



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Non-Renewal of Mills Act Historical Property Contracts

HEARING DATE: SEPTEMBER 19, 2018

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

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415.558.6377

Case Numbers: 2017-005434MLS, 2017-005880MLS, 2017-005419MLS
Initiated by: Supervisor Peskin / Introduced September 4, 2018
Staff Contact: Shannon Ferguson, Senior Planner
shannon.ferguson@sfgov.org, 415-575-9074
Reviewed by: Tim Frye, Historic Preservation Officer
tim.frye@sfgov.org, 415-558-6362
Recommendation: **Recommend approval to the Board of Supervisors**

BOARD OF SUPERVISORS RESOLUTIONS

The proposed Board of Supervisors Resolutions (Resolutions) would not renew the Mills Act historical property contract (Contract) for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street. The Mills Act historical property contracts for these three properties would be limited to a term of ten years.

The Way It Is Now:

Under the Mills Act and Administrative Code Chapter 71, one year is added automatically to the initial term of the Contract at the anniversary date of the Contract, unless notice of non-renewal is given.

The Way It Would Be:

The historical property contract for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street would not be renewed and would be limited to a term of ten years.

BACKGROUND

The California Mills Act (Government Code Section 50280 et seq.) authorizes local governments to enter into a contract with the owners of a qualified historical property who agree to rehabilitate, restore, preserve, and maintain the property in return for property tax reductions under the California Revenue and Taxation Code. Chapter 71 of the Administrative Code was adopted to implement the Mills Act in San Francisco and to preserve these historic buildings.

At a public hearing on October 4, 2017, in Resolutions 901, 905, and 907, the Historic Preservation Commission recommended that the Board of Supervisors approve the Mills Act historical property contracts for the buildings located at 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street.

At a public hearing on November 14, 2017 and December 12, 2017, in Resolution Nos. 453-17, 420-17, and 454-17, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor's Office, the Board of Supervisors approved the historical property contracts for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street.

When it considered the approval of the historical property contracts, the Board of Supervisors balanced the benefits of the Mills Act to the owners of the properties with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of the properties and the resultant property tax reductions, and determined that it was in the public interest to enter into a historical property contract with the applicants.

At that time, the Board of Supervisors also expressed interest in limiting the historical property contracts to a term of ten years in order to better achieve a balance between the benefits of the Mills Act and the costs to the City.

ISSUES AND CONSIDERATIONS

The Mills Act historical property contract allows either the property owners or the City to not renew the Contract in advance of the annual renewal date. If the property owners desire not renew the Contract, they must serve written notice to the City at least ninety (90) days prior to the date of renewal. If the City desires not to renew the Contract, the City must serve written notice to the property owners sixty (60) days prior to the date of renewal. If written notice is not served prior to the renewal date, one year will be automatically added to the term of the Contract. The Board of Supervisors will make the City's determination that the Contract will not be renewed by either party.

If the City desires not to renew the Contract, the City must serve written notice of non-renewal to the property owners 60 days prior to the date of renewal.

Upon receipt by the property owners of a notice of nonrenewal from the City, the property owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal.

If either party serves notice of non-renewal of the Contract, the Contract will remain in effect for the balance of the period remaining since the original execution or the last renewal of the Contract, as the case may be.

The Contract for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street will be in effect for 10 years only.

Thereafter, the property owners will pay property taxes to the City without regard to any restriction imposed on the property by the Contract, and based upon the Assessor's determination of the fair market value of the property as of expiration of the Contract.

The property owners will pay property taxes based on the fair market value of the property after the Contract expires.

Implementation

The Department has determined that the Resolutions will not impact our current implementation procedures.

RECOMMENDATION

The Department recommends that the Commission recommend *approval* of the proposed Resolutions for non-renewal of the Mills Act historical property contracts for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street to the Board of Supervisors and adopt the attached Draft Resolutions to that effect.

BASIS FOR RECOMMENDATION

The Board of Supervisors balanced the benefits of the Mills Act to the property owners with the costs to the City of providing the property tax reductions, as well as the historical value of the properties and the resultant property tax reductions when it approved the Contracts for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street. At that time, the Board of Supervisors also expressed interest in limiting the historical property contracts for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street to a term of ten years in order to better achieve a balance between the benefits of the Mills Act and the costs to the City.

The Contract states that if the City desires not to renew the Contract, the City must serve written notice of non-renewal to the property owners 60 days prior to the date of renewal. The Board of Supervisors will make the City's determination that the Contract will not be renewed.

Scopes of work detailed in the Rehabilitation/Restoration and Maintenance plans will be completed according to the schedule stated in each plan.

REQUIRED COMMISSION ACTION

The proposed Resolutions are before the Commission so that it may recommend approval, rejection, or approval with modifications for the non-renewal of the Mills Act historical property contract for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street to the Board of Supervisors.

ENVIRONMENTAL REVIEW

The Planning Department has determined that the actions contemplated in these Resolutions are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) under section 15331

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Resolutions.

Attachments:

Draft Historic Preservation Commission Resolutions

Board of Supervisors Resolutions

Mills Act Contracts, Rehabilitation/Restoration and Maintenance plans for 215 & 229 Haight Street, 627 Waller Street, and 973 Market Street

<i>Case No.:</i>	2017-005434MLS
<i>Project Address:</i>	215 and 229 Haight Street (formerly 55 Laguna Street)
<i>Landmark District:</i>	Landmark Nos. 257, 258 (Woods Hall and Woods Hall Annex)
<i>Zoning:</i>	NC-3 – Neighborhood Commercial, Moderate Scale; RM-3 – Residential Mixed, Medium Density; P – Public
<i>Height & Bulk:</i>	85-X, 50-X, 40-X
<i>Block/Lot:</i>	0857/002
<i>Applicant:</i>	Alta Laguna, LLC 20 Sunnyside Ave., Suite B Mill Valley, CA 94941

SITE PHOTO

215 Haight Street



229 Haight Street



AERIAL PHOTO



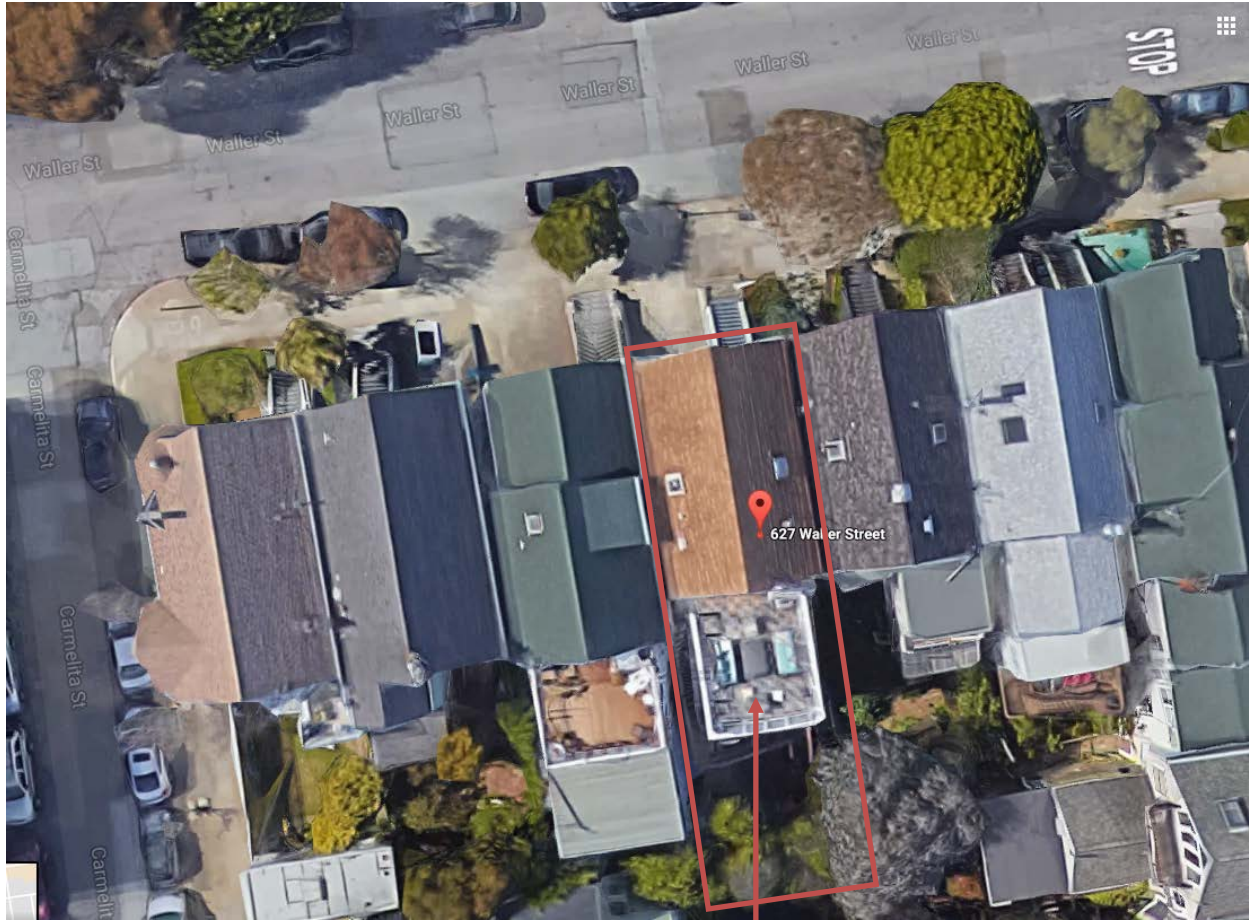
SUBJECT PROPERTIES

<i>Case No.</i>	2017-005880MLS
<i>Project Address:</i>	627 Waller Street
<i>Landmark District:</i>	Duboce Park Historic District Contributor
<i>Zoning:</i>	RTO (Residential Transit Oriented District)
<i>Height and Bulk:</i>	40-X
<i>Block/Lot:</i>	0864/012
<i>Applicant:</i>	John Hjelmstad & Allison Bransfield 627 Waller San Francisco, CA 94117

SITE PHOTO



AERIAL PHOTO



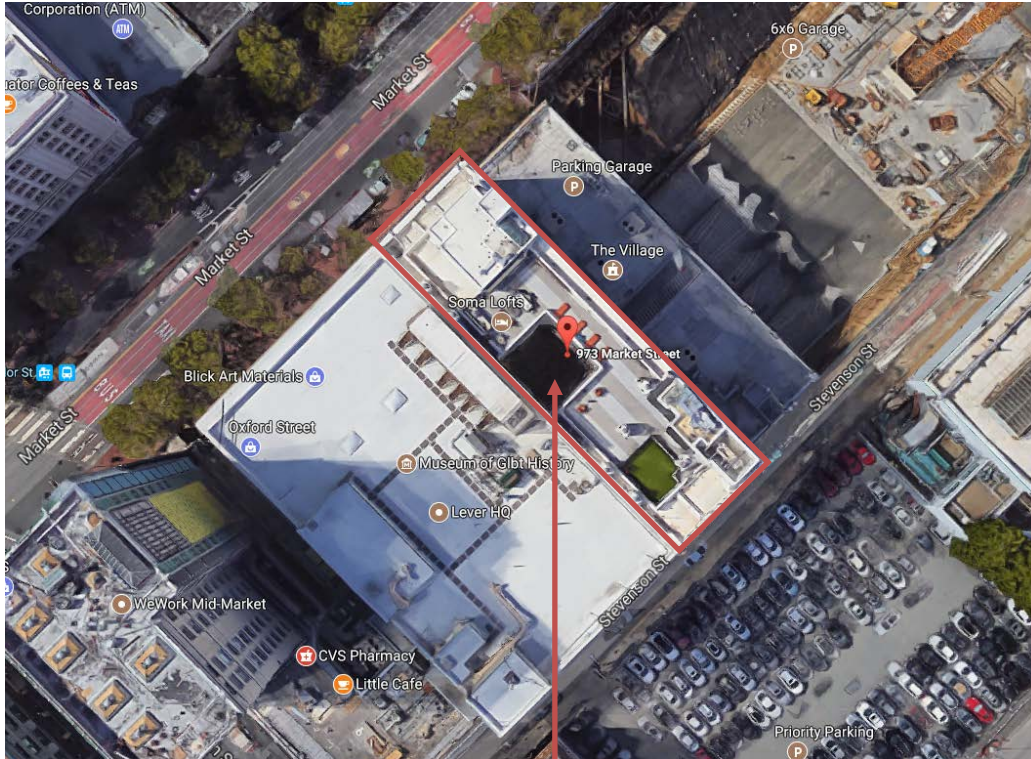
SUBJECT PROPERTY

<i>Case No.:</i>	2017-005419MLS
<i>Project Address:</i>	973 Market Street
<i>Landmark District:</i>	Contributor to the Market Street Theater and Loft National Register Historic District
<i>Zoning:</i>	C-3-G (Downtown-General)
<i>Height and Bulk:</i>	120-X
<i>Block/Lot:</i>	3704/069
<i>Applicant:</i>	Raintree 973 Market Newco LLC 28202 Cabot Rd., Ste. 300 Laguna Nigel, CA 92677

SITE PHOTO



AERIAL PHOTO



SUBJECT PROPERTY



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. XXX HEARING DATE SEPTEMBER 19, 2018

Case No.: 2017-005434MLS
Project Address: **215 & 229 Haight Street** (APN: 0857/002)
Re: Non-Renewal of Mills Act Historical Property Contract
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

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ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF NON-RENEWAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT FOR 215 & 229 HAIGHT STREET (ASSESSOR'S BLOCK NO. 0857 LOT NO. 002):

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. ("the Mills Act") authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, In accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) under section 15331; and

WHEREAS, The existing buildings located at 215 & 229 Haight Street are listed under Article 10 of the San Francisco Planning Code Planning Code as Landmark Nos. 257 and 258 and thus qualifies as a historic property; and

WHEREAS, At a public hearing on October 4, 2017, in Resolution 901, the Historic Preservation Commission recommended that the Board of Supervisors approve the Mills Act Historical Property Contract for the historic building located at 215 & 229 Haight Street; and

WHEREAS, At a public hearing on December 12, 2017, in Resolution No. 453-17, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor's

Office, the Board of Supervisors approved the Mills Act Historical Property Contract for the historic building located at 215 & 229 Haight Street; and

WHEREAS, When the Board of Supervisors considered the approval of the Mills Act Historical Property Contract, it balanced the benefits of the Mills Act to the owner of 215 & 229 Haight Street with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of 215 & 229 Haight Street and the resultant property tax reductions, and determined that it was in the public interest to enter into a Mills Act Historical Property Contract with the applicants;

WHEREAS, At the time, the Board of Supervisors also expressed interest in limiting the historical property contract for 215 & 229 Haight Street to a term of ten years in order to better achieve such balance between the benefits of the Mills Act and the costs to the City; and

THEREFORE BE IT RESOLED, that the Historic Preservation Commission hereby recommends non-renewal of the Mills Act Historical Property Contract for 215 & 229 Haight Street (Assessor's Block No. 0857 Lot No. 002) to the Board of Supervisors; and

BE IT FURTHER RESOLVED That the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution and other pertinent materials in the case file 2017-005434MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on September 19, 2018.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: September 19, 2018



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Historic Preservation Commission Resolution No. XXX HEARING DATE SEPTEMBER 19, 2018

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Case No.: 2017-005880MLS
Project Address: **627 Waller Street** (APN: 0864/022)
Re: Non-Renewal of Mills Act Historical Property Contract
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF NON-RENEWAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT FOR 627 WALLER STREET (ASSESSOR'S BLOCK NO. 0864, LOT NO. 022):

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. ("the Mills Act") authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, In accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) under section 15331; and

WHEREAS, The existing building located at 627 Waller Street is listed under Article 10 of the San Francisco Planning Code Planning Code as a contributor to the Duboce Park Historic District and thus qualifies as a historic property; and

WHEREAS, At a public hearing on October 4, 2017, in Resolution 905, the Historic Preservation Commission recommended that the Board of Supervisors approve the Mills Act Historical Property Contract for the historic building located at 627 Waller Street; and

WHEREAS, At a public hearing on November 14, 2017, in Resolution No. 420-17, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor's

Office, the Board of Supervisors approved the Mills Act Historical Property Contract for the historic building located at 627 Waller Street; and

WHEREAS, When the Board of Supervisors considered the approval of the Mills Act Historical Property Contract, it balanced the benefits of the Mills Act to the owner of 627 Waller Street with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of 627 Waller Street and the resultant property tax reductions, and determined that it was in the public interest to enter into a Mills Act Historical Property Contract with the applicants;

WHEREAS, At the time, the Board of Supervisors also expressed interest in limiting the historical property contract for 627 Waller Street to a term of ten years in order to better achieve such balance between the benefits of the Mills Act and the costs to the City; and

THEREFORE BE IT RESOLED, that the Historic Preservation Commission hereby recommends non-renewal of the Mills Act Historical Property Contract for 627 Waller Street (Assessor's Block No. 0864 Lot No. 022) to the Board of Supervisors; and

BE IT FURTHER RESOLVED That the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution and other pertinent materials in the case file 2017-005880MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on September 19, 2018.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: September 19, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. XXX HEARING DATE SEPTEMBER 19, 2018

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Case No.: 2017-005419MLS
Project Address: **973 Market Street** (APN: 3704/069)
Re: Non-Renewal of Mills Act Historical Property Contract
Staff Contact: Shannon Ferguson – (415) 575-9074
shannon.ferguson@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

ADOPTING FINDINGS RECOMMENDING TO THE BOARD OF SUPERVISORS APPROVAL OF NON-RENEWAL OF THE MILLS ACT HISTORICAL PROPERTY CONTRACT FOR 973 MARKET STREET (ASSESSOR'S BLOCK NO. 3704, LOT NO. 069):

WHEREAS, The Mills Act, California Government Code Sections 50280 et seq. ("the Mills Act") authorizes local governments to enter into contracts with owners of private historical property who assure the rehabilitation, restoration, preservation and maintenance of a qualified historical property; and

WHEREAS, In accordance with Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, the City and County of San Francisco may provide certain property tax reductions, such as those provided for in the Mills Act; and

WHEREAS, Ordinance No. 191-96 amended the San Francisco Administrative Code by adding Chapter 71, to implement Mills Act locally; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution are categorically exempt from with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) under section 15331; and

WHEREAS, The existing building located at 973 Market Street is listed as a Contributor to the Market Street Theater and Loft National Register Historic District and thus qualifies as a historic property; and

WHEREAS, At a public hearing on October 4, 2017, in Resolution 907, the Historic Preservation Commission recommended that the Board of Supervisors approve the Mills Act Historical Property Contract for the historic building located at 973 Market Street; and

WHEREAS, At a public hearing on December 12, 2017, in Resolution No. 454-17, and after reviewing the Historic Preservation Commission's recommendation and the information provided by the Assessor's

Office, the Board of Supervisors approved the Mills Act Historical Property Contract for the historic building located at 973 Market Street; and

WHEREAS, When the Board of Supervisors considered the approval of the Mills Act Historical Property Contract, it balanced the benefits of the Mills Act to the owner of 973 Market Street with the cost to the City of providing the property tax reductions authorized by the Mills Act, as well as the historical value of 973 Market Street and the resultant property tax reductions, and determined that it was in the public interest to enter into a Mills Act Historical Property Contract with the applicants;

WHEREAS, At the time, the Board of Supervisors also expressed interest in limiting the historical property contract for 973 Market Street to a term of ten years in order to better achieve such balance between the benefits of the Mills Act and the costs to the City; and

THEREFORE BE IT RESOLED, that the Historic Preservation Commission hereby recommends non-renewal of the Mills Act Historical Property Contract for 973 Market Street (Assessor's Block No. 3704, Lot No. 069) to the Board of Supervisors; and

BE IT FURTHER RESOLVED That the Historic Preservation Commission hereby directs its Commission Secretary to transmit this Resolution and other pertinent materials in the case file 2017-005419MLS to the Board of Supervisors.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on September 19, 2018.

Jonas P. Ionin
Commissions Secretary

AYES:

NOES:

ABSENT:

ADOPTED: September 19, 2018

1 [Non-Renewal of a Mills Act Historical Property Contract - 215 & 229 Haight Street]

2
3 **Resolution under Chapter 71 of the San Francisco Administrative Code, regarding non-**
4 **renewal of a Mills Act historical property contract with Alta Laguna, LLC, the owner of**
5 **215 & 229 Haight Street (Assessor's Block No. 0857, Lot No. 002); notifying the**
6 **Assessor Recorder's Office of such non-renewal; and authorizing the Planning Director**
7 **to send notice of the non-renewal of the historical property contract to the owner.**
8

9 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
10 authorizes local governments to enter into a contract with the owners of a qualified historical
11 property, as defined in the Act, who agree to rehabilitate, restore, preserve, and maintain the
12 property in return for property tax reductions under the California Revenue and Taxation
13 Code; and

14 WHEREAS, Chapter 71 of the Administrative Code was adopted to implement the Mills
15 Act in San Francisco and to preserve these historic buildings; and

16 WHEREAS, Under the Mills Act and Chapter 71, a year is added automatically to the
17 initial term of the contract at the anniversary date of the contract, unless notice of non-renewal
18 is given as provided as prescribed in the Act; and

19 WHEREAS, A Mills Act application for an historical property contract was submitted by
20 Alta Laguna, LLC, the owner of 215 & 229 Haight Street (Assessor's Block No. 0857, Lot No.
21 002), detailing rehabilitation work and proposing a maintenance plan for the property; and

22 WHEREAS, At a public hearing on December 12, 2017, in Resolution No. 453-17, and
23 after reviewing the Historic Preservation Commission's recommendation and the information
24 provided by the Assessor's Office, the Board of Supervisors approved the historical property
25

1 contract between Alta Laguna, LLC, the owner of 215 & 229 Haight Street, and the City and
2 County of San Francisco; and

3 WHEREAS, When it considered the approval of the historical property contract, the
4 Board of Supervisors balanced the benefits of the Mills Act to the owner of 215 & 229 Haight
5 Street with the cost to the City of providing the property tax reductions authorized by the Mills
6 Act, as well as the historical value of 215 & 229 Haight Street and the resultant property tax
7 reductions, and determined that it was in the public interest to enter into a historical property
8 contract with the applicants;

9 WHEREAS, At the time, the Board of Supervisors also expressed interest in the
10 historical property contract for 215 & 229 Haight Street having a term of ten years, no more, in
11 order to better achieve such balance between the benefits of the Mills Act and the costs to the
12 City; and

13 WHEREAS, The historical property contract for 215 & 229 Haight Street was recorded
14 at the Assessor Recorder Office on December 22, 2017, and therefore under the contract,
15 that is the anniversary date of the contract;

16 WHEREAS, The Planning Department has determined that the actions contemplated in
17 this Resolution comply with the California Environmental Quality Act (California Public
18 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
19 Board of Supervisors in File No. _____, is incorporated herein by reference, and the Board
20 herein affirms it; and now, therefore, be it

21 RESOLVED, That the Board of Supervisors hereby decides not to renew the historical
22 property contract for 215 & 229 Haight Street (Assessor's Block No. 0857, Lot No. 002); and,
23 be it
24
25

1 FURTHER RESOLVED, That the Board of Supervisors hereby notifies the Assessor
2 Recorder of the non-renewal of the historical property contract for 215 & 229 Haight Street;
3 and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
5 Director to send notice to the owner of the historical property contract for 215 & 229 Haight
6 Street, informing them of the non-renewal of the contract at least 60 days prior to the
7 anniversary date.

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1 [Non-Renewal of a Mills Act Historical Property Contract - 627 Waller Street]

2
3 **Resolution under Chapter 71 of the San Francisco Administrative Code, regarding non-**
4 **renewal of a Mills Act historical property contract with John Hjelmstad and Allison**
5 **Bransfield, the owners of 627 Waller Street (Assessor's Block No. 0866, Lot No. 012);**
6 **notifying the Assessor Recorder's Office of such non-renewal; and authorizing the**
7 **Planning Director to send notice of the non-renewal of the historical property contract**
8 **to the owners.**
9

10 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
11 authorizes local governments to enter into a contract with the owners of a qualified historical
12 property, as defined in the Act, who agree to rehabilitate, restore, preserve, and maintain the
13 property in return for property tax reductions under the California Revenue and Taxation
14 Code; and

15 WHEREAS, Chapter 71 of the Administrative Code was adopted to implement the Mills
16 Act in San Francisco and to preserve these historic buildings; and

17 WHEREAS, Under the Mills Act and Chapter 71, a year is added automatically to the
18 initial term of the contract at the anniversary date of the contract, unless notice of non-renewal
19 is given as provided as prescribed in the Act; and

20 WHEREAS, A Mills Act application for an historical property contract was submitted by
21 John Hjelmstad and Allison Bransfield, the owners of 627 Waller Street (Assessor's Block No.
22 0866, Lot No. 012), detailing rehabilitation work and proposing a maintenance plan for the
23 property; and

24 WHEREAS, At a public hearing on November 14, 2017, in Resolution No. 420-17, and
25 after reviewing the Historic Preservation Commission's recommendation and the information

1 provided by the Assessor's Office, the Board of Supervisors approved the historical property
2 contract between John Hjelmstad and Allison Bransfield, the owners of 627 Waller Street, and
3 the City and County of San Francisco; and

4 WHEREAS, When it considered the approval of the historical property contract, the
5 Board of Supervisors balanced the benefits of the Mills Act to the owner of 627 Waller Street
6 with the cost to the City of providing the property tax reductions authorized by the Mills Act, as
7 well as the historical value of 627 Waller Street and the resultant property tax reductions, and
8 determined that it was in the public interest to enter into a historical property contract with the
9 applicants;

10 WHEREAS, At the time, the Board of Supervisors also expressed interest in the
11 historical property contract for 627 Waller Street having a term of ten years, no more, in order
12 to better achieve such balance between the benefits of the Mills Act and the costs to the City;
13 and

14 WHEREAS, The historical property contract for 627 Waller Street was recorded at the
15 Assessor Recorder Office on December 19, 2017, and therefore under the contract, that is the
16 anniversary date of the contract;

17 WHEREAS, The Planning Department has determined that the actions contemplated in
18 this Resolution comply with the California Environmental Quality Act (California Public
19 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
20 Board of Supervisors in File No. ____, is incorporated herein by reference, and the Board
21 herein affirms it; and now, therefore, be it

22 RESOLVED, That the Board of Supervisors hereby decides not to renew the historical
23 property contract for 627 Waller Street (Assessor's Block No. 0866, Lot No. 012); and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby notifies the Assessor
25 Recorder of the non-renewal of the historical property contract for 627 Waller Street; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
2 Director to send notice to the owners of the historical property contract for 627 Waller Street,
3 informing them of the non-renewal of the contract at least 60 days prior to the anniversary
4 date.

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1 [Non-Renewal of a Mills Act Historical Property Contract - 627 Waller Street]

2
3 **Resolution under Chapter 71 of the San Francisco Administrative Code, regarding non-**
4 **renewal of a Mills Act historical property contract with John Hjelmstad and Allison**
5 **Bransfield, the owners of 627 Waller Street (Assessor's Block No. 0866, Lot No. 012);**
6 **notifying the Assessor Recorder's Office of such non-renewal; and authorizing the**
7 **Planning Director to send notice of the non-renewal of the historical property contract**
8 **to the owners.**
9

10 WHEREAS, The California Mills Act (Government Code Section 50280 et seq.)
11 authorizes local governments to enter into a contract with the owners of a qualified historical
12 property, as defined in the Act, who agree to rehabilitate, restore, preserve, and maintain the
13 property in return for property tax reductions under the California Revenue and Taxation
14 Code; and

15 WHEREAS, Chapter 71 of the Administrative Code was adopted to implement the Mills
16 Act in San Francisco and to preserve these historic buildings; and

17 WHEREAS, Under the Mills Act and Chapter 71, a year is added automatically to the
18 initial term of the contract at the anniversary date of the contract, unless notice of non-renewal
19 is given as provided as prescribed in the Act; and

20 WHEREAS, A Mills Act application for an historical property contract was submitted by
21 John Hjelmstad and Allison Bransfield, the owners of 627 Waller Street (Assessor's Block No.
22 0866, Lot No. 012), detailing rehabilitation work and proposing a maintenance plan for the
23 property; and

24 WHEREAS, At a public hearing on November 14, 2017, in Resolution No. 420-17, and
25 after reviewing the Historic Preservation Commission's recommendation and the information

1 provided by the Assessor's Office, the Board of Supervisors approved the historical property
2 contract between John Hjelmstad and Allison Bransfield, the owners of 627 Waller Street, and
3 the City and County of San Francisco; and

4 WHEREAS, When it considered the approval of the historical property contract, the
5 Board of Supervisors balanced the benefits of the Mills Act to the owner of 627 Waller Street
6 with the cost to the City of providing the property tax reductions authorized by the Mills Act, as
7 well as the historical value of 627 Waller Street and the resultant property tax reductions, and
8 determined that it was in the public interest to enter into a historical property contract with the
9 applicants;

10 WHEREAS, At the time, the Board of Supervisors also expressed interest in the
11 historical property contract for 627 Waller Street having a term of ten years, no more, in order
12 to better achieve such balance between the benefits of the Mills Act and the costs to the City;
13 and

14 WHEREAS, The historical property contract for 627 Waller Street was recorded at the
15 Assessor Recorder Office on December 19, 2017, and therefore under the contract, that is the
16 anniversary date of the contract;

17 WHEREAS, The Planning Department has determined that the actions contemplated in
18 this Resolution comply with the California Environmental Quality Act (California Public
19 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
20 Board of Supervisors in File No. ____, is incorporated herein by reference, and the Board
21 herein affirms it; and now, therefore, be it

22 RESOLVED, That the Board of Supervisors hereby decides not to renew the historical
23 property contract for 627 Waller Street (Assessor's Block No. 0866, Lot No. 012); and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby notifies the Assessor
25 Recorder of the non-renewal of the historical property contract for 627 Waller Street; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Planning
2 Director to send notice to the owners of the historical property contract for 627 Waller Street,
3 informing them of the non-renewal of the contract at least 60 days prior to the anniversary
4 date.

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Recording Requested by, and
when recorded, send notice to:
Shannon Ferguson
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
215 and 229 Haight STREET
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Alta Laguna, LLC ("Owners").

RECITALS

Owners are the owners of the property located at 215 and 229 Haight Street, in San Francisco, California (Block 0857, Lot 002). The building located at 215 and 229 Haight Street is designated as San Francisco Landmark Nos. 257 and 258 pursuant to Article 10 of the Planning Code, and is also known as the "Historic Property". The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost twenty-five thousand dollars (\$25,000.00). (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately nineteen thousand dollars (\$19,000.00) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the "Mills Act" (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 12 and 13 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 13 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall

pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

6. Inspections and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration of this Agreement, Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement, as requested by any of the above-referenced representatives.

7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 herein.

8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.

9. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire not to renew this Agreement, that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the Term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement, and based upon the Assessor's determination of the fair market value of the Historic Property as of expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owners shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owners shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

11. Default. An event of default under this Agreement may be any one of the following:

(a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A, in accordance with the standards set forth in Paragraph 2 herein;

(b) Owners' failure to maintain the Historic Property as set forth in Exhibit B, in accordance with the requirements of Paragraph 3 herein;

- (c) Owners' failure to repair any damage to the Historic Property in a timely manner, as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections or requests for information, as provided in Paragraph 6 herein;
- (e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;
- (f) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or
- (g) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in Cancellation of this Agreement as set forth in Paragraphs 12 and 13 herein, and payment of the Cancellation Fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 13 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 12 herein prior to cancellation of this Agreement.

12. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 11 herein, or has allowed the Historic Property to deteriorate such that the safety and integrity of the Historic Property is threatened or it would no longer meet the standards for a Qualified Historic Property. In order to cancel this Agreement, City shall provide notice to the Owners and to the public and conduct a public hearing before the Board of Supervisors as provided for in Government Code Section 50285. The Board of Supervisors shall determine whether this Agreement should be cancelled.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, Owners shall pay a Cancellation Fee of twelve and one-half percent (12.5%) of the fair market value of the Historic Property at the time of cancellation. The City Assessor shall determine fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement. The Cancellation Fee shall be paid to the City Tax Collector at such time and in such manner as the City shall prescribe. As of the date of cancellation, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement and based upon the Assessor's determination of the fair market value of the Historic Property as of the date of cancellation.

14. Enforcement of Agreement. In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or do not undertake and diligently pursue corrective action to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 12 and bring any action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

15. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the "City") from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to

property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City's cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

16. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys' fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

22. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.

23. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business

EXHIBIT A: REHABILITATION/RESTORATION PLAN

Scope: # 1	Building Feature: Roof				
Rehab/Restoration	<input checked="" type="checkbox"/>	Maintenance	Completed	<input checked="" type="checkbox"/>	Proposed
Contract year work completion: 2016					
Total Cost: \$50,000					
Description of work:					
Work included removal and salvage of the clay tile roofs for reinstallation following installation of waterproof membrane.					

Scope: # 2	Building Feature: Roof Drainage System				
Rehab/Restoration	<input checked="" type="checkbox"/>	Maintenance	Completed	<input checked="" type="checkbox"/>	Proposed
Contract year work completion: 2016					
Total Cost: \$15,000					
Description of work:					
Work included replacement of deteriorated metal gutters and downspouts to match existing original.					

Scope: # 3	Building Feature: Exterior Walls				
Rehab/Restoration	<input checked="" type="checkbox"/>	Maintenance	Completed	<input checked="" type="checkbox"/>	Proposed
Contract year work completion: 2016					
Total Cost: \$75,000					
Description of work:					
Work included repair of structural cracks at concrete walls (exterior building walls and lightwells).					

Scope: # 4	Building Feature: Exterior Walls				
Rehab/Restoration	<input checked="" type="checkbox"/>	Maintenance	Completed	<input checked="" type="checkbox"/>	Proposed
Contract year work completion: 2016					
Total Cost: \$75,000					
Description of work:					
Work included repair of deteriorated areas of cement plaster (cracks, spalls, and delamination) at exterior building walls and lightwells.					

Scope: # 5	Building Feature: Exterior Walls				
Rehab/Restoration	<input checked="" type="checkbox"/>	Maintenance	Completed	<input checked="" type="checkbox"/>	Proposed
Contract year work completion: 2016					
Total Cost: \$40,000					
Description of work:					
Work included painting of exterior cement plaster.					

Scope: #6	Building Feature: Wood Windows
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$60,000	
Description of work:	
Work included rehabilitation of historic wood windows.	

Scope: #7	Building Feature: Wood Windows
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$100,000	
Description of work:	
Work included replacement of wood windows to match original where previously removed (courtyard south face of Woods Hall and reintroduction of window at upper floor south end of Buchanan Street).	

Scope: #8	Building Feature: Metal Windows
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$125,000	
Description of work:	
Work included replacement of non-historic courtyard windows at Annex with metal windows matching original wood window lite pattern.	

Scope: #9	Building Feature: Metal Windows
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$50,000	
Description of work:	
Work included restoration of metal windows (at Woods Hall main entry, bay/oriel window at Annex, and various steel windows at the lower levels of the Annex).	

Scope: #10	Building Feature: Steel Windows
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$3,000	
Description of work:	
Work included replacement of (1) non-historic window with new steel window matching original as closely as possible at lowest courtyard (south elevation) level.	

Scope: # 11	Building Feature: Ornamental Metalwork & Light Fixtures
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$10,000	
Description of work:	
Work included restoration and painting of exterior ornamental metal light fixtures and metalwork at Woods Hall entry (Buchanan and Haight entry).	

Scope: # 12	Building Feature: Exterior Light Fixtures
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$3,000	
Description of work:	
Work included replacement of stolen exterior lantern fixtures at Haight Street Annex entry with new fixtures similar to original.	

Scope: # 14	Building Feature: Exterior Sacred Palm Tree
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$40,000	
Description of work:	
Work included moving of Sacred Palm to nearby location to preserve contributing landscape feature.	

Scope: # 15	Building Feature: Interior Walls and Stairs
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$40,000	
Description of work:	
Work included repair of plaster and repainting at historic contributing corridors and stairways.	

Scope: # 16	Building Feature: Interior Drinking Fountains
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$3,000	
Description of work:	
Work included cleaning of tile and marble drinking fountains at historic corridors.	

Scope: # 17	Building Feature: Seismic Upgrades at Lobby Mural Walls
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$45,000	
Description of work:	
Work included seismic bracing at back side of hollow clay tile walls in Woods Hall lobby to stabilize and preserve overpainted Gerrity Mural in-place.	

Scope: # 18	Building Feature: Painting at Overpainted Interior Mural
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Proposed <input type="checkbox"/>
Contract year work completion: 2016	
Total Cost: \$30,000	
Description of work:	
Work included stabilization/repair of delaminated areas of canvas at overpainted Gerrity Mural and repainting at overpaint with appropriate paint to prevent damage to mural.	

Scope: # 19	Building Feature: Interior Kadish Mural
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/> Completed <input type="checkbox"/> Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2028	
Total Cost: \$25,000	
Description of work:	
<u>Ruben Kadish Mural</u>	
Conservator to clean including removal of graffiti, stabilize, and repair Ruben Kadish mural.	

EXHIBIT B: MAINTENANCE PLAN

Scope: # 20	Building Feature: Exterior Walls		
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/>	Completed	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2018 and annually thereafter			
Total Cost: \$3,000			
Description of work:			
<u>Exterior Cement Plaster Walls</u> Perform visual observation of cement plaster annually for signs of deterioration. Repair as needed.			

Scope: # 21	Building Feature: Roof Drainage System		
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/>	Completed	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2018 and annually thereafter			
Total Cost: \$2,000			
Description of work:			
<u>Gutters and Downspouts</u> Clean gutters and downspouts of debris annually. Inspect for signs of deterioration and repair as needed.			

Scope: # 22	Building Feature: Exterior Lightwells		
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/>	Completed	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2018 and annually thereafter			
Total Cost: \$1,000			
Description of work:			
<u>Exterior Lightwells</u> Clean lightwells of debris annually and as needed. Clean drains.			

Scope: # 23	Building Feature: Windows		
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/>	Completed	Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2018 and annually thereafter			
Total Cost: \$3,000			
Description of work:			
<u>Wood and Metal Windows</u> Perform visual observation of wood and metal windows annually for signs of rust or deterioration. Repair and paint as needed.			

Scope: #24	Building Feature: Roofs
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/> Completed Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2018 and annually thereafter	
Total Cost: \$5,000	
Description of work:	
<p><u>Tile Roofs</u> Perform visual observation of tile roofs annually for signs of deterioration. Repair as needed.</p>	

Scope: #25	Building Feature: Exterior Sacred Palm Tree
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance Completed <input checked="" type="checkbox"/> Proposed
Contract year work completion: 2018 and annually thereafter	
Total Cost: \$5,000	
Description of work:	
Inspection and pruning as necessary of Sacred Palm Tree by licensed arborist.	

Scope: #26	Building Feature: Exterior Walls
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/> Completed Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2026 and every 10 years	
Total Cost: \$40,000	
Description of work:	
<p><u>Exterior Cement Plaster Walls</u> Prepare, prime, and repaint cement plaster. Repair as needed.</p>	

Scope: #27	Building Feature: Roof Draining System
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/> Completed Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2026 and every 10 years	
Total Cost: \$10,000	
Description of work:	
<p><u>Gutter and Downspouts</u> Prepare, prime, and repaint metal gutters and downspouts. Repair as needed.</p>	

Scope: #28	Building Feature: Windows
Rehab/Restoration	Maintenance <input checked="" type="checkbox"/> Completed Proposed <input checked="" type="checkbox"/>
Contract year work completion: 2026 and every 10 years	
Total Cost: \$30,000	
Description of work:	
<p><u>Wood and Metal Windows</u> Prepare, prime, and repaint wood and metal windows. Repair as needed.</p>	

Recording Requested by, and
when recorded, send notice to:
Shannon Ferguson
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
627 WALLER STREET
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and John Hjelmstad and Allison Bransfield ("Owners").

RECITALS

Owners are the owners of the property located at 627 Waller Street, in San Francisco, California (Block 0866, Lot 012). The building located at 627 Waller is designated as a Contributor to the Duboce Park Historic District pursuant to Article 10 of the Planning Code, and is also known as the "Historic Property". The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost Ninety two thousand, five hundred dollars (\$92,500.00). (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately two thousand dollars (\$2,000.00) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the "Mills Act" (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 12 and 13 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 13 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall

pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

6. Inspections and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration of this Agreement, Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement, as requested by any of the above-referenced representatives.

7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 herein.

8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.

9. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire not to renew this Agreement, that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the Term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement, and based upon the Assessor's determination of the fair market value of the Historic Property as of expiration of this Agreement.

10. Payment of Fees. As provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6, upon filing an application to enter into a Mills Act Agreement with the City, Owners shall pay the City the reasonable costs related to the preparation and approval of the Agreement. In addition, Owners shall pay the City for the actual costs of inspecting the Historic Property, as set forth in Paragraph 6 herein.

11. Default. An event of default under this Agreement may be any one of the following:

(a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A, in accordance with the standards set forth in Paragraph 2 herein;

(b) Owners' failure to maintain the Historic Property as set forth in Exhibit B, in accordance with the requirements of Paragraph 3 herein;

- (c) Owners' failure to repair any damage to the Historic Property in a timely manner, as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections or requests for information, as provided in Paragraph 6 herein;
- (e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;
- (f) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property, as required by Paragraph 5 herein; or
- (g) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in Cancellation of this Agreement as set forth in Paragraphs 12 and 13 herein, and payment of the Cancellation Fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 13 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 12 herein prior to cancellation of this Agreement.

12. Cancellation. As provided for in Government Code Section 50284, City may initiate proceedings to cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement, has defaulted as provided in Paragraph 11 herein, or has allowed the Historic Property to deteriorate such that the safety and integrity of the Historic Property is threatened or it would no longer meet the standards for a Qualified Historic Property. In order to cancel this Agreement, City shall provide notice to the Owners and to the public and conduct a public hearing before the Board of Supervisors as provided for in Government Code Section 50285. The Board of Supervisors shall determine whether this Agreement should be cancelled.

13. Cancellation Fee. If the City cancels this Agreement as set forth in Paragraph 12 above, and as required by Government Code Section 50286, Owners shall pay a Cancellation Fee of twelve and one-half percent (12.5%) of the fair market value of the Historic Property at the time of cancellation. The City Assessor shall determine fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement. The Cancellation Fee shall be paid to the City Tax Collector at such time and in such manner as the City shall prescribe. As of the date of cancellation, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement and based upon the Assessor's determination of the fair market value of the Historic Property as of the date of cancellation.

14. Enforcement of Agreement. In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or do not undertake and diligently pursue corrective action to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 12 and bring any action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

15. Indemnification. The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the "City") from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to

property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City's cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

16. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys' fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

22. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.

23. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business

Exhibit A: Rehabilitation/Restoration Plan: 627 Waller Street

1 Scope Number	Building Feature: Rear of house
Type: Rehab/Restoration, Completed	
Contract Year for Work Completion: 2016	
Total Cost: \$5500 (\$3000 sealing, \$2500 façade)	
Description of Work:	
Repair leak at rear of house traced to deteriorated Fortaflash and Tyvex sealing along rear door at the 3rd level landing associated with significant water leakage into house prior to winter 2017. Replaced door framing, placed tar paper, added new layer of sealing (not pictured), sealed door area, replaced siding and moulding; restored/repainted repaired area. Significantly reduced leakage.	

2 Scope Number	Building Feature: Rear of house
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2018	
Total Cost: Unknown, est. \$4000-\$12,000	
Description of Work:	
Repair leaking along rear of house and associated water damage. Currently manifests as warped flooring in 3rd floor bedroom and water damage below 2nd floor kitchen window. Scope of work and cost are limited to exterior repair.	

3 Scope Number	Building Feature: Skylight
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2018	
Total Cost: \$3500	
Description of Work:	
<p>Replace cracked and aging east roof skylight and deteriorating surround with new skylight with flat glass. Replacement to be sealed to prevent future deterioration and leakage.</p>	

4 Scope Number	Building Feature: Front stairway
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2019	
Total Cost: \$10,000	
Description of Work:	
<p>Replace front stairway railing with period appropriate treatment. Work with city or private historic preservation planners to determine optimal approach balancing both historic treatment and code compliance.</p>	

5 Scope Number	Building Feature: Driveway
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2020	
Total Cost: \$10,000	
Description of Work:	
<p>Replace concrete in front of garage with permeable concrete or pavers and potential landscaping in concert and accordance with the SF Planning Department.</p>	

6 Scope Number	Building Feature: Front facade windows
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2023	
Total Cost: \$25,000	
Description of Work:	
Replace front windows with wood double-hung windows including ogee lugs to better reflect original period style.	

7 Scope Number	Building Feature: Primary façade, side and rear elevations
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2022 and 2027	
Total Cost: \$20,000	
Description of Work:	
Re-paint house. Ensure proper sealing and cosmetic finish. In doing so, repair or replace in kind cracked wood shingles and other decorative elements.	

8 Scope Number	Building Feature: Roof
Type: Rehab/Restoration, Proposed	
Contract Year for Work Completion: 2022	
Total Cost: \$20,000	
Description of Work:	
While both sides of the building's roof were repaired in 2013 to resolve significant leaking issues, the roof itself is estimated at around 15 years old. Replace the roof at the end of its life (roughly 20yr total age of roof).	

Exhibit B: Maintenance Plan: 627 Waller Street

9 Scope Number	Building Feature: Primary façade, front stairs, side and rear elevations
Type: Maintenance, Proposed	
Contract Year for Work Completion: Annual	
Total Cost: \$1,200/year	
Description of Work:	
Inspection and cleaning of front façade, front stairs, side and rear elevations. Service to be performed by hand, for optimal long term upkeep.	

10 Scope Number	Building Feature: Primary façade, and front stairs, side and rear elevations
Type: Maintenance, Proposed	
Contract Year for Work Completion: Annual	
Total Cost: Variable, est. \$400	
Description of Work:	
Touch up and minor repair in kind on primary façade, front stairs, side and rear elevations, as identified during inspection/cleaning process.	

11 Scope Number	Building Feature: Windows
Type: Maintenance, Proposed	
Contract Year for Work Completion: Annual	
Total Cost: Variable, est. \$400	
Description of Work:	
Inspect windows annually for leaks or deterioration with repairs as necessary.	

12 Scope Number	Building Feature: Roof
Type: Maintenance, Proposed	
Contract Year for Work Completion: Every 5 years	
Total Cost: Variable, est. \$500 per event	
Description of Work:	
Inspection of roof structure, with repairs in kind as deemed necessary.	

Recording Requested by, and
when recorded, send notice to:
Shannon Ferguson
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

**CALIFORNIA MILLS ACT
HISTORIC PROPERTY AGREEMENT
973 MARKET STREET
SAN FRANCISCO, CALIFORNIA**

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Raintree 973 Market Newco LLC ("Owners").

RECITALS

Owners are the owners of the property located at 973 Market Street, in San Francisco, California (Block 3704, Lot 069). The building located at 973 Market Street is designated as a Contributor to the Market Street Theater and Loft National Register Historic District pursuant to Article 10 of the Planning Code, and is also known as the "Historic Property". The Historic Property is a Qualified Historic Property, as defined under California Government Code Section 50280.1.

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost one million, four hundred fifty thousand dollars (\$1,450,000.00). (See Rehabilitation Plan, Exhibit A.) Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately zero dollars (\$00.00) annually (See Maintenance Plan, Exhibit B).

The State of California has adopted the "Mills Act" (California Government Code Sections 50280-50290, and California Revenue & Taxation Code, Article 1.9 [Section 439 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for improvement to and maintenance of historic properties. The City has adopted enabling legislation, San Francisco Administrative Code Chapter 71, authorizing it to participate in the Mills Act program.

Owners desire to enter into a Mills Act Agreement (also referred to as a "Historic Property Agreement") with the City to help mitigate anticipated expenditures to restore and maintain the Historic Property. The City is willing to enter into such Agreement to mitigate these expenditures and to induce Owners to restore and maintain the Historic Property in excellent condition in the future.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Mills Act. The benefits, privileges, restrictions and obligations provided for in the Mills Act shall be applied to the Historic Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.

2. Rehabilitation of the Historic Property. Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 12 and 13 herein.

3. Maintenance. Owners shall maintain the Historic Property during the time this Agreement is in effect in accordance with the standards for maintenance set forth in Exhibit B ("Maintenance Plan"), the Secretary's Standards; the OHP Rules and Regulations; the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10.

4. Damage. Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits within no more than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 13 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall

pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

5. Insurance. Owners shall secure adequate property insurance to meet Owners' repair and replacement obligations under this Agreement and shall submit evidence of such insurance to the City upon request.

6. Inspections and Compliance Monitoring. Prior to entering into this Agreement and every five years thereafter, and upon seventy-two (72) hours advance notice, Owners shall permit any representative of the City, the Office of Historic Preservation of the California Department of Parks and Recreation, or the State Board of Equalization, to inspect of the interior and exterior of the Historic Property, to determine Owners' compliance with this Agreement. Throughout the duration of this Agreement, Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement, as requested by any of the above-referenced representatives.

7. Term. This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Term"). As provided in Government Code section 50282, one year shall be added automatically to the Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 9 herein.

8. Valuation. Pursuant to Section 439.4 of the California Revenue and Taxation Code, as amended from time to time, this Agreement must have been signed, accepted and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Historic Property to be valued under the taxation provisions of the Mills Act for that fiscal year.

9. Notice of Nonrenewal. If in any year of this Agreement either the Owners or the City desire not to renew this Agreement, that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the Term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Agreement, as the case may be. Thereafter, the Owners shall pay property taxes to the City without regard to any restriction imposed on the Historic Property by this Agreement, and based upon the Assessor's determination of the fair market value of the Historic Property as of expiration of this Agreement.

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11. Default. An event of default under this Agreement may be any one of the following:

(a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A, in accordance with the standards set forth in Paragraph 2 herein;

(b) Owners' failure to maintain the Historic Property as set forth in Exhibit B, in accordance with the requirements of Paragraph 3 herein;

- (c) Owners' failure to repair any damage to the Historic Property in a timely manner, as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections or requests for information, as provided in Paragraph 6 herein;
- (e) Owners' failure to pay any fees requested by the City as provided in Paragraph 10 herein;
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property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City's cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

16. Eminent Domain. In the event that a public agency acquires the Historic Property in whole or part by eminent domain or other similar action, this Agreement shall be cancelled and no cancellation fee imposed as provided by Government Code Section 50288.

17. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall run with the land and shall be binding upon and inure to the benefit of all successors in interest and assigns of the Owners. Successors in interest and assigns shall have the same rights and obligations under this Agreement as the original Owners who entered into the Agreement.

18. Legal Fees. In the event that either the City or the Owners fail to perform any of their obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing party may recover all costs and expenses incurred in enforcing or establishing its rights hereunder, including reasonable attorneys' fees, in addition to court costs and any other relief ordered by a court of competent jurisdiction. Reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

20. Recordation. Within 20 days from the date of execution of this Agreement, the parties shall cause this Agreement to be recorded with the Office of the Recorder of the City and County of San Francisco. From and after the time of the recordation, this recorded Agreement shall impart notice to all persons of the parties' rights and obligations under the Agreement, as is afforded by the recording laws of this state.

21. Amendments. This Agreement may be amended in whole or in part only by a written recorded instrument executed by the parties hereto in the same manner as this Agreement.

22. No Implied Waiver. No failure by the City to insist on the strict performance of any obligation of the Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Agreement.

23. Authority. If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business

REHABILITATION PLAN (EXHIBIT A)

# 1	Building Feature: Seismic and Structural		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$3,751,211			
Description of Work			
The building was updated to meet structural and seismic code requirements. This included work to the building's foundation, construction of concrete shear walls, and completing floor plate and ceiling work left unfinished by the previous owner. Additional shear walls were constructed, generally with several twelve-inch E-W walls complemented by eight-inch shear walls at the center east.			

# 2	Building Feature: Terra Cotta, North Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$165,382			
Description of Work			
As part of the 2014 rehabilitation, the terra cotta was inspected, evaluated, prepped, repaired, and repainted where necessary.			

# 3	Building Feature: Windows, North Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$378,022			
Description of Work			
As part of the 2014 rehabilitation, replacement windows with a traditional fixed center pane with flanking casement-functioning windows in a vinyl frame with clear lowE glazing. The window was provided by ECO Windows, LLC, which manufactures heavy gauge premium quality uPVC windows. The specific product line proposed was the Rehau 4500 series.			

# 4	Building Feature: Storefronts, North Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$756,045			
Description of Work			
As part of the 2014 rehabilitation, the modern signs at the ground floor were removed. A wood clad commercial storefront system was installed and recessed to expose the columns at the entry. Storefront bulkhead with a 12 inch cast stone base was installed. Columns were inspected and cleaned as appropriate. Fresh air louver was installed over the entry door; louver was painted to match and was flush with the door face.			

# 5	Building Feature: Windows, South Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$378,022			
Description of Work			
The replacement windows are a traditional fixed center pane with flanking casement-functioning windows in a vinyl frame with clear lowE glazing. The window was provided by ECO Windows, LLC, which manufactures heavy gauge premium quality uPVC windows. The specific product line proposed was the Rehau 4500 series.			

# 6	Building Feature: Fire Escape, South Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$232,000			
Description of Work			
The fire escape was inspected, repaired, and repainted. It no longer serves as a means of egress.			

# 7	Building Feature: Masonry, South Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$110,255			
Description of Work			
Brick façade was repaired in many locations and failed lintels were reinforced and replaced where required. The entire rear elevation was re-pointed. At the first floor level, a concrete beam was installed at floor level 1A1, approximately nine-feet above grade, and it was painted to blend. Above the beam, a new metal framed awning style window was installed in groups of three.			

# 8	Building Feature: East Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$55,127			
Description of Work			
Limited work occurred on this elevation. The brick and mortar were inspected and repaired in kind.			

# 9	Building Feature: Rooftop		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input checked="" type="checkbox"/>	Proposed <input type="checkbox"/>
Contract Year for Work Completion: 2014			
Total Cost (rounded to the nearest dollar): \$320,268			
Description of Work			
The original working surface was refinished with adequate sloping and a new 50-year PVC roof membrane was installed in connection with new roof drains.			

#10	Building Feature: Windows, North Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: Est. 2028			
Total Cost (rounded to the nearest dollar): \$420,000 in 2017 (est. \$1.03M in 2040 assuming 4% annual cost inflation.) Price excludes 4 months of lost revenue on impacted units while windows are being replaced which is estimated at \$177,000 in 2017.			
Description of Work			
Once the property is no longer subject to the five-year recapture period for the Federal Historic Tax Credit and the installed windows reach the end of their useful life, the property owner proposes to install new windows. These windows would more closely match the historic configuration with a tripartite design, center fixed windows, single pane pivot windows on either side and a transom. Proposed windows would also have a heavier mullion design, as shown in historic documentation of the building. The windows have a useful life of 30 years, it will be replaced when necessary.			

# 11	Building Feature: Storefronts, North Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: est. 2028			
Total Cost (rounded to the nearest dollar): \$200,000 in 2017. (est. \$492K in 2040 assuming 4% annual inflation)			
Description of Work			
Once the property is no longer subject to the five-year recapture period for the Federal Historic Tax Credit, the property owner proposes to install new storefronts when the installed storefronts reach the end of its useful life. These storefronts would more closely match the historic in both material and configuration as seen in documentation. The storefronts have a useful life of 30 years, it will be replaced when necessary.			

# 12	Building Feature: Windows, South Elevation		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: est. 2028			
Total Cost (rounded to the nearest dollar): \$630,000 in 2017 (est. \$1.5M assuming 4% annual cost inflation). Price excludes 4 months of lost revenue while windows are being replaced which is estimated to be \$266,000.			
Description of Work			
The windows have a useful life of 30 years, and will be replaced with wood clad windows when necessary.			

# 13	Building Feature: Rooftop		
Rehab/Restoration <input checked="" type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: Est. 2028 and every 30 years after			
Total Cost (rounded to the nearest dollar): \$200,000 (est. 420,000 assuming 4% annual cost inflation)			
Description of Work			
The roof has a useful life of 30 years, it will be replaced when necessary with a new 50-year PVC roof membrane and new roof drains if necessary.			

MAINTENANCE PLAN (EXHIBIT B)

# 14	Building Feature: Windows, North Elevation		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2018 and every 2 years thereafter			
Total Cost (rounded to the nearest dollar): \$35,000 per inspection and minor repair. \$175,000 if repainting of historic façade along Market Street is required.			
Description of Work			
Windows are accessed via an outrigger system installed behind roof parapets. Inspect windows on north elevation for deterioration and water infiltration and make repairs as necessary.			

# 15	Building Feature: Seismic and Structural		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2019, and every 5 years thereafter			
Total Cost (rounded to the nearest dollar): \$25,000 per assessment			
Description of Work			
A seismic property condition assessment will be conducted every five years.			

# 16	Building Feature: Terra Cotta, North Elevation		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2019 and every 5 years thereafter			
Total Cost (rounded to the nearest dollar): \$60,000 per inspection (Assuming only minor repair work required)			
Description of Work			
<p>Routine inspection of the terra cotta will include, but not limited to, looking for signs of crazing and spalling.</p> <p>Should routine inspections reveal the need for maintenance and/or repairs to the decorative terra cotta façade, work will be performed in accordance with Preservation Brief #7, “The Preservation of Historic Glazed Architectural Terra Cotta.” The successful cleaning of glazed architectural terra-cotta removes excessive soil from the glazed surface without damaging the masonry unit itself. Of the many cleaning materials available, the most widely recommended are water, detergent, and a natural or nylon bristle brush. More stubborn pollution or fire-related dirt or bird droppings can be cleaned with steam or weak solutions of muriatic or oxalic acid. Should any water-related damage be identified, the problem will be mitigated before repairs are made to the affected area.</p>			

#17	Building Feature: Fire Escape, South Elevation		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2019 and every 5 years thereafter			
Total Cost (rounded to the nearest dollar): \$35,000 per inspection			
Description of Work			
The fire escape will be inspected, repaired, and repainted as necessary.			

#18	Building Feature: East Elevation		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2019, and every 5 years thereafter			
Total Cost (rounded to the nearest dollar): \$175,000 per inspection (Assuming minor repairs)			
Description of Work			
<p>The building's masonry and mortar joints will be subject to regular inspection. Inspections, maintenance, and repairs to the masonry and mortar joints will be done in accordance with Preservation Brief #1, "Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings," and Preservation Brief #2, "Repointing Mortar Joints in Historic Masonry Buildings."</p> <p>Should the building be subject to graffiti and/or vandalism, the owner will take the necessary steps to carefully repair the damage using the least abrasive solvents for removing the graffiti.</p>			

#19	Building Feature: Masonry, South Elevation		
Rehab/Restoration <input type="checkbox"/>	Maintenance <input checked="" type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input checked="" type="checkbox"/>
Contract Year for Work Completion: 2020, and every 10 years thereafter			
Total Cost (rounded to the nearest dollar): est. \$185,000 per inspection (assuming minimal repair)			
Description of Work			
<p>The building's masonry and mortar joints will be subject to regular inspection. Inspections, maintenance, and repairs to the masonry and mortar joints will be done in accordance with Preservation Brief #1, "Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings," and Preservation Brief #2, "Repointing Mortar Joints in Historic Masonry Buildings."</p> <p>Should the building be subject to graffiti and/or vandalism, the owner will take the necessary steps to carefully repair the damage using the least abrasive solvents for removing the graffiti.</p>			