current proposal seeks to add 22,846 sq. ft. of office space (for a total of 68,538 sq. ft.). The current proposal, combined with the 1999 office addition, exceeds 25,000 sq. ft. (47,430 sq. ft.); therefore, it is considered an office project.
2009.0065	3433 Third Street	49,229	B filed 1/27/09	Diego Sanchez	
2011.0468	208 Utah Street	48,731	B filed 5/5/11	Unassigned	
2007.0385	345 Brannan Street	49,999	B filed 9/08	Diego Sanchez	APN 3788/039
2009.0886	3615 Cesar Chavez	31,820	B filed 6/10/10	Liz Watty	CPMC - St. Luke's MOB
Subtotal <i>Pending</i> Projects		227,209			

PENDING "LARGE" OFFICE PROJECTS

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

LARGE OFFICE PROJECTS: 2010-2011 Approval Period

Amount Currently Available	2,895,133
Subtotal <i>Pending</i> Projects	261,691
Pipeline Availability	2,633,442

Pending Projects

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2009.0885	1100 Van Ness Avenue	261,691	B filed 6/10/10	Liz Watty	CPMC - Cathedral Hill MOB
Subtotal <i>Pending</i> Projects		261,691			

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	1,231,669
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Approval Period ¹	Unallocated Sq. Ft. ²	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
1985-1986	0	75,000	75,000	No Projects	N/A	0	0	
1986-1987	75,000	75,000	150,000	1199 Bush	1985.244	46,645	46,645	
1987-1988	103,355	75,000	178,355	3235-18th Street	1988.349	45,350	45,350	aka 2180 Harrison Street
1988-1989	133,005	75,000	208,005	2601 Mariposa	1988.568	49,850	49,850	
1989-1990	158,155	75,000	233,155	No Projects	N/A	0	0	
1990-1991	233,155	75,000	308,155	No Projects	N/A	0	0	
1991-1992	308,155	75,000	383,155	1075 Front	1990.568	32,000	32,000	
1992-1993	351,155	75,000	426,155	No Projects	N/A	0	0	
1993-1994	426,155	75,000	501,155	No Projects	N/A	0	0	
1994-1995	501,155	75,000	576,155	No Projects	N/A	0	0	
1995-1996	576,155	75,000	651,155	No Projects	N/A	0	0	
1996-1997	651,155	75,000	726,155	No Projects	N/A	0	0	
1997-1998	726,155	75,000	801,155	No Projects	N/A	0	0	
1998-1999	801,155	75,000	876,155	1301 Sansome	1998.362	31,606	31,606	
1999-2000	844,549	75,000	919,549	435 Pacific	1998.369	32,500	169,550	
				2801 Leavenworth	200.459	40,000		
				215 Fremont	1998.497	47,950		
				845 Market	1998.090	49,100		
2000-2001	749,999	75,000	824,999	530 Folsom	2000.987	45,944	222,639	
				35 Stanford	2000.1162	48,000		
				2800 Leavenworth	2000.774	34,945		
				500 Pine	2000.539	44,450		
				48 Tehama	2000.1215	49,300		
2001-2002	602,360	75,000	677,360	No Projects	N/A	0	0	
2002-2003	677,360	75,000	752,360	501 Folsom	2002.0223	32,000	32,000	

See also 350 Bush Street - Large scheduled for revocation at CPC 6/9/11

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	1,231,669
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Approval Period ¹	Unallocated Sq. Ft. ²	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
2003-2004	720,360	75,000	795,360	No Projects	N/A	0	0	
2004-2005	795,360	75,000	870,360	185 Berry Street	2005.0106	49,000	49,000	
2005-2006	821,360	75,000	896,360	No Projects	N/A	0	0	
2006-2007	896,360	75,000	971,360	No Projects	N/A	0	0	
2007-2008	971,360	75,000	1,046,360	654 Minnesota	no case number	43,939	0	UCSF
2008-2009	1,046,360	75,000	1,121,360	No Projects	N/A	0	0	
2009-2010	1,121,360	75,000	1,196,360	660 Alabama Street	2009.0847	39,691	39,691	
2010-2011	1,156,669	75,000	1,231,669	No Projects	N/A	0	0	CURRENT PERIOD
Total						762,270		

¹ Each approval period begins on October 17

² Carried over from previous year

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	2,895,133
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Approval Period ¹	Unallocated Sq. Ft. ²	"Large" Office Annual Limit ³	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments	
1985-1986	0	875,000	(475,000)	400,000	No Projects	N/A	0	0		
1986-1987	400,000	875,000	(475,000)	800,000	600 California	1986.085	318,030			
					235 Pine	1984.432	147,500			
					343 Sansome	1985.079	160,449		625,979	
1987-1988	174,021	875,000	(475,000)	574,021	No Projects	N/A	0	0		
1988-1989	574,021	875,000	(475,000)	974,021	No Projects	N/A	0	0		
1989-1990	974,021	875,000	(475,000)	1,374,021	150 California	1987.613	195,503	195,503		
1990-1991	1,178,518	875,000	(475,000)	1,578,518	No Projects	N/A	0	0		
1991-1992	1,578,518	875,000	(475,000)	1,978,518	300 Howard	1989.589	382,582	382,582	aka 199 Fremont Street	
1992-1993	1,595,936	875,000	(475,000)	1,995,936	No Projects	N/A	0	0		
1993-1994	1,995,936	875,000	(475,000)	2,395,936	No Projects	N/A	0	0		
1994-1995	2,395,936	875,000	(475,000)	2,795,936	No Projects	N/A	0	0		
1995-1996	2,795,936	875,000	(475,000)	3,195,936	No Projects	N/A	0	0		
1996-1997	3,195,936	875,000	(475,000)	3,595,936	101 Second	1997.484	368,800	368,800		
1997-1998	3,227,136	875,000	(37,582)	4,064,554	55 Second Street	1997.215	283,301		aka One Second Street	
					244-256 Front	1996.643	58,650		aka 275 Saramento Street	
					650 Townsend	1997.787	269,680		aka 699-08th Street	
					455 Golden Gate	1997.478	420,000		State office building - see also Case No. 1993.707	
					945 Battery	1997.674	52,715			
					475 Brannan	1997.470	61,000			
					250 Steuart	1998.144	540,000		1,685,346	aka 2 Folsom/250 Embarcadero
1998-1999	2,379,208	875,000	0	3,254,208	One Market	1998.135	51,822			
					524 Howard	1998.843	201,989		scheduled for revocation at CPC 6/9/11	
					Pier One	1998.646	88,350		Port office building	
					554 Mission	1998.321	645,000		aka 560/584 Mission Street	
					700 Seventh	1999.167	273,650		aka 625 Townsend Street	

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	2,895,133
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Approval Period ¹	Unallocated Sq. Ft. ²	"Large" Office Annual Limit ³	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
					475 Brannan	1999.566	2,500	1,263,311	addition to previous approval - 1997.470
1999-2000	1,990,897	875,000	0	2,865,897	670 Second	1999.106	60,000		
					160 King	1999.027	176,000		
					350 Rhode Island	1998.714	250,000		
					First & Howard	1998.902	854,000		First & Howard bldg #2 (405 Howard), #3 (505-525 Howard) & #4 (500 Howard)
					235 Second	1999.176	180,000		
					500 Terry Francois	2000.127	280,000		Mission Bay 26a
					550 Terry Francois	2000.329	225,004		Mission Bay 28
					899 Howard	1999.583	153,500		2,178,504

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	2,895,133
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Approval Period ¹	Unallocated Sq. Ft. ²	"Large" Office Annual Limit ³	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
2000-2001	687,393	875,000	0	1,562,393	First & Howard	1998.902	295,000		First & Howard bldg #1 (400 Howard)
					550 Terry Francois	2000.1293	60,150	355,150	Additional allocation (see also 2000.329)
2001-2002	1,207,243	875,000	0	2,082,243	350 Bush	2000.541	344,500		See also 500 Pine Street - Small
					38-44 Tehama	2001.0444	75,000		
					235 Second	2000.319	64,000		modify 1999.176
					250 Brannan	2001.0689	113,540		
					555 Mission	2001.0798	549,000		
					1700 Owens	2002.0300	0*	1,146,040	Alexandria District - West Campus (160,100)
2002-2003	936,203	875,000	0	1,811,203	7th & Mission GSA	No Case	514,727	514,727	Federal Building
2003-2004	1,296,476	875,000	0	2,171,476	Presidio Dig Arts	No Case	839,301	839,301	Presidio Trust
2004-2005	1,332,175	875,000	0	2,207,175	No Projects	N/A	0	0	
2005-2006	2,207,175	875,000	0	3,082,175	201 16th Street	2006.0384	430,000	430,000	aka 1409/1499 Illinois
2006-2007	2,652,175	875,000	0	3,527,175	1500 Owens	2006.1212	0*		Alexandria District - West Campus (158,500)
					1600 Owens	2006.1216	0*		Alexandria District - West Campus (228,000)
					1455 Third Street/455 Mission Bay South Blvd/450 South Street	2006.1509	0*		Alexandria District - North Campus (373,487)
					1515 Third Street	2006.1536	0*		Alexandria District - North Campus (202,893)
					650 Townsend	2005.1062	375,151		
					120 Howard	2006.0616	67,931		
					535 Mission	2006.1273	293,750	736,832	
2007-2008	2,790,343	875,000	0	3,665,343	100 California	2006.0660	76,500		

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	2,895,133
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Approval Period ¹	Unallocated Sq. Ft. ²	"Large" Office Annual Limit ³	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
					505-525 Howard	2008.0001	74,500		Additional allocation for First & Howard Building #3 Redevelopment - Yerba Buena Establishes Alexandria Mission Bay Life Sciences and Technology Development District ("Alexandria District") for which previously allocated office space and future allocations would be limited to 1,350,000 gsf to be distributed among designated buildings within district. Alexandria District - East Campus (312,932) Alexandria District - East Campus (291,367) Alexandria District - West Campus (61,581)
					680 Folsom Street	No Case	117,000		
					Alexandria District	2008.0850	1,122,980		
					600 Terry Francois	2008.0484	0*		
					650 Terry Francois	2008.0483	0*		
					1450 Owens	2008.0690	0*		
							1,390,980		
2008-2009	2,274,363	875,000	0	3,149,363	No Projects	N/A	0		
2009-2010	3,149,363	875,000	0	4,024,363	850-870 Brannan Street	2009.1026	138,580		
					Candlestick Point - Hunter's Point	2007.0946	800,000		First 800,000 gsf of office development within the Candlestick Point - Hunter's Point Project Area to receive priority office allocation over all projects except the Transbay Transit Tower or those within Mission Bay South (Resolution No. 18102). LEED
					222 Second Street	2006.1106	430,650		
2010-2011	2,655,133	875,000	0	3,530,133	350 Mission Street	2006.1524	335,000	1,369,230	

ANNUAL LIMIT FOR "LARGE" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available:	2,895,133
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Approval Period ¹	Unallocated Sq. Ft. ²	"Large" Office Annual Limit ³	Reduction per Section 321.1	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
					Alexandria District	n/a	200,000		under terms of Motion 17709
					Treasure Island	2007.0903	100,000	635,000	
							Total	14,117,285	

¹ Each approval period begins on October 17

² Carried over from previous year

³ Excludes 75,000 gsf dedicated to "small" projects per Section 321(b)(4)

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

COMPLETE
REVOKED
18 MOS. EXPIRED
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
1986-1987	1985.244	1199 Bush	0280-031	46,645	11026	complete	1991	St. Francis Hospital
1987-1988	1988.349	3235-18th Street	3591-001/030	45,350	11451	complete		PG&E, aka 2180 Harrison Street
1988-1989	1988.568	2601 Mariposa	4016-001	49,850	11598	complete	1991	KQED
	1988.287	1501 Sloat	7255-002	39,000	11567	doesn't count	n/a	revoked 12/00
1989-1990								
1990-1991	1990.238	350 Pacific	0165-006	45,718	13114	doesn't count	n/a	revoked 12/00
1991-1992	1990.568	1075 Front	0111-001	32,000	13381	complete	1993	
	1987.847	601 Duboce	3539-001	36,000	13254	doesn't count	n/a	revoked 12/00
1992-1993								No Projects Approved During Allocation Period
1993-1994								No Projects Approved During Allocation Period
1994-1995								No Projects Approved During Allocation Period
1995-1996								No Projects Approved During Allocation Period
1996-1997								No Projects Approved During Allocation Period
1997-1998								No Projects Approved During Allocation Period
1998-1999	1998.362	1301 Sansome	0085-005	31,606	14784	complete	1999	
1999-2000	1998.369	435 Pacific	0175-028	32,500	14971	complete	2003	
	2000.459	2801 Leavenworth	0010-001	40,000	15922	complete	2001	The Cannery
	1998.497	215 Fremont	3738-012	47,950	15939	complete	2002	
	1999.668	38-44 Tehama	3736-111	49,950	15967	doesn't count	n/a	reapproved as large project
	1998.090	845 Market	3705-09:18 into 3705-049	49,100	15949	complete	2006	Bloomingdale's
2000-2001	1999.821	178 Townsend	3788-012	49,002	16025	doesn't count	n/a	18mos exp 5/2/02; 2005.0470 new E & K appl for residential, building permit application no.200608290851 for residential submitted on 8/29/07; 9/4/08 CPC approves conversion to Residential (M17688) - Revoked on 1/23/09

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

COMPLETE
REVOKED
18 MOS. EXPIRED
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	2000.987	530 Folsom	3736-017	45,944	16023	complete	2006	
	1999.300	272 Main	3739-006	46,500	16049	doesn't count	n/a	18mos exp 6/7/02; permit 200502185810 filed 2/05. 12/15/08 - Building Permit Application No. 200811136470 issued for demolition of two buildings on property. To be used for temp Transbay facility. REVOCATION LETTER ISSUED 3/16/09
	2000.1162	35 Stanford	3788-038	48,000	16070	complete	2007	
	2000.774	2800 Leavenworth	0011-007/008	34,945	16071	complete	2001	The Anchorage
	2000.552	199 New Montgomery	3722-021	49,345	16104	doesn't count	n/a	revoked 1/6/05
	2000.1269	3433 Third	5203-23	42,000	16107	doesn't count	n/a	building permit application no. 200011014657 withdrawn on 11/9/06. REVOCATION LETTER ISSUED 9/25/07
	1999.795	177 Townsend	3794-4,7	46,775	16122	doesn't count	n/a	revoked 1/6/05
	2000.539	500 Pine	258-4 to 9/033	44,450	16113	approved	n/a	18mos exp 9/15/02 - CPC received project status update on 10/11/07 (project is associated with 350 Bush Street - Large Office Approval). Building permit application no. 200011024683 approved by CPB on 9/4/08. Building permit application no. 200806275535 submitted for shoring work (9/4/08 - under review by DPW-BSM)
	2000.986	150 Powell	327-22	39,174	16118/164 23	doesn't count	n/a	time limit for construction extended (see Case No. 2002.0363B). Project converted to residential use (see Case No. 2006.1299)
	1998.281	185 Berry	3803-005	49,500	16143	doesn't count	n/a	new approval 2005
	2000.190	201 Second	3736-097	44,500	16148	doesn't count	n/a	converted to residential use
	2000.660	35 Hawthorne	3735-047	40,350	16174	doesn't count	n/a	converted to residential use - see 2004.0852 and building permit application no. 200509082369
	2000.1215	48 Tehama	3736-084/085	49,300	16235	approved	n/a	revocation scheduled for Planning Commission hearing on 6/9/11
	2000.723	639 Second	3789-005/857:971	49,500	16241	doesn't count	n/a	revoked 1/6/05
	1999.423	699 Second	3789-004/857:971	49,500	16240	doesn't count	n/a	revoked 1/10/05

SMALL OFFICE APPROVALS - STATUS OF ALL PROJECTS

San Francisco Planning Department - Updated 5/27/11

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

COMPLETE
REVOKED
18 MOS. EXPIRED
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
2001-2002	2001.0050	3251 18th Street	3591-018	49,500	16451	doesn't count	n/a	6/28/07 - building permit application no. 200706285450 submitted to revise project and reduce office space to approx. 10,000 gsf. - REVOCATION LETTER ISSUED 8/16/07
2002-2003	2002.0223	501 Folsom Street	3749-001	32,000	16516	complete	2006	
2003-2004								No Projects Approved During Allocation Period
2004-2005	2005.0106	185 Berry Street	3803-005	49,000	17070	complete	2008	
2005-2006								No Projects Approved During Allocation Period
2006-2007	No Case	654 Minnesota	4042-003 & 004	43,939	none	complete	2009	Confirmed by UCSF via 7/13/2007 letter from UCSF and associated LoD
2007-2008								No Projects Approved During Allocation Period
2008-2009	2006.1294	110 The Embarcadero	3715-002	41,940	17804	doesn't count	n/a	18mos exp 7/14/10 - E appealed to BoS and overturned on 3/17/09. Application withdrawn and case closed on 12/30/09.
2009-2010	2009.0847	660 Alabama Street	4020-002	39,691	17973	complete	n/a	CFC for building permit application no. 201001144798 issued on 3/23/11
2010-2011								current cycle; no projects yet

LARGE OFFICE APPROVALS - STATUS OF ALL PROJECTS

San Francisco Planning Department - Updated 5/27/11
 Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

COMPLETE
REVOKED
18 MOS. EXPIRED
UNDER CONSTRUCTION
AWAITING ADDITIONAL INFORMATION

Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
1986-1987	1986.085	600 California	0241-003 into 0241-027	318,030	11077	complete	1992	
	1984.432	235 Pine	0267-015	147,500	11075	complete	1991	
	1984.274	33 Columbus	0195-004	81,300	11070	doesn't count	n/a	revoked 12/00
	1985.079	343 Sansome	0239-002	160,449	11076	complete	1991	
1987-1988								No Projects Approved During Allocation Period
1988-1989	1984.199	524 Howard	3721-013	199,965	11683	doesn't count	n/a	reapproved in 1998 under Case No. 1998.843.
1989-1990	1987.613	150 California	0236-003 into 0236-019	195,503	11828	complete	2001	
1990-1991	1989.589	300 Howard	3719-005 into 3719-018	382,582	13218	complete	2001	aka 199 Fremont Street
1991-1992								No Projects Approved During Allocation Period
1992-1993								No Projects Approved During Allocation Period
1993-1994								No Projects Approved During Allocation Period
1994-1995	1994.105	101 Second Street	3721-072	386,655	13886	doesn't count	n/a	Reapproved in 1997 under Case No. 1997.484.
1995-1996								No Projects Approved During Allocation Period
1996-1997	1997.484	101 Second Street	3721-72:75 into 3721-089	368,800	14454	complete	2000	
1997-1998	1997.215	55 Second Street	3708-019A/033/034 into 3708-096	283,301	14542	complete	2002	aka One Second Street
	1996.643	244-256 Front	0236-018	58,650	14601	complete	2001	aka 275 Sacramento Street
	1997.787	650 Townsend	3783-009	269,680	14520	complete	2001	aka 699-08th Street
	No Case	455 Golden Gate	0765-002/003	420,000	none	complete	1998	State office building. See also case no. 1993.707.
	1997.674	945 Battery	0135-001	52,715	14672	complete	1998	
	1997.470	475 Brannan	3787-031	61,000	14685	complete	2001	
	1998.144	250 Steuart	3741-028 into 3741-035	540,000	14604	complete	2002	aka 2 Folsom/250 Embarcadero
1998-1999	1998.135	One Market	3713-006	51,822	14756	complete	2000	
	1998.843	524 Howard	3721-013	201,989	14801	approved	n/a	revocation scheduled for Planning Commission hearing on 6/9/11
	1998.646	Pier One	9900-001	88,350	none	complete	2003	Port office building

LARGE OFFICE APPROVALS - STATUS OF ALL PROJECTS

San Francisco Planning Department - Updated 5/27/11
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Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	1998.321	554 Mission	3708-015/017/018 into 3708-095	645,000	14893	complete	2003	aka 560/584 Mission
	1999.167	700 Seventh	3799-001 into 3799-008	273,650	14895	complete	2006	aka 625 Townsend
	1999.566	475 Brannan	3787-031	2,500	14884	complete	2001	addition to previous approval - 1997.470
	1998.268	631 Folsom	3750-090	170,000	14750	doesn't count	n/a	project converted to residential - allocation revoked 12/00.
1999-2000	1999.106	670 Second	3788-043/044	60,000	14907	complete	2001	
	1999.027	160 King	3794-025	176,000	14956	complete	2002	
	1998.714	350 Rhode Island	3957-001	250,000	14988	complete	2004	
	1998.902	First & Howard	3721; 3736; 3737	854,000	15006	complete/approved	2003	18 mos exp 9/2/01. Includes 3 of 4 buildings at First & Howard (see bldg #1 - 400 Howard - below): bldg #2 - 405 Howard (3737-030) - 460,000 gsf office - 200002172133 - complete); bldg #3 - 505-525 Howard (3736-121/114) - 178,000 gsf office - 200610316514 currently (8/4/08) under review by Planning (see also 2008.0001 for additional allocation); bldg #4 -500 Howard (3721-119) - 216,000 gsf office - 200006172952 - complete).

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Date	Case No.	Address	APN	Size	Motion	Status	Completion	Comments
	1999.176	235 Second	3736-061 into 3736-123	180,000	15004	complete	2002	
	2000.127	500 Terry Francois	3838; 3839 into 8721-001/010	280,000	15010	complete	2008	MB 26a
	1998.766	535 Mission	3721-068	252,000	15027	doesn't count	n/a	revoked and reapproved as residential
	1998.635	2101 Bryant	4080-007	148,000	15044	doesn't count	n/a	project converted to residential - allocation revoked 1/10/05
	2000.329	550 Terry Francois	3839; 3840 into 8721-001/011	225,004	15055	complete	2002	MB 28
	1999.583	899 Howard	3733-079	153,500	15062	complete	2005	
2000-2001	1998.902	First & Howard	3720-008	295,000	16069	complete	2008	First & Howard - Building #1 (400 Howard)
	2000.1293	550 Terry Francois	3839; 3840 into 8721-001/011	60,150	16110	complete	2002	addition to 2000.329.
	2000.1295	Mission Bay 26/2	3840; 3841 into 8721-001-012	145,750	16111	doesn't count	n/a	AKA MB 26 East. returned to cap for approval of 2002.0301
	1999.603	555 Mission	3721-69,70,78...	499,000	16130	doesn't count	n/a	project revised - allocation revoked and reapproved under Case No. 2007.0798.
	2000.277	801 Market	3705-48	112,750	16140	doesn't count	n/a	project abandoned per letter from sponsor
2001-2002	2000.541	350 Bush	269-2,2a,3,22...	344,500	16273	approved	n/a	18mos exp 5/8/03 - CPC received project status update on 10/11/07 (associated with 500 Pine Street - Small Office Approval). Building permit application no. 200708078938 currently (1/29/09) under review by DBI/SFFD.
	2001.0444	38-44 Tehama	3736-111	75,000	16280	complete	2003	
	2000.319	235 Second	3736-61,62,64-67	64,000	16279	complete	2002	modify 1999.176 - convert warehouse from PDR to office.
	2001.0689	250 Brannan	3774-25	113,540	16285	complete	2002	
	2001.0798	555 Mission	3721-69,70,78-81, 120	549,000	16302	complete	2008	

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	2002.0301	Mission Bay 42/4	8709-10	80,922	16397	doesn't count	n/a	revoked and reapproved as 2002.1216 (1600 Owens)
	2002.0300	1700 Owens	8709-007	0*	16398	complete	2007	Alexandria District (160,100). West Campus. 164,828
2002-2003	No Case	7th/Mission GSA	3702-15 ...	514,727	none	complete	2007	Federal Building
	2002.0691	499 Illinois/201-16th Street	3940-001	429,542	16483	doesn't count	n/a	revoked and reapproved as 2006.0384 (201 16th Street) MB Block X4
2003-2004	2001.1039	55 9th Street	3701-063	268,000	16760	doesn't count	n/a	200408111247 issued 5/19/05 - Authorization REVOKED by Planning Commission Motion Nos. 17521 and 17522 for proposal to convert project to residential use.
	2000.1229	Pier 30-32	3770-001	370,000	none	doesn't count	n/a	E, K & ! Cases created, no B case created. BCDC permit approved in 2003 and allocation made for accounting purposes, but permit never acted upon. 2/09 370,000 added back to cap because project does not appear to be moving forward.
	No Case	Presidio - Letterman Digital Arts		839,301	none	complete	2006	
2004-2005								No Projects Approved During Allocation Period
2005-2006	2006.0384	201-16th Street	3940-001	430,000	17223	complete	2008	aka 1409-1499 Illinois/MB Block X-4. 18 mos exp 10/6/07. Project (200607186938) complete 11/19/08
2006-2007	2006.1212	1500 Owens	8709-006	0*	17333	complete	2009	Alexandria District - West Campus (158,500); 200611298694 issued 5/24/07 (aka MBS Blk 41-43, Parcel 5). Under construction. Estimated completion in March 2009.
	2006.1216	1600 Owens	8709-004/010	0*	17332	approved	n/a	Alexandria District - West Campus (228,000); aka MBS Blk 41-43, Parcel 4. 200711097802 issued 6/3/08. Piles driven, no further work performed. Not currently active 5/18/2011

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	2006.1509	Alexandria District - North Campus (MB 26/1-3; 1455 Third Street/455 Mission Bay South Blvd/450 South Street)	8721-012/8720-011/016/017	0*	17401	complete/approved	n/a	Alexandria District - North Campus (373,487); aka MBS Blk 26, Parcels 1-3, project proposes 3 buildings - building permit application no. 200704279921 (455 Mission Bay South Blvd.) COMPLETE on 11/17/09 for 5 story office/lab; 200705090778 (450 South Street) COMPLETE on 10/23/09 for "parking garage with 7 stories new building." 200806104062 filed on 6/10/08 for new 10-story office building - currently (2/10) being reviewed by DBI/SFFD
	2006.1536	1515 Third Street	8721-012	0*	17400	approved	n/a	Alexandria District - North Campus (202,893); aka MBS Blk 27, Parcel 1 see also 2006.1509. 200806265407 filed 6/26/08 for 6-story office building - currently (9/29/08) being reviewed by SFFD. Sold to salesforce.com with 202,983 sf allocation as of April 2011.
	2005.1062	650 Townsend	3783-009	375,151	17440	complete	2009	18 mos exp 12/7/08. 200705151356 issued 2/20/08 - Conversion of existing structure into office - no major construction required. Final Inspection (3/16/09)
	2006.0616	120 Howard	3717-019	67,931	17466	under construction	n/a	18 mos exp 1/26/09; as of 5/18/11 addenda issued and under construction; verified in field 5/22/11
	2006.1273	535 Mission	3721-068, 083	293,750	17470	approved	n/a	18 mos exp 2/2/09; 2/12/08 - 200508049463 issued by CPB on 8/21/08. Appealed to Board of Permit Appeals on 8/29/08 (Appeal No. 08-137) - appeal withdrawn and permit reinstated on 8/29/08. Separate permits issued for pile indicators, site cleanup and fencing. 10/24/08 - construction appears to be on hold; May '11- site filled in and used as parking lot
2007-2008	2006.0660	100 California	0236-017	76,500	17544	approved	n/a	18 mos exp 7/31/09. No building permit on file as of 5/18/11

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	2008.0001	505-525 Howard	3736-001:004/114/121	74,500	17641	approved	n/a	18 mos exp 12/26/09. 200610316514 for new construction under review by Planning (8/4/08). 200809080946 for demolition of existing building submitted on 9/8/08. "First & Howard" bldg 3 - see 1998.902. 2005.0733 on file to legalize existing surface parking lot.
	No Case	680 Folsom Street	3735-013	117,000	none	approved	n/a	Redevelopment (Yerba Buena), 200712039403 - issued on 11/12/10. 200804240531 issued 6/26/08 to allow crane on subject property for construction of project. 200901160325 issued for 8' high chain link fence and gate on property.
	2008.0850	Alexandria District	various	1,122,980	17709	approved	n/a	Establishes Alexandria Mission Bay Life Sciences and Technology Development District ("Alexandria District") to consolidate previous and future allocations.
	2008.0484	600 Terry Francois	8722-001	0*	17710	approved	n/a	Alexandria District - East Campus (312,932) - schematic design.
	2008.0483	650 Terry Francois	8722-001	0*	17711	approved	n/a	Alexandria District - East Campus (291,367) - schematic design.
	2008.0690	1450 Owens	8709-006	0*	17712	approved	n/a	Alexandria District - West Campus (61,581) - schematic design as of 4/2011
2008-2009								No Projects Approved During Allocation Period
2009-2010	2009.1026	850-870 Brannan Street	3780-006/007/007A/072	138,580	18095	approved	n/a	18 months expire Nov 27, 2011
	2007.0946	Candlestick Point - Hunter's Point	Candlestick Point and Hunter's Point Shipyard	800,000	18102	approved	n/a	First 800,000 gsf of office development within the Candlestick Point - Hunter's Point Project Area to receive priority office allocation over all projects except the Transbay Transit Tower or those within Mission Bay South
	2006.1106	222 Second Street	3735-063	430,650	18170	approved	n/a	LEED; 18 months expire Feb 12, 2012
2010-2011	No Case	Alexandria District	various	200,000	17709	approved	n/a	additional allocation per terms of Motion 17709 by Letter of Determination
	2006.1524	350 Mission Street	3710-017	335,000	18268	approved	n/a	18 months expire August 10, 2012
	2007.0903	Treasure Island	1939-001/002	100,000	18332	approved	n/a	

REUBEN & JUNIUS^{LLP}

June 2, 2011

VIA HAND DELIVERY

Ms. Christina Olague, President
San Francisco Planning Commission
1650 Mission Street, 4th Floor
San Francisco, CA 94103

**Re: 350 Bush and 500 Pine Street
Planning Commission Informational Hearing on June 9, 2011
Our File No.: 5801.01**

Dear Ms. Olague and Members of the Commission,

Our office represents Lincoln Property Company and ASB Capital Management, LLC, the owners and project sponsors of 350 Bush Street and 500 Pine Street, San Francisco. We understand that the Planning Commission will be holding an informational hearing on the status of certain approved office projects, including 350 Bush Street.

While we plan on being present at next week's hearing with the owners/project sponsors, we also wanted to provide you with some information about the project status ahead of the hearing. Lincoln Property Company and ASB Capital Management, LLC purchased the 350 Bush and 500 Pine projects and sites in 2007 as entitled sites with the only goal of constructing the approved buildings. Since that time they have expended close to \$10M in various fees, expenses and other costs on these projects. These expenses include, but are not limited to, the following:

- Payment of Jobs-Housing Linkage Fees to the City in the aggregate of over \$5.8M;
- Acquisition and purchase of all remaining TDR that is required for the project; and
- Fees for architectural, legal, preservation and other consultant fees.

While everyone recognizes the difficult and extraordinary market conditions that have existed for the last few years, the projects at 350 Bush and 500 Pine are active projects, and the project sponsors have taken a number of steps to advance the project and to be in the position to commence construction as soon possible. Among these steps, the project sponsors have actively pursued a large leasing opportunity with the GSA which is still pending. In addition, the 350 Bush site contains the historic Mining Exchange Building, a designated Landmark building, and the project sponsors are paying on-going costs to maintain the historic building as well as costs for securing the site.

President Olague and Members of the Commission

June 2, 2011

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Lincoln Property Company is one of the nation's largest, most respected diversified real estate services firms. The company has a long history of building many types of projects, including office projects, and has the knowledge, experience and ability to build projects like 350 Bush and 500 Pine. Some of the more recent San Francisco projects Lincoln has built include:

- 222 Kearny, a 12-story, 145,000-sf building;
- 33 New Montgomery, a 20-story, 235,000-sf building; and
- 100 Spear, a 22-story, 200,000-sf building.

In sum, we would like to reiterate that the 350 Bush and 500 Pine projects are active projects which the project sponsors fully anticipate and plan to construct as soon as the market conditions allow.

Please let us know if you have any questions.

Very truly yours,

REUBEN & JUNIUS, LLP



James A. Reuben

cc: Dan Sider, Planning Dept.
John Herr, Lincoln Property Company
David Quigley, ASB Capital Management, LLC
Tuija Catalano, Reuben & Junius, LLP