



EXECUTIVE SUMMARY OFFICE DEVELOPMENT AUTHORIZATION

HEARING DATE: April 22, 2021

Record No.: 2018-007267OFA-02
Project Address: 865 Market Street
Zoning: Downtown Retail (C-3-R) Zoning District
120-X, 160-S Height and Bulk District
Block/Lot: 3705/042
Project Sponsor: Jocelyn Gubler
Unibail-Rodamco-Westfield
2049 Century Park East, 41st Floor
Los Angeles, CA 90067
Property Owner: S.F. Shopping Centre Associates LP
2049 Century Park East, 41st Floor
Los Angeles, CA 90067
Staff Contact: Jonathan Vimr – (628) 652-7319
jonathan.vimr@sfgov.org

Recommendation: Approval with Conditions

Project Description

The application does not represent a new project, but rather requests to extend the expiration date of a previously approved Office Development Authorization and accordingly modify the relevant conditions of approval. Specifically, the application seeks to modify Conditions of Approval No. 1, 2, and 5 of Motion No. 20591, approved by the Planning Commission on December 5, 2019 (Case No. 2018-007267OFA), such that the performance period for obtaining a Building or Site Permit and to begin construction of the office development would be extended to June 5, 2023. The previously approved motion authorized conversion of up to 49,999 square feet of retail, accessory office, and miscellaneous (mechanical/circulation) space to 49,999 square feet of general office use on the seventh and eighth floors of 865 Market Street (which occupies a portion of the broader Westfield Centre).

Required Commission Action

In order for the Project to proceed, the Commission must approve the proposed modifications to Motion No. 20591 to extend the expiration date of the previously approved Office Development Authorization, which allocated square footage under the Annual Office Development Limitation Program (Planning Code Sections 320-325). An extension of the building/site permit performance period must also be approved such that it runs contemporaneously with the Office Development Authorization.

Issues and Other Considerations

- **Public Comment & Outreach.** As of the date of publication, the Department has not received any correspondence expressing support of or opposition to the proposed extension of the previously approved Office Development Authorization.

Environmental Review

The Planning Department determined in 2019 that the Project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 categorical exemption. The current application does not represent a new project under CEQA, seeking only to modify conditions of approval pertaining to expiration of the previously approved Office Development Authorization.

Basis for Recommendation

The Project was approved on December 5, 2019, with Condition of Approval No. 5 stipulating that construction of the office development shall commence within 18 months of the date of the approval (no later than June 5, 2021). The novel coronavirus (“COVID-19”) pandemic began in the United States shortly thereafter and is ongoing. The proposed modifications to the previous approval would extend the expiration dates of both the entitlement and associated building permit deadlines, which would allow the project to proceed and account for continued uncertainty regarding construction, full reopening of the Westfield Centre, and the state of retail and the downtown area. Note that this proposed extension would be in addition to any other relevant City actions that may pertain to COVID relief.

Attachments:

Draft Motion – Office Development Authorization with Conditions of Approval
Exhibit B – Plans and Renderings
Exhibit C – Motion No. 20591
Exhibit D – Maps and Context Photos



PLANNING COMMISSION DRAFT MOTION

HEARING DATE: APRIL 22, 2021

Record No.: 2018-007267OFA-02
Project Address: 865 Market Street
Zoning: Downtown Retail (C-3-R) Zoning District
120-X, 160-S Height and Bulk District
Block/Lot: 3705/042
Project Sponsor: Jocelyn Gubler
Unibail-Rodamco-Westfield
2049 Century Park East, 41st Floor
Los Angeles, CA 90067
Property Owner: S.F. Shopping Centre Associates LP
2049 Century Park East, 41st Floor
Los Angeles, CA 90067
Staff Contact: Jonathan Vimr – (628) 652-7319
jonathan.vimr@sfgov.org

ADOPTING FINDINGS RELATED TO AN OFFICE DEVELOPMENT AUTHORIZATION APPROVED PURSUANT TO PLANNING CODE SECTIONS 320 THROUGH 325 TO MODIFY CONDITIONS OF APPROVAL NO. 1, 2, AND 5 OF MOTION NO. 20591, APPROVED BY THE PLANNING COMMISSION ON DECEMBER 5, 2019. THAT MOTION AUTHORIZED THE PROVISION OF UP TO 49,999 NEW SQUARE FEET OF OFFICE USE AT 865 MARKET STREET, LOT 049 IN ASSESSOR'S BLOCK 3705, WITHIN THE C-3-R (DOWNTOWN-RETAIL) ZONING DISTRICT AND THE 120-X, 160-S HEIGHT AND BULK DISTRICT. THE REQUEST IS TO MODIFY CONDITION OF APPROVAL NO. 5 TO EXTEND THE DATE THAT CONSTRUCTION MUST BEGIN FROM JUNE 5, 2021 TO JUNE 5, 2023 (AN ADDITIONAL TWO YEARS) AND TO MODIFY CONDITIONS OF APPROVAL NO. 1 AND 2 TO EXTEND THE DATE THAT A BUILDING OR SITE PERMIT MUST BE OBTAINED FROM DECEMBER 5, 2022 TO JUNE 5, 2023 (AN ADDITIONAL SIX MONTHS).

PREAMBLE

On January 19, 2021, Gibson, Dunn & Crutcher LLP, on behalf of Unibail-Rodamco-Westfield (hereinafter "Project Sponsor") submitted a request (hereinafter "Application") with the Planning Department (hereinafter "Department") for an amendment to the conditions of approval for a previously approved project in order to extend the deadline to begin construction by two years and to obtain a building or site permit by six months (such that the expiration dates are contemporaneous). The Project was originally approved by the Planning Commission on December 5, 2019 (2018-007267OFA) to allow the conversion of up to 49,999 square feet of retail, accessory office, and miscellaneous space to general office use on the seventh and eight floors of the subject property (Motion No. 20591).

The Department determined in 2019 that the Project was exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption. The request to amend the conditions of approval pertaining to expiration dates in Motion No. 20591 does not represent a new project under CEQA.

On November 7, 2019, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Development Authorization Application No. 2018-007267OFA and continued the hearing to December 5, 2019.

On December 5, 2019 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting and approved Office Development Authorization Application No. 2018-007267OFA.

On April 22, 2021 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider Office Development Authorization Application No. 2018-007267OFA-02.

The Planning Department Commission Secretary is the Custodian of Records; the File for Record No. 2018-007267OFA-02 is located at 49 South Van Ness Avenue, Suite 1400, San Francisco, California.

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

MOVED, that the Commission hereby approves the two year extension of Condition of Approval No. 5, and a six month extension of Conditions of Approval No. 1 and 2, as requested in Application No. 2018-007267OFA-02, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

- 1. The above recitals are accurate and constitute findings of this Commission.**
- 2. Project Description.** The Project Sponsor requests to modify Conditions of Approval No. 1, 2 and 5 of Motion No. 20591, approved by the Commission on December 5, 2019. The motion authorized the provision of up to 49,999 square feet of general office use through conversion of existing retail, accessory office, and miscellaneous space at the seventh and eighth floors of the subject property. In the original approval, Conditions of Approval No. 1 and 2 stipulated that a building or site permit to must be obtained within three years from the approval date (with the authorization to obtain a permit therefore expiring on December 5, 2022). Condition No. 5 required that construction of the office development begin even sooner, within 18 months from the approval date (with the entitlement therefore expiring on June 5, 2021).

The request is to extend the date that construction must begin an additional 24 months, with an ending date of June 5, 2023, and to extend the date that a building or site permit must be obtained by an additional 6 months. This would allow Conditions of Approval No. 1, 2 and 5 to all run contemporaneously, with a uniform expiration date occurring 42 months after the original approval. This extension would be in addition to any other relevant City actions that may pertain to COVID relief.

- 3. Site Description and Present Use.** The Project site occupies an entire corner parcel (with a lot area of approximately 75,624 square feet) with approximately 265' of frontage along Market Street and 274' of frontage along Fifth Street. It is developed with an eight story (over multiple sub-grade levels) commercial building completed in 1988 that houses a variety of retail tenants at floors 1-3 and is currently occupied by a single tenant, Nordstrom, at floors 4-8.
- 4. Surrounding Properties and Neighborhood.** The Project Site is located within the Downtown Retail Zoning District, near the southwestern corner of the Kearny-Market-Mason-Sutter Conservation District. The immediate context is mixed in character with institutional, residential, hotel, retail, and office uses all in the vicinity. It has excellent access to public transit as it fronts Market Street, possesses a direct connection to the Powell Street BART and MUNI stations, and is just across the street from the Powell Street Cable Car turnaround. Other zoning districts in the vicinity include P (Public), C-3-G (Downtown-General) and C-3-S (Downtown-Support). The Kearny-Market-Mason-Sutter Conservation District serves as the heart of San Francisco's retail market and is composed of a rich collection of early 20th century commercial buildings utilizing compatible detailing, color, materials, massing and scale.
- 5. Public Outreach and Comments.** As of the publication, the Department has not received any correspondence expressing support of or opposition to the proposed extensions of the expiration date to begin construction and obtain a building or site permit.
- 6. Planning Code Compliance.** The Planning Code Compliance Findings set forth in Motion No. 20591, Case No. 2018-007267OFA (Office Development Authorization) apply to this Motion, and are incorporated herein as though fully set forth.

7. **General Plan Compliance.** The General Plan Compliance Findings set forth in Motion No. 20591, Case No. 2018-007267OFA (Office Development Authorization) apply to this Motion, and are incorporated herein as though fully set forth.

8. **Planning Code Section 101.1(b)** The compliance with the eight priority-planning policies set forth in Motion No. 20591, Case No. 2018-007267OFA (Office Development Authorization) apply to this Motion, and are incorporated herein as though fully set forth.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Development Authorization Application No. 2018-007267OFA-02** subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file, dated October 24, 2019 and stamped “EXHIBIT B”, which is incorporated herein by reference as though fully set forth, and hereby rescinds Conditions of Approval No. 1, 2, and 5 of Motion No. 20591.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Office Development Authorization and/or building permit application to the Board of Appeals within fifteen (15) calendar days after the date of this Motion No. XXXX. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (628) 652-1150, 49 South Van Ness Avenue, Suite 1475, San Francisco, CA 94103.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on April 22, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

RECUSE:

ADOPTED: April 22, 2021

EXHIBIT A

Authorization

This authorization is to modify Conditions of Approval No. 1, 2, and 5 of Motion No. 20591, approved by the Commission on December 5, 2019. The motion authorized the provision of up to 49,999 square feet of general office use at the seventh and eight floors of the building located at located at 865 Market Street, Block 3705, Lot 042, pursuant to Planning Code Section(s) 320-325 within the C-3-R (Downtown-Retail) Zoning District and a 120-X, 160-S Height and Bulk District. The request is to extend the expiration dates to begin construction and to obtain a site or building permit; in general conformance with plans, dated October 24, 2019 and stamped "EXHIBIT B" included in the docket for Record No. 2018-007267OFA-02 and subject to conditions of approval in Motion No. 20591 and as reviewed and approved by the Commission on April 22, 2021 under Motion No XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator. All other previously granted Conditions of Approval would remain in effect and are attached as Exhibit C.

Recordation of Conditions Of Approval

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 22, 2021 under Motion No XXXXXX.

Printing of Conditions of Approval on Plans

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

Severability

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

Changes and Modifications

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

CONDITIONS OF APPROVAL, COMPLIANCE, MONITORING, AND REPORTING

Performance

- 1. Validity.** The authorization and right vested by virtue of this action is valid for forty-two (42) months from the effective date of the original approval in Motion No. 20591, representing an extension of an additional six (6) months to the original Building Permit or Site Permit performance period. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this forty-two month period.

For information about compliance, contact Code Enforcement, Planning Department at 628.652.7463, www.sfplanning.org

- 2. Expiration and Renewal.** Should a Building or Site Permit be sought after the forty-two (42) month period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 628.652.7463, www.sfplanning.org

- 3. Development Timeline - Office.** Construction of the office development project shall commence within forty-two (42) months of the effective date of the original approval in Motion 20591, representing an extension of an additional twenty-four (24) months to the original office development authorization performance period. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this office development authorization.

For information about compliance, contact Code Enforcement, Planning Department at 628.652.7463, www.sfplanning.org

EXHIBIT

B

Westfield

SAN FRANCISCO CENTRE

ENTITLEMENT

OCTOBER 24, 2019



PROJECT INFORMATION

INDEX OF DRAWINGS

PROJECT INFORMATION	1
SITE PLAN AND CONTEXT	2
EXISTING AND PROPOSED BASEMENT LEVEL 2	3
EXISTING AND PROPOSED BASEMENT LEVEL 1	4
EXISTING AND PROPOSED LEVEL 1	5
EXISTING AND PROPOSED LEVEL 1M	6
EXISTING AND PROPOSED LEVEL 2	7
EXISTING AND PROPOSED LEVEL 3	8
EXISTING AND PROPOSED LEVEL 4	9
EXISTING AND PROPOSED LEVEL 5	10
EXISTING AND PROPOSED LEVEL 6	11
EXISTING AND PROPOSED LEVEL 7	12
EXISTING AND PROPOSED LEVEL 8	13
EXISTING AND PROPOSED ROOF LEVEL	14
FAÇADE CONCEPT	15
MARKET STREET ELEVATIONS - CONTEXT	16
MARKET STREET ELEVATIONS	17
FOURTH FLOOR GLAZING	18-19
UPPER REGISTER AXONOMETRIC	20
UPPER REGISTER SECTION	21
UPPER REGISTER AT MARKET ST.	22
PERSPECTIVE VIEW	23
FIFTH STREET ELEVATIONS	24
UPPER REGISTER AT FIFTH ST.	25-26
SOUTHEAST ELEVATIONS	27
SOUTHEAST PSE	28
PERSPECTIVE VIEWS OF ENTRY	29
MARKET STREET ENTRY	30
FIFTH STREET ENTRY/OFFICE LOBBY	31
BUILDING ADDRESS	
865 MARKET ST	
SAN FRANCISCO, CA 94103	
ASSESSOR'S PARCEL NUMBER	
3705/042	
AGENCY	
SF UNIFIED SCHOOL DISTRICT (SFUSD)	
NEIGHBORHOOD	
SOUTH OF MARKET	
PLANNING DISTRICT 4	
DOWNTOWN	
ZONING DISTRICT	
C-3-R (DOWNTOWN-RETAIL)	
LOT AREA	
75,624SF	
FAR	
EXISTING:	650,028 GSF
PROPOSED:	657,898 GSF
TDR TO BE PURCHASED:	7,870 SF

EXISTING GROSS FLOOR AREA CALCULATION:

FLOOR	GROSS AREA (EXTERIOR ENVELOPE) *	BASEMENT SEC.102.9(b)(1)	ROOF MECHANICAL EQUIPMENT SEC.102.9(b)(3)	MECHANICAL SHAFTS (MINUS STAIRS + ELEVATOR) SEC.102.9(b)(4)	OFF STREET LOADING SEC.102.9(b)(7)	EXTERIOR BALCONIES SEC.102.9(b)(10)	INTERIOR ATRIUM SEC.102.9(b)(15) ****	GROSS FLOOR AREA AS DEFINED BY SF PLANNING CODE ****
8	50,513		7,682	1,310				41,521
7	61,054			1,242				59,812
6	68,780			1,216				67,564
5	73,262			2,106				71,156
4	73,262			586				72,676
3	73,262			1,044				72,218
2	73,262			1,340				71,922
1M	17,543			1,388				16,155
1	71,718			722				70,996
LL1	73,669			2,453				71,216
LL2	72,953	36,419		1,742				34,792
TOTAL:	709,278							650,028

PROPOSED GROSS FLOOR AREA CALCULATION:

FLOOR	GROSS AREA (EXTERIOR ENVELOPE) *	BASEMENT SEC.102.9(b)(1)	ROOF MECHANICAL EQUIPMENT SEC.102.9(b)(3)	MECHANICAL SHAFTS (MINUS STAIRS + ELEVATOR) SEC.102.9(b)(4)	OFF STREET LOADING SEC.102.9(b)(7)	EXTERIOR BALCONIES SEC.102.9(b)(10)	INTERIOR ATRIUM SEC.102.9(b)(15) ****	GROSS FLOOR AREA AS DEFINED BY SF PLANNING CODE ****
8	50,803		1,300	1,423				48,080
7	61,344			1,242				60,102
6	69,070			1,131				67,939
5	73,262			2,106				71,156
4	73,262			586				72,676
3	73,262			1,044				72,218
2	73,262			1,340				71,922
1M	17,543			1,388				16,155
1	72,364			722				71,642
LL1	73,669			2,453				71,216
LL2	72,953	36,419		1,742				34,792
TOTAL:	710,794							657,898

*INCLUDES ATRIUM & VOID SPACES

PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

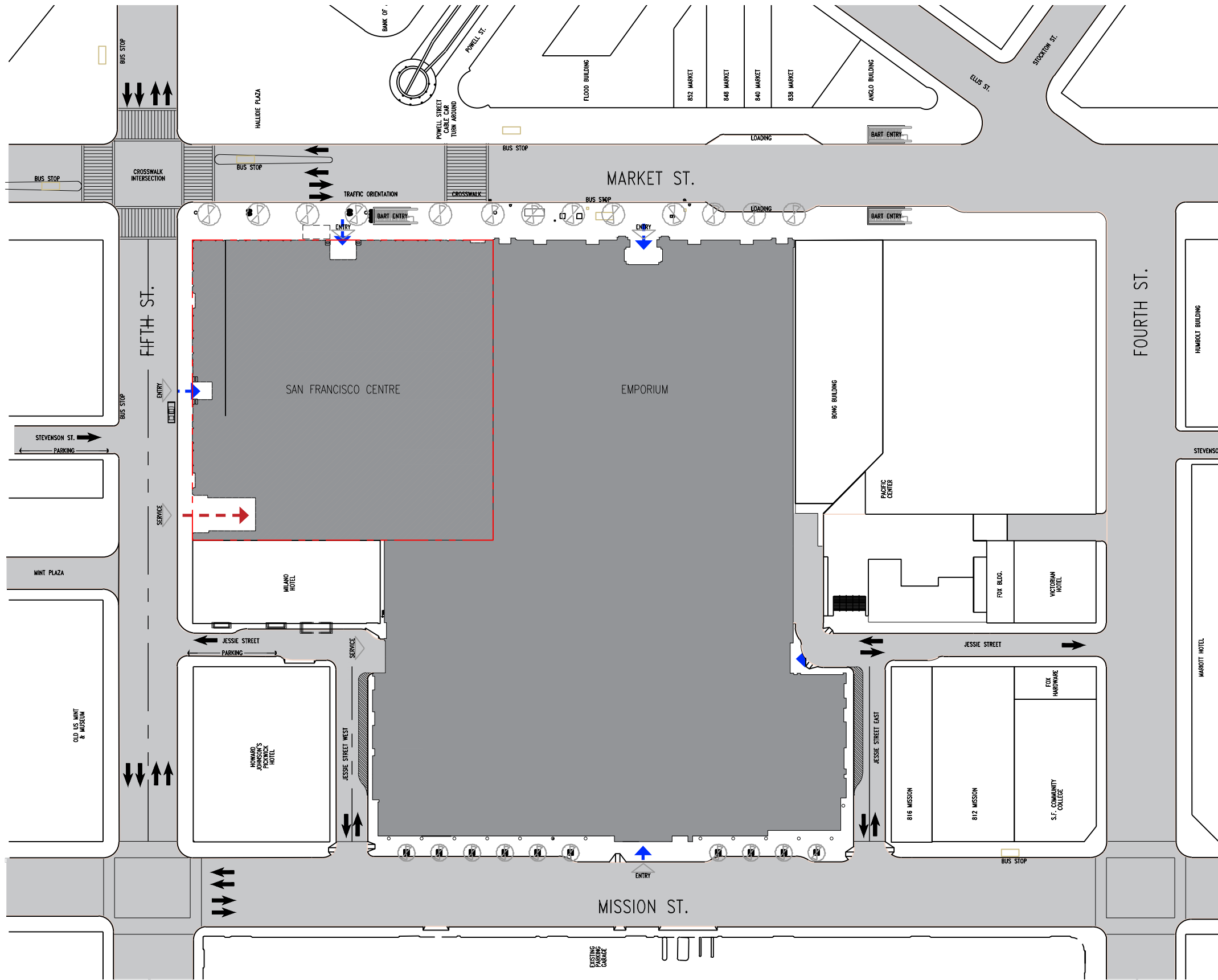
PROPOSED GROSS FLOOR USE AREA CALCULATION:

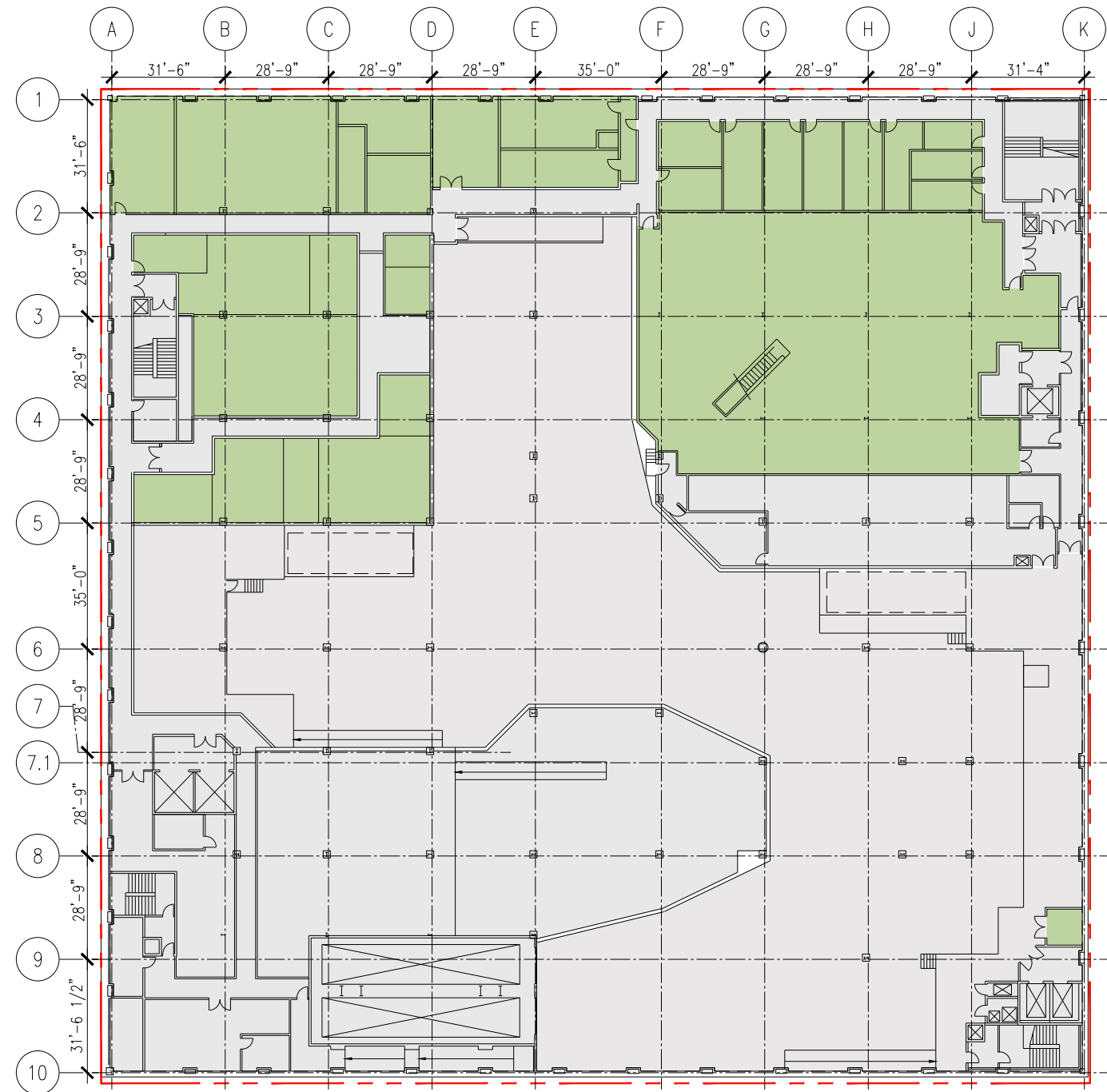
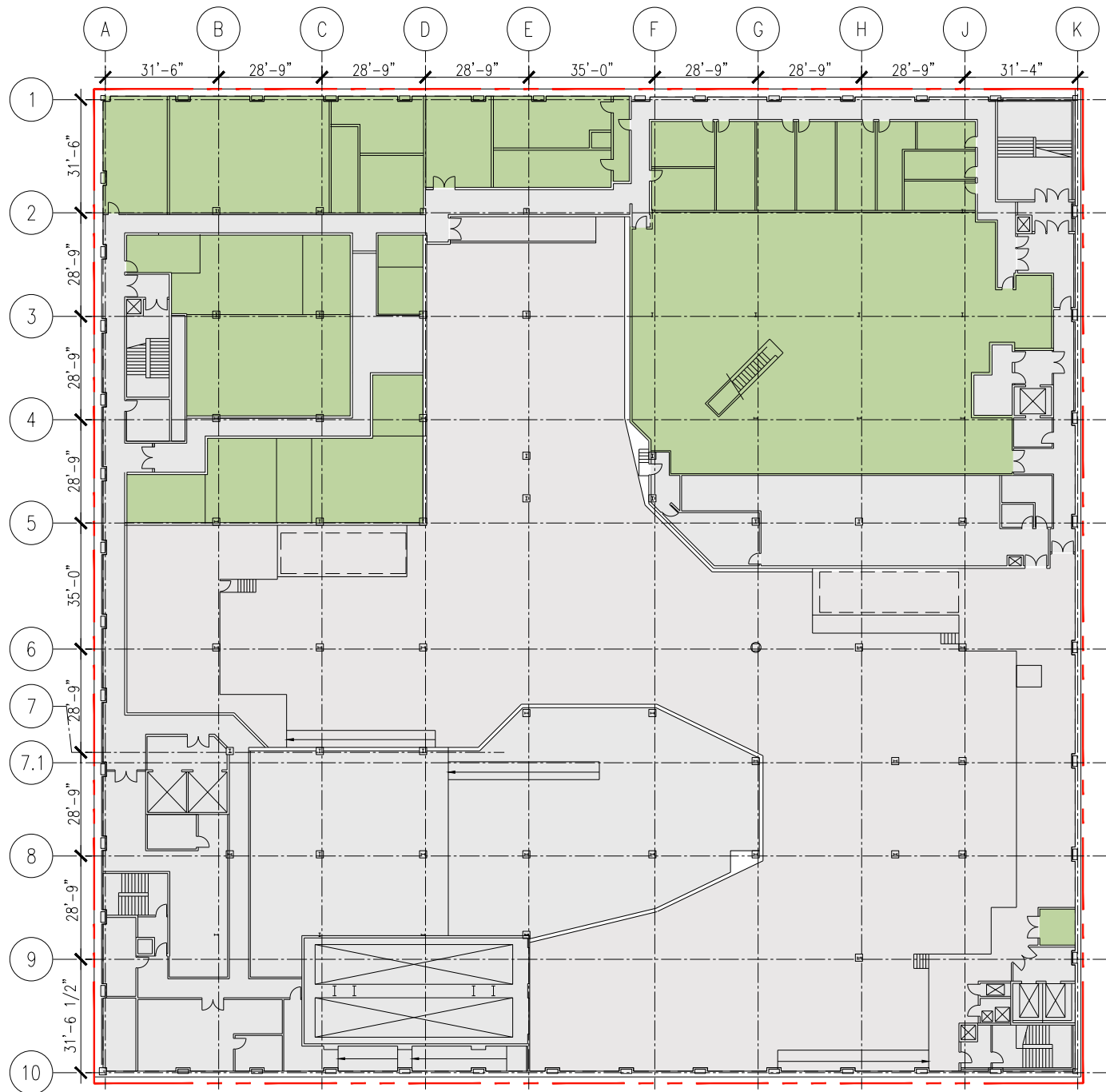
FLOOR	EXISTING GENERAL OFFICE GSF **	NET ADDITIONAL OFFICE GSF	RETAIL GSF ***	GROSS FLOOR AREA AS DEFINED BY SF PLANNING CODE
8	25,883	11,066	11,131	48,080
7	7,117	38,280	14,705	60,102
6			67,939	67,939
5			71,156	71,156
4			72,676	72,676
3			72,218	72,218
2			71,922	71,922
1M			16,155	16,155
1		653	70,989	71,642
LL1			71,216	71,216
LL2			34,792	34,792
TOTAL:	33,000	49,999	574,899	657,898

** EXISTING OFFICE PURSUANT TO THE 1986 CONDITIONAL USE AUTHORIZATION

*** INCLUDES OFFICE SPACE ACCESSORY TO RETAIL

**** INTERIOR ATRIUM AREA INCLUDED IN GROSS FLOOR AREA



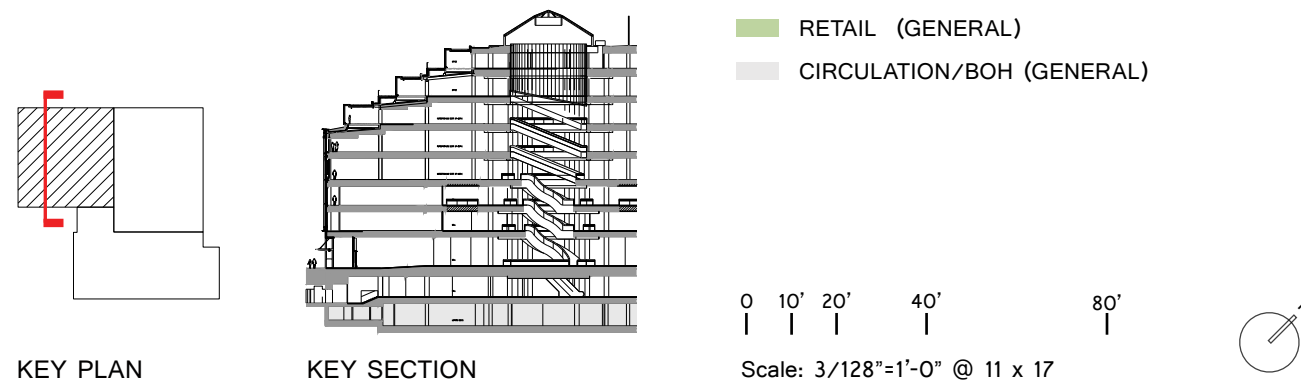


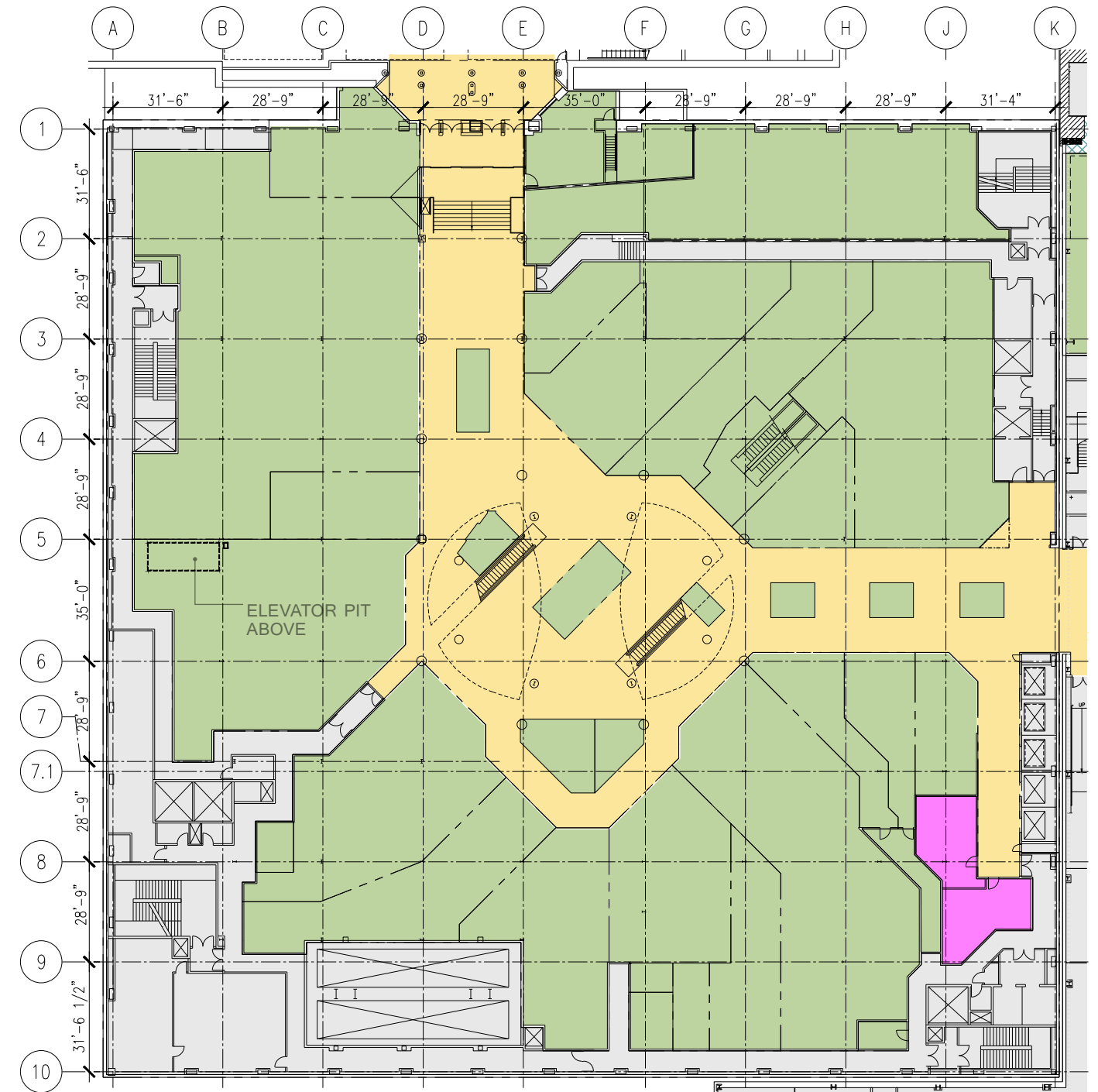
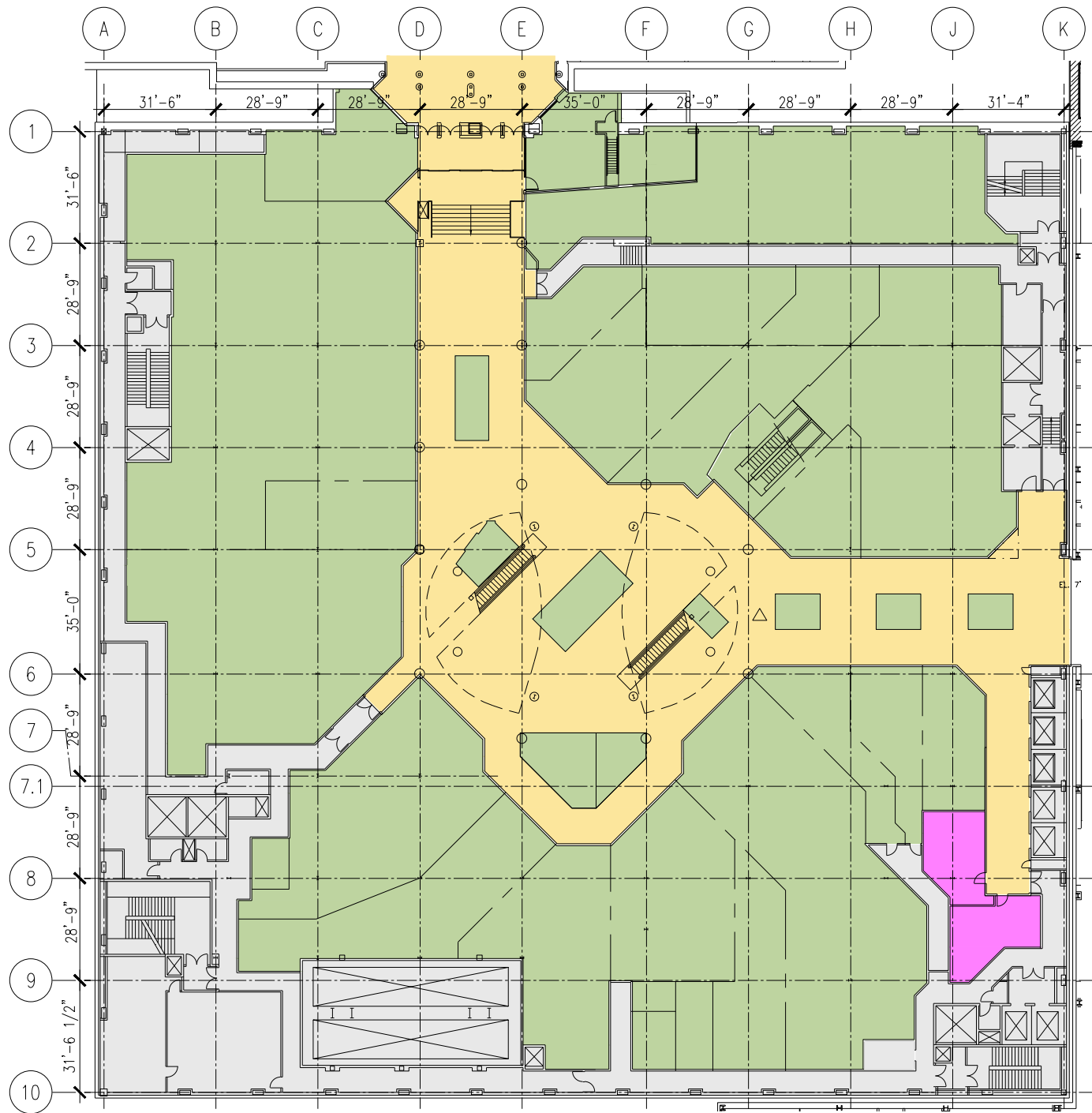
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

BASEMENT LEVEL 2 EXISTING FLOOR PLAN

BASEMENT LEVEL 2 EXISTING FLOOR PLAN REMAINS UNCHANGED



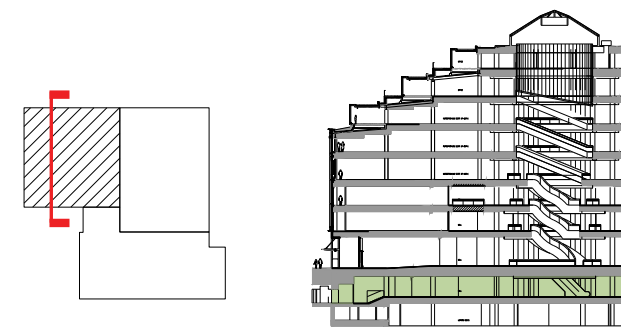


PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

BASEMENT LEVEL 1 EXISTING FLOOR PLAN

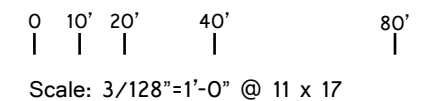
BASEMENT LEVEL 1 PROPOSED FLOOR PLAN

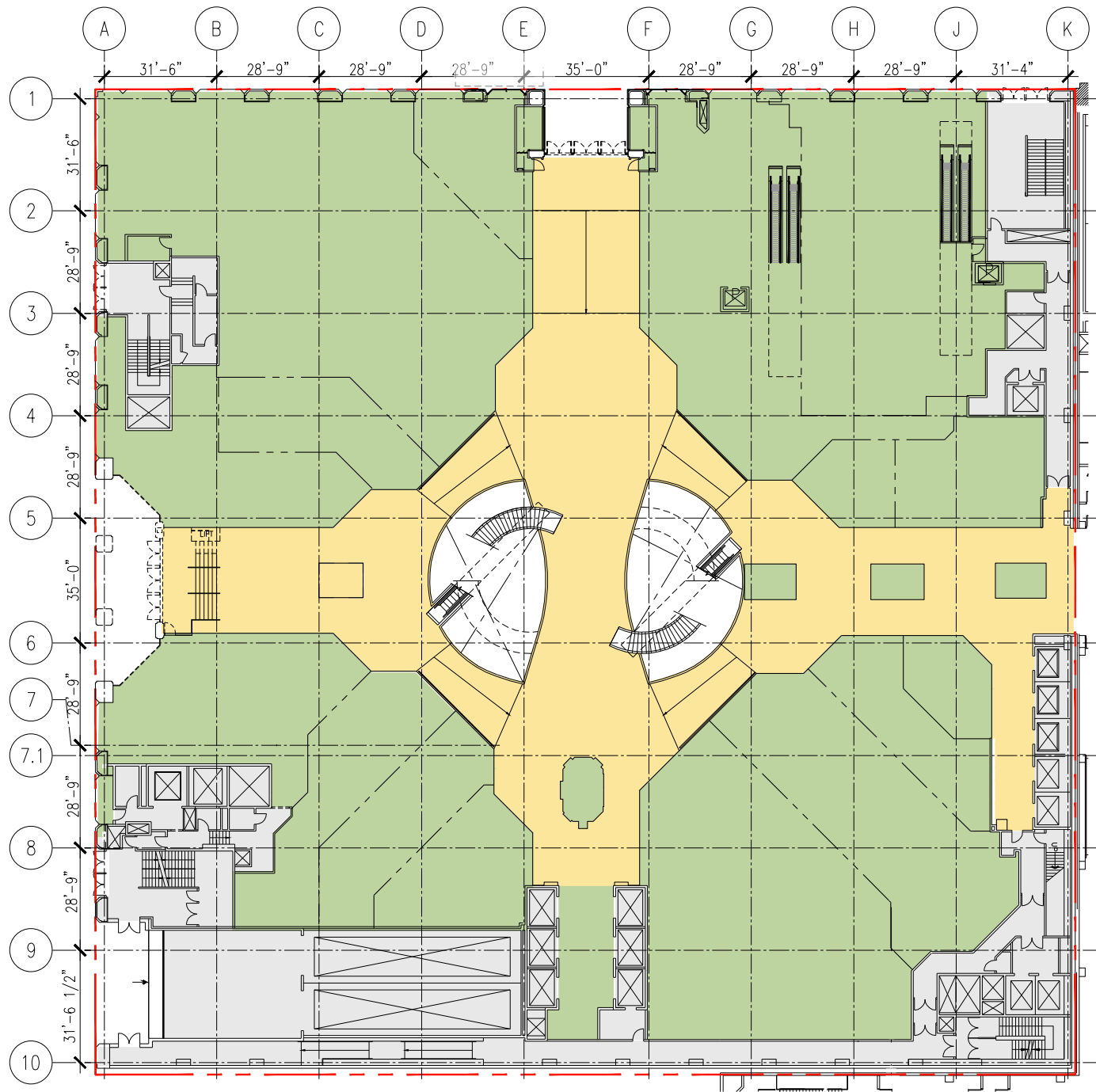


KEY PLAN

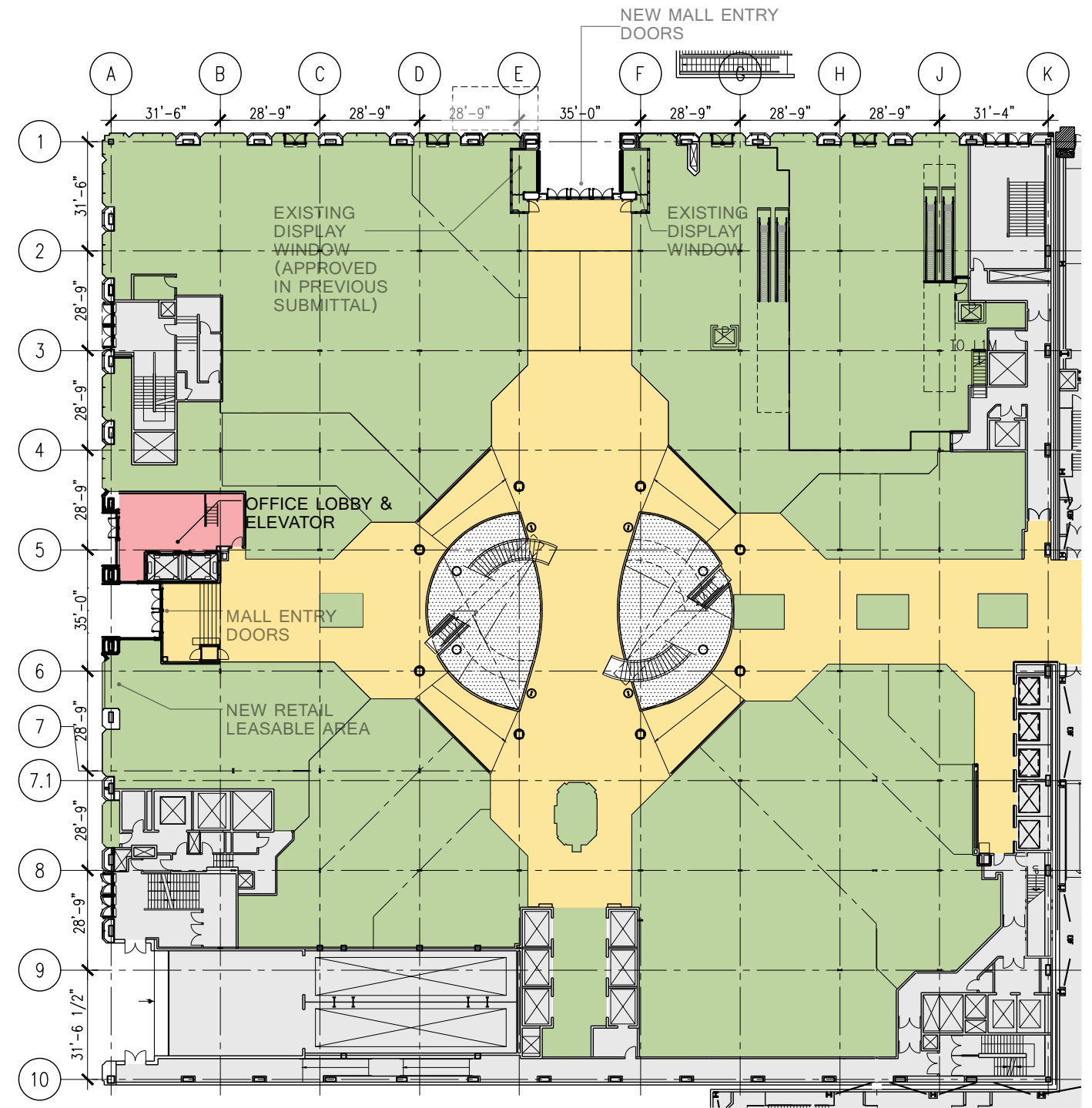
KEY SECTION

- OFFICE (GENERAL)
- RETAIL (GENERAL)
- CIRCULATION/BOH (GENERAL)
- PUBLIC SPACE
- AMENITY





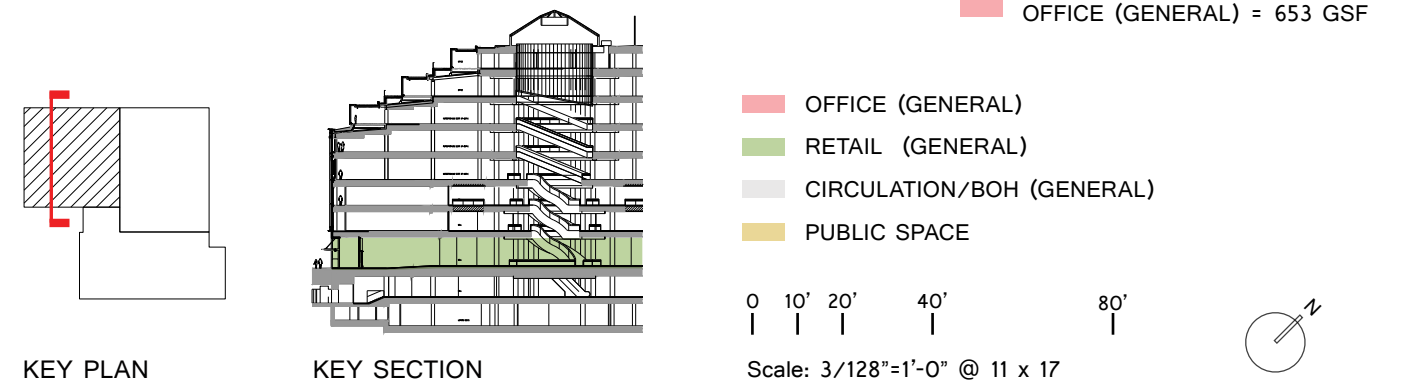
LEVEL 1 EXISTING FLOOR PLAN
 OFFICE (GENERAL) = 0 GSF

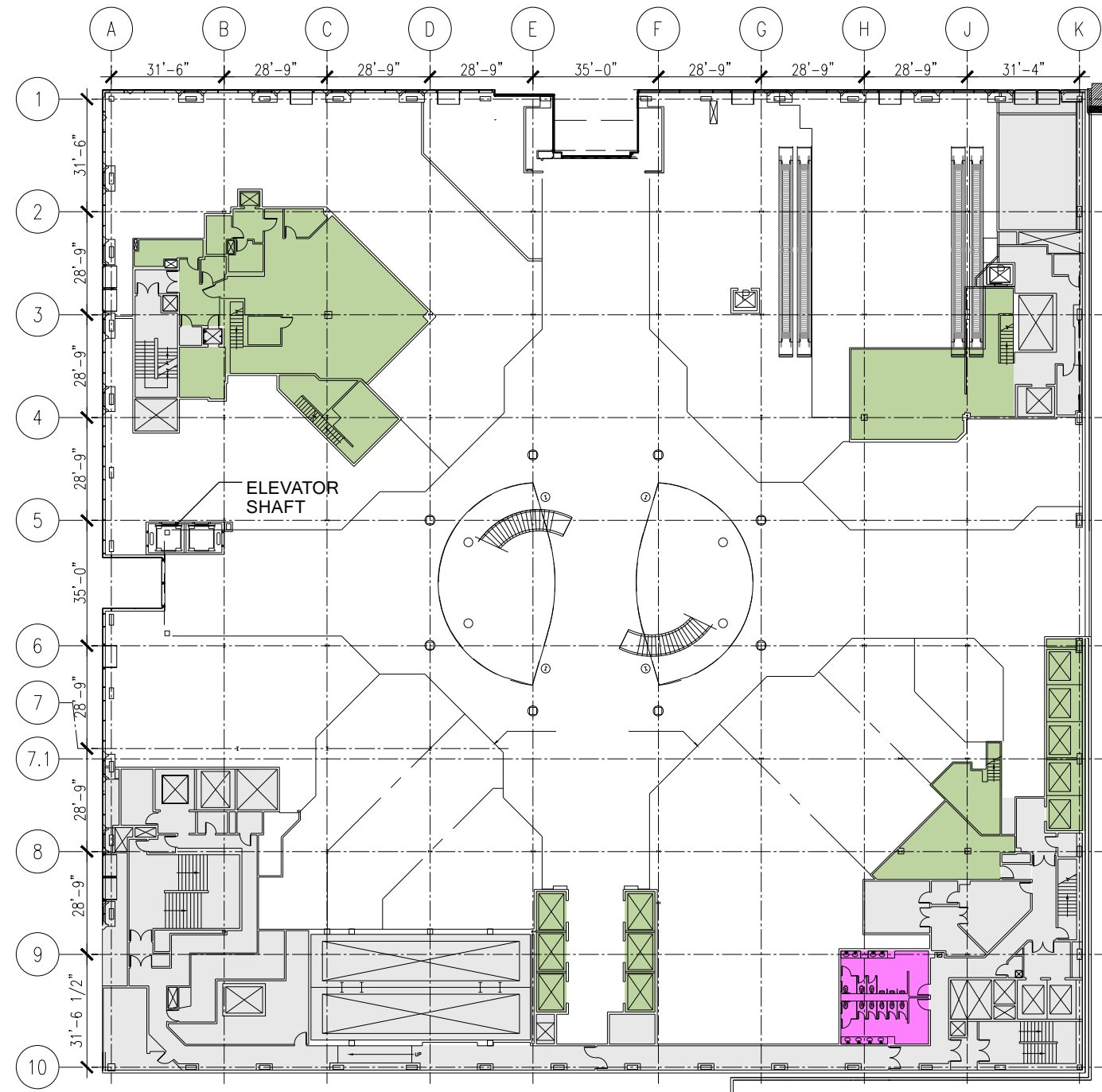
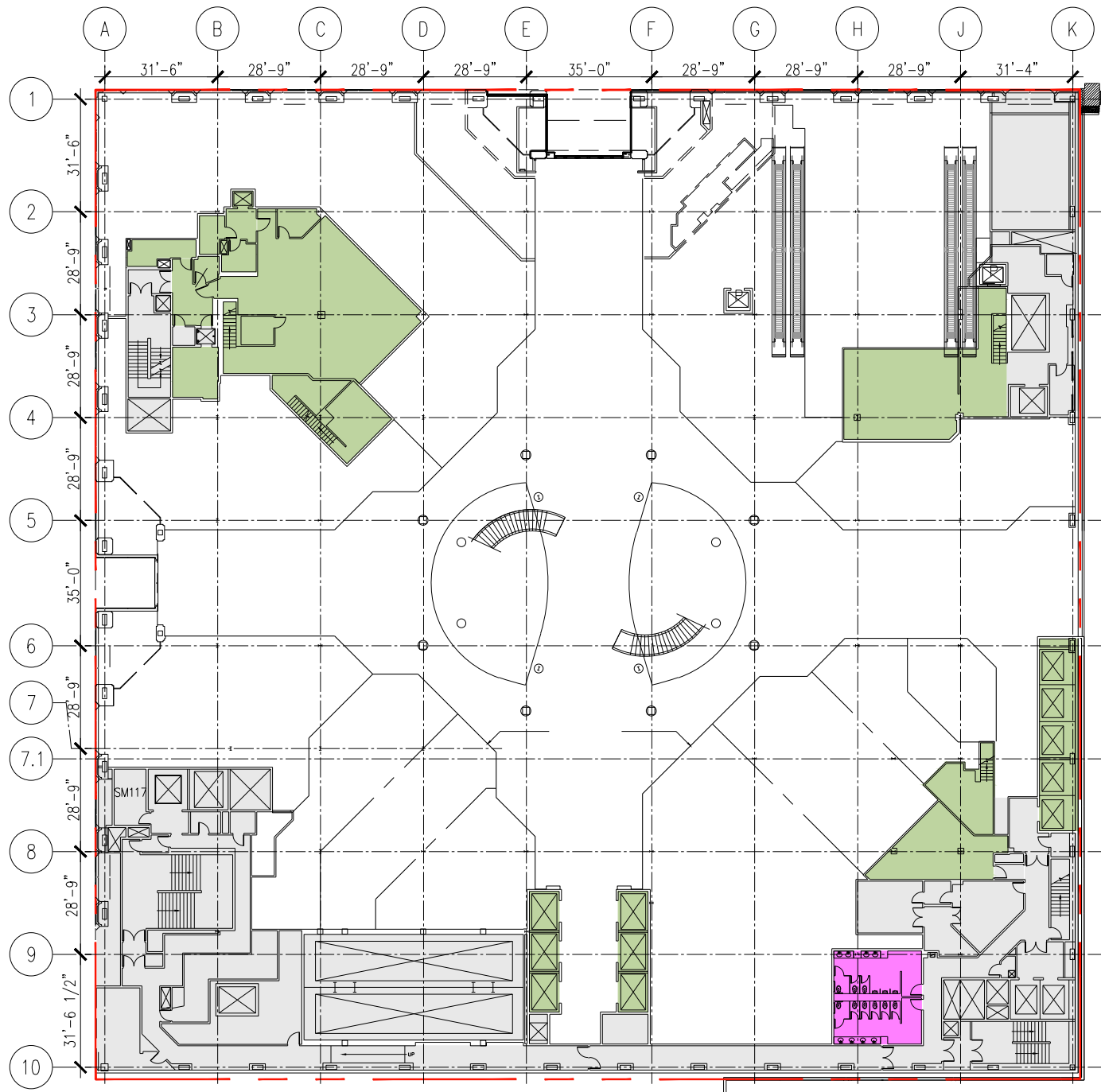


LEVEL 1 PROPOSED FLOOR PLAN
 OFFICE (GENERAL) = 653 GSF

PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999



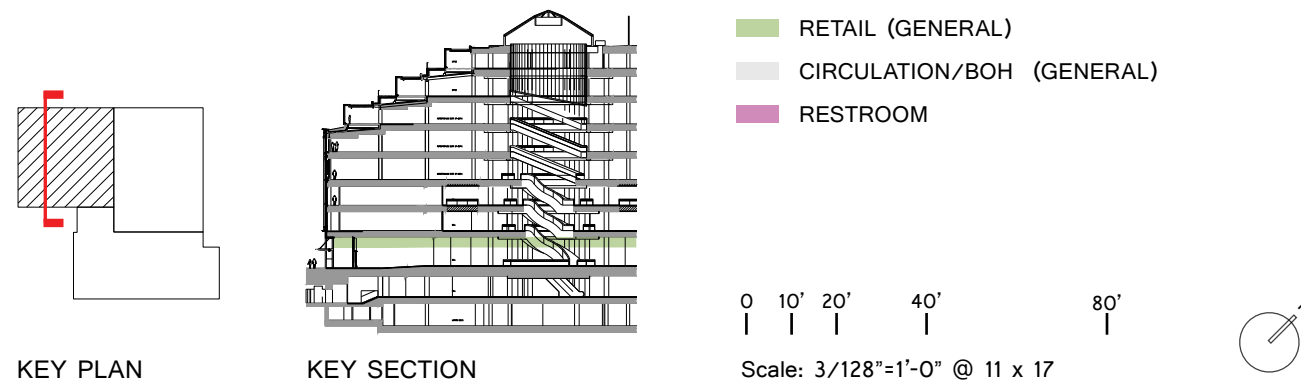


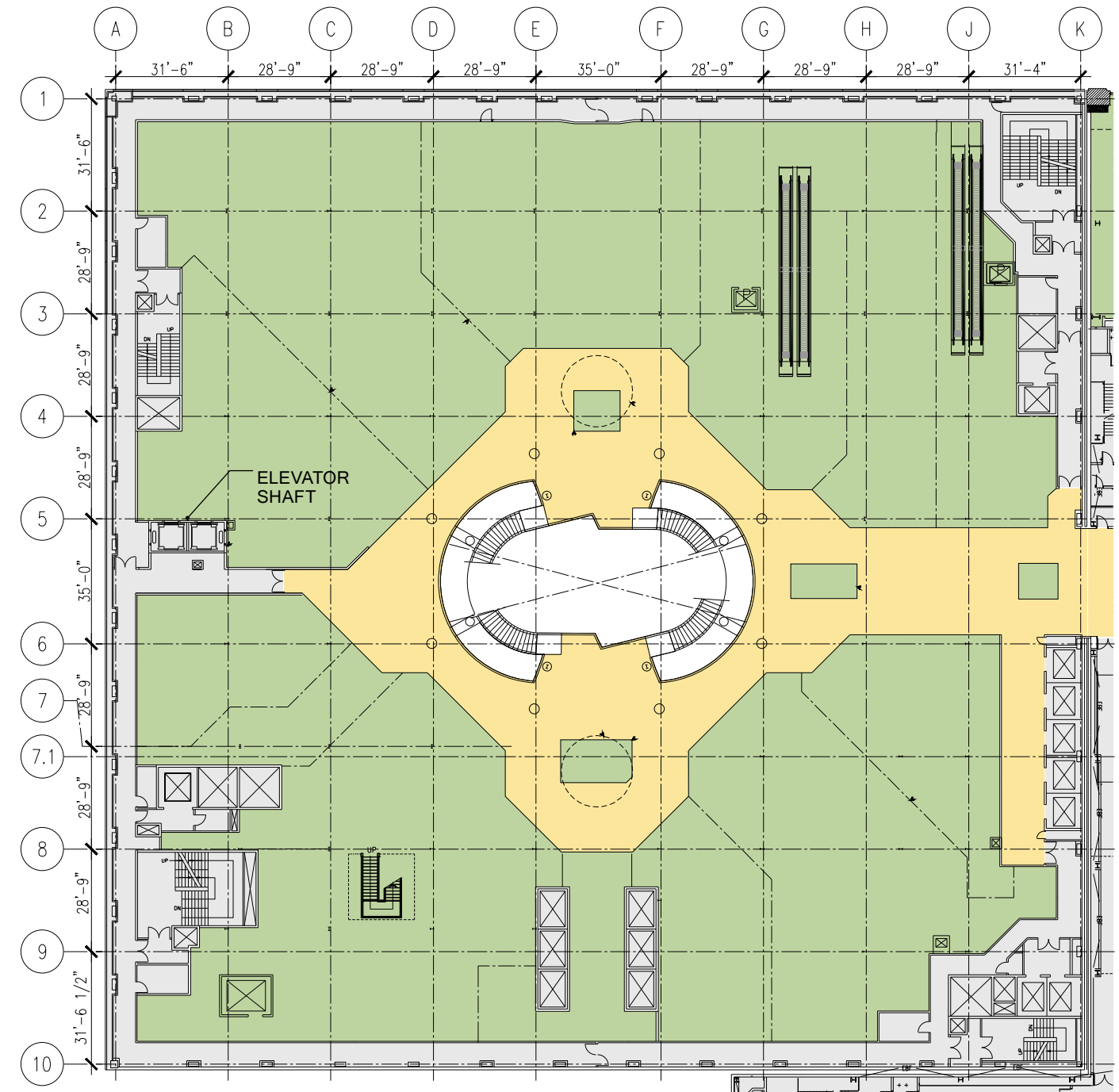
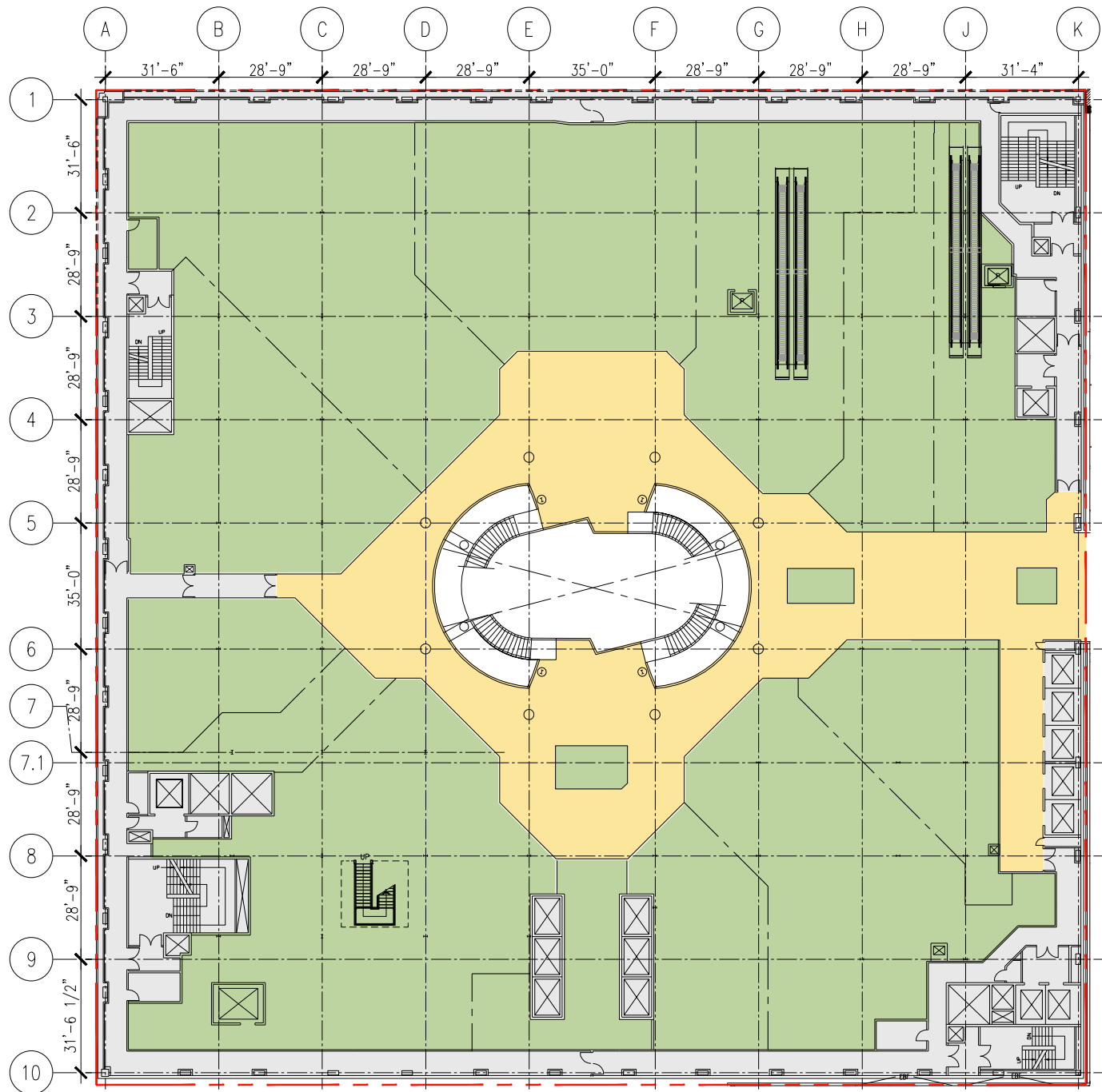
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

LEVEL 1M EXISTING FLOOR PLAN

LEVEL 1M PROPOSED FLOOR PLAN



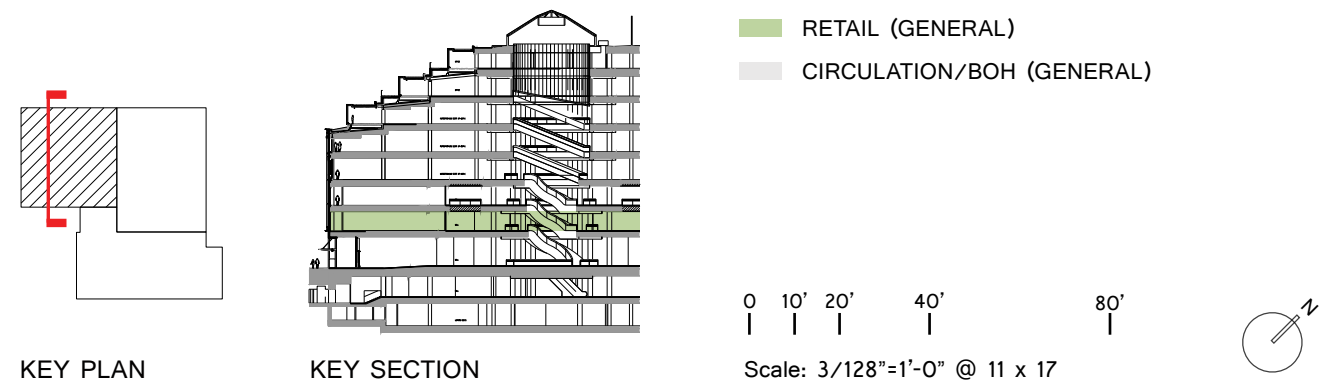


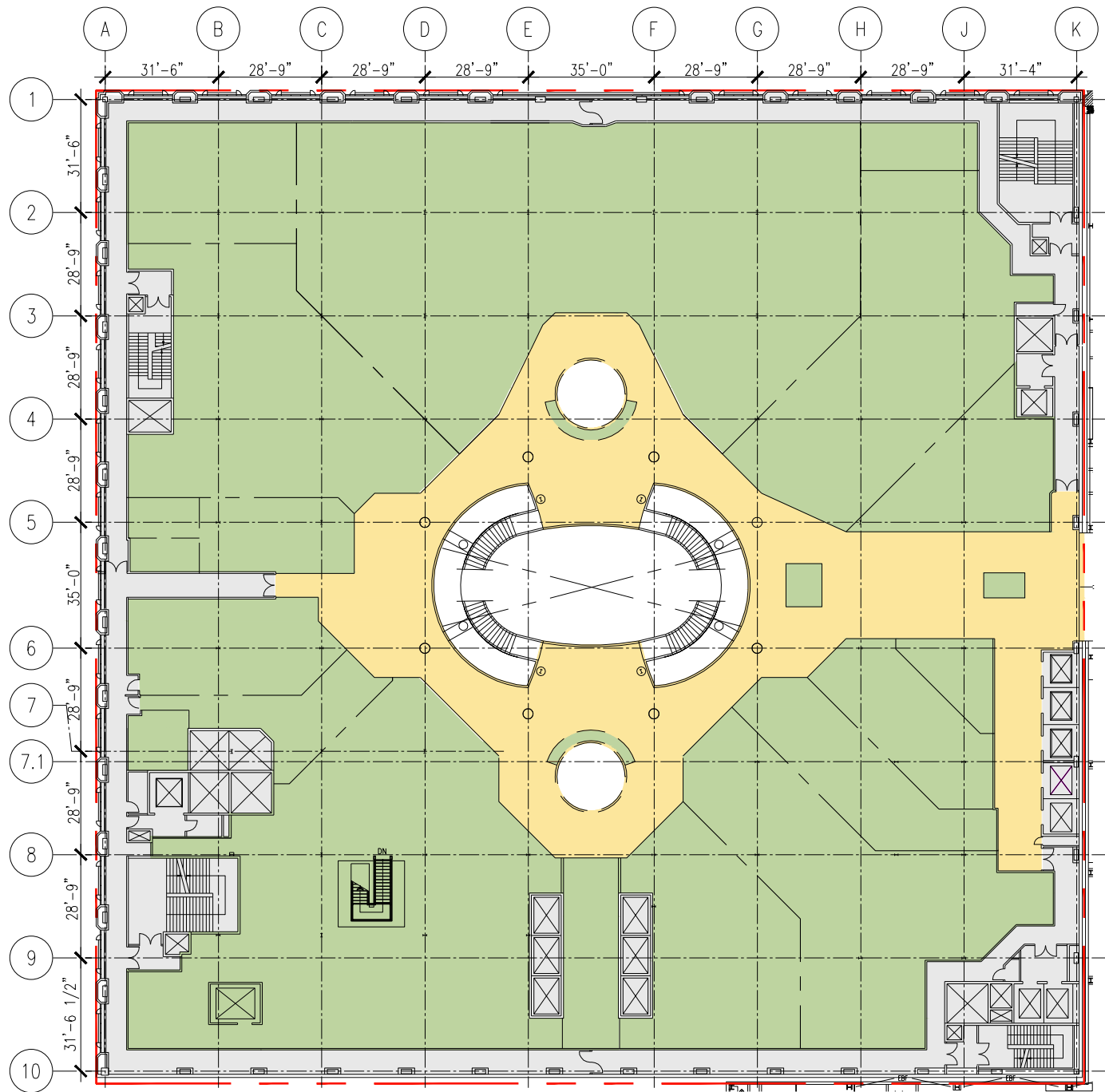
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

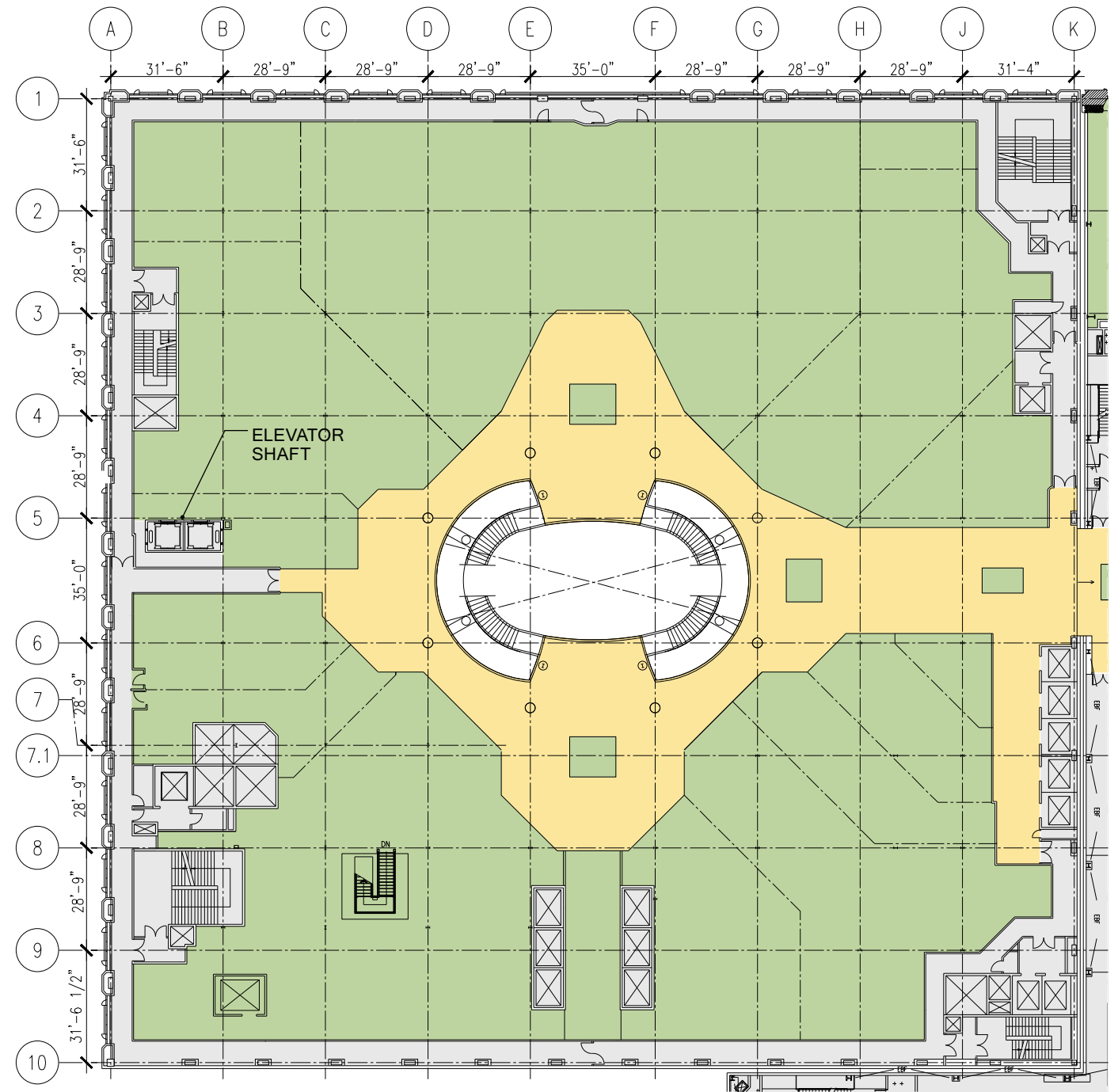
LEVEL 2 EXISTING FLOOR PLAN

LEVEL 2 PROPOSED FLOOR PLAN





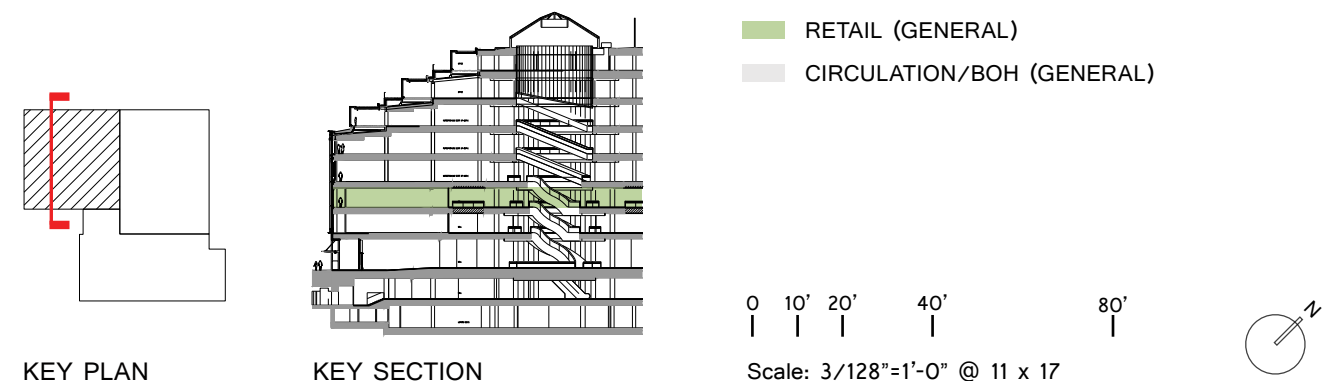
LEVEL 3 EXISTING FLOOR PLAN

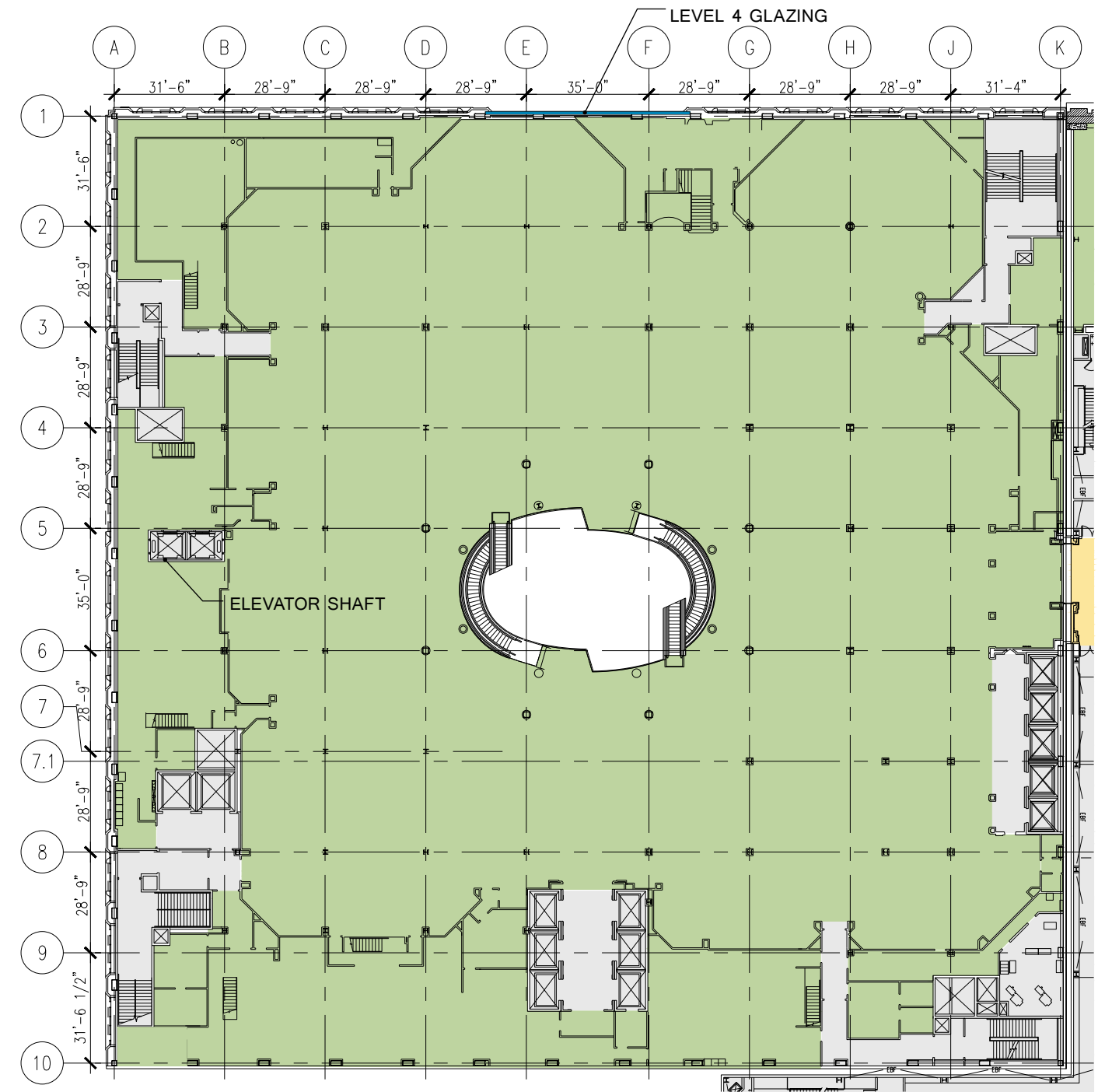
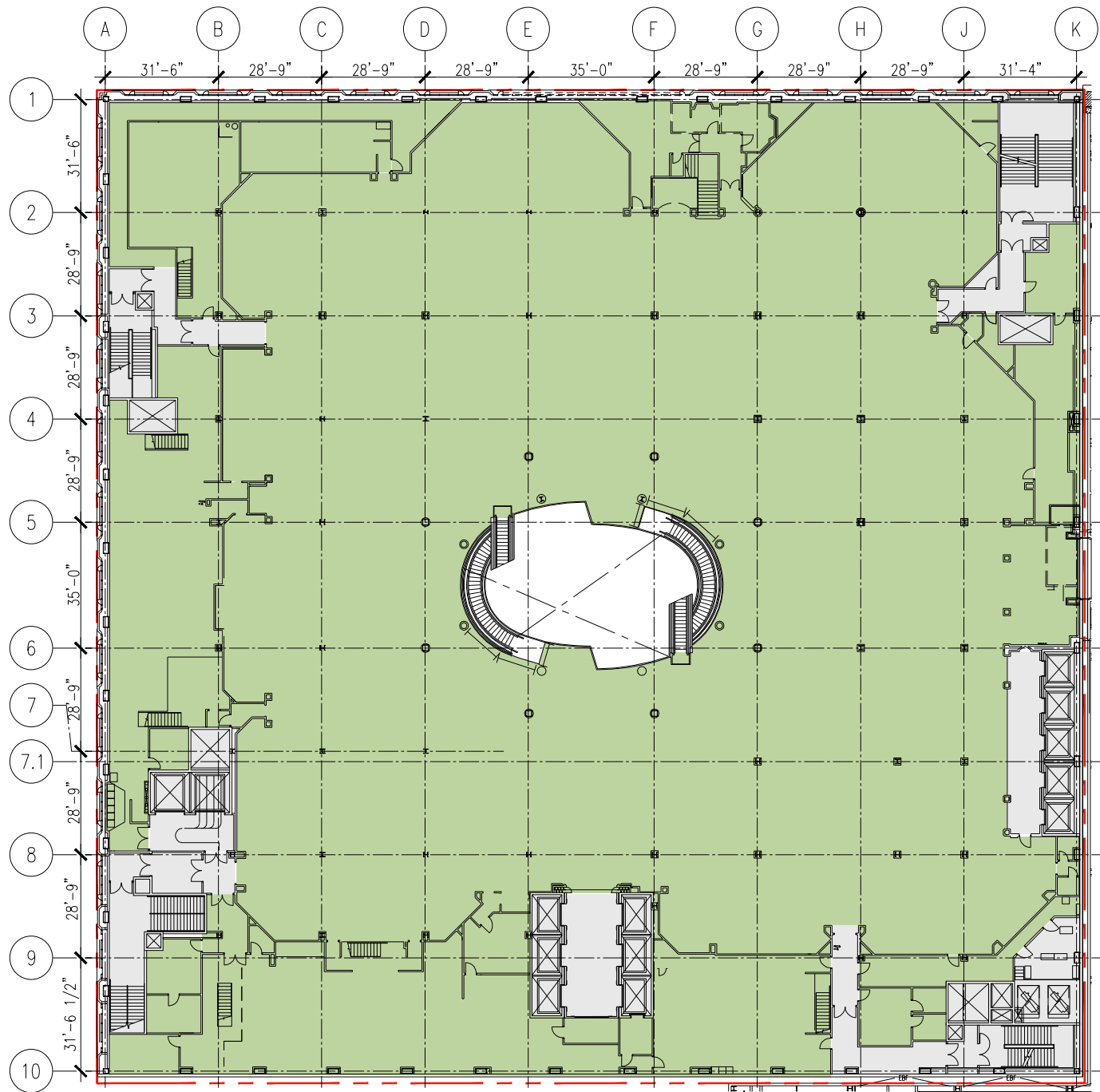


LEVEL 3 PROPOSED FLOOR PLAN

PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999



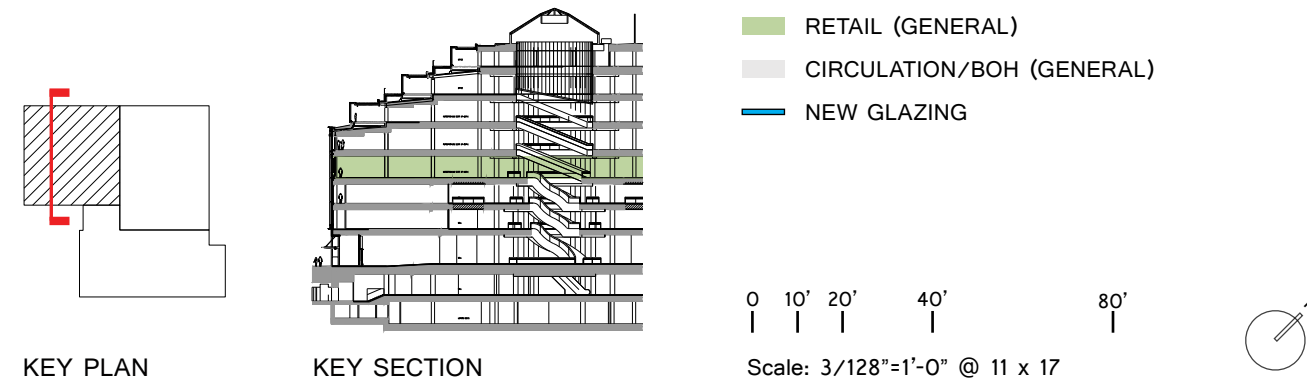


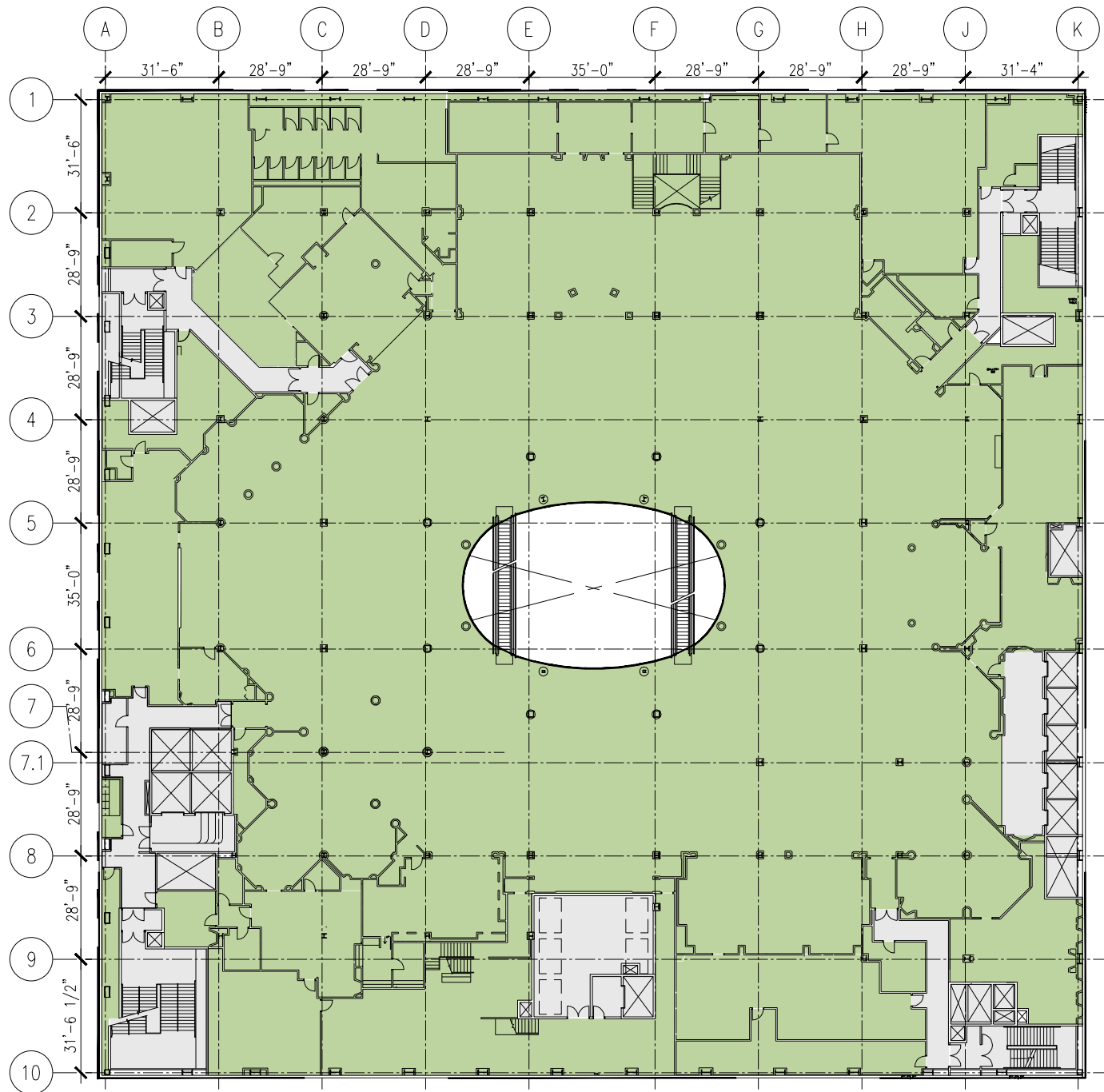
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

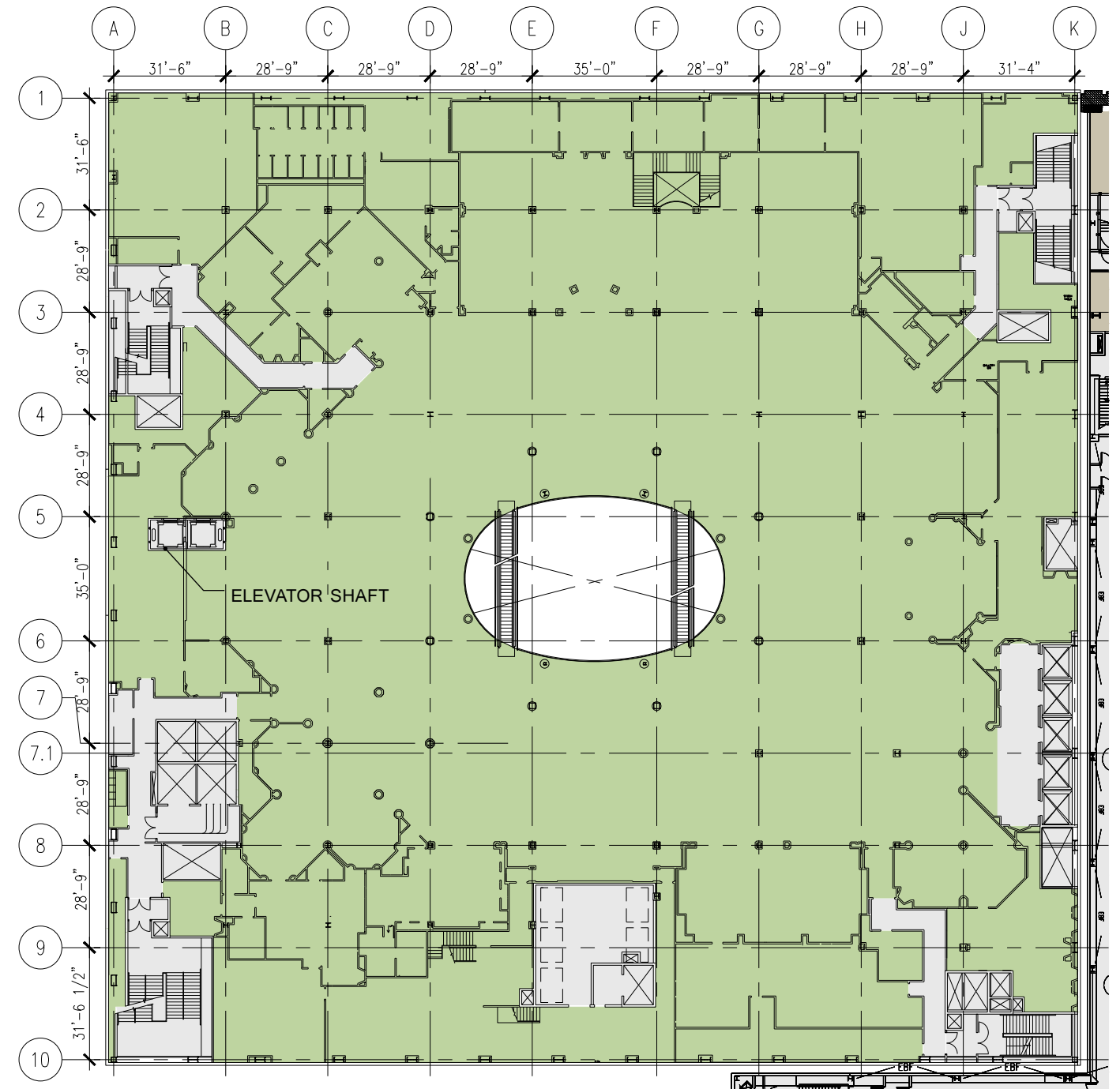
LEVEL 4 EXISTING FLOOR PLAN

LEVEL 4 PROPOSED FLOOR PLAN





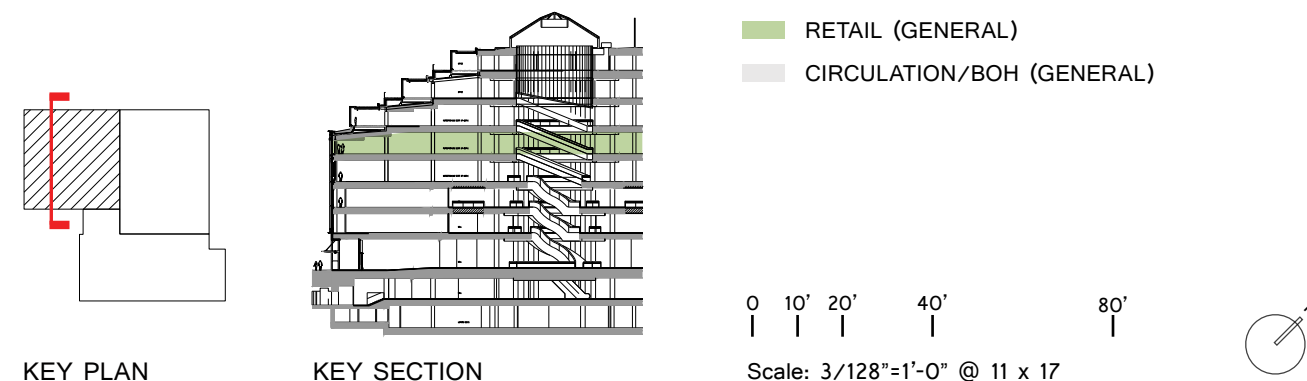
LEVEL 5 EXISTING FLOOR PLAN

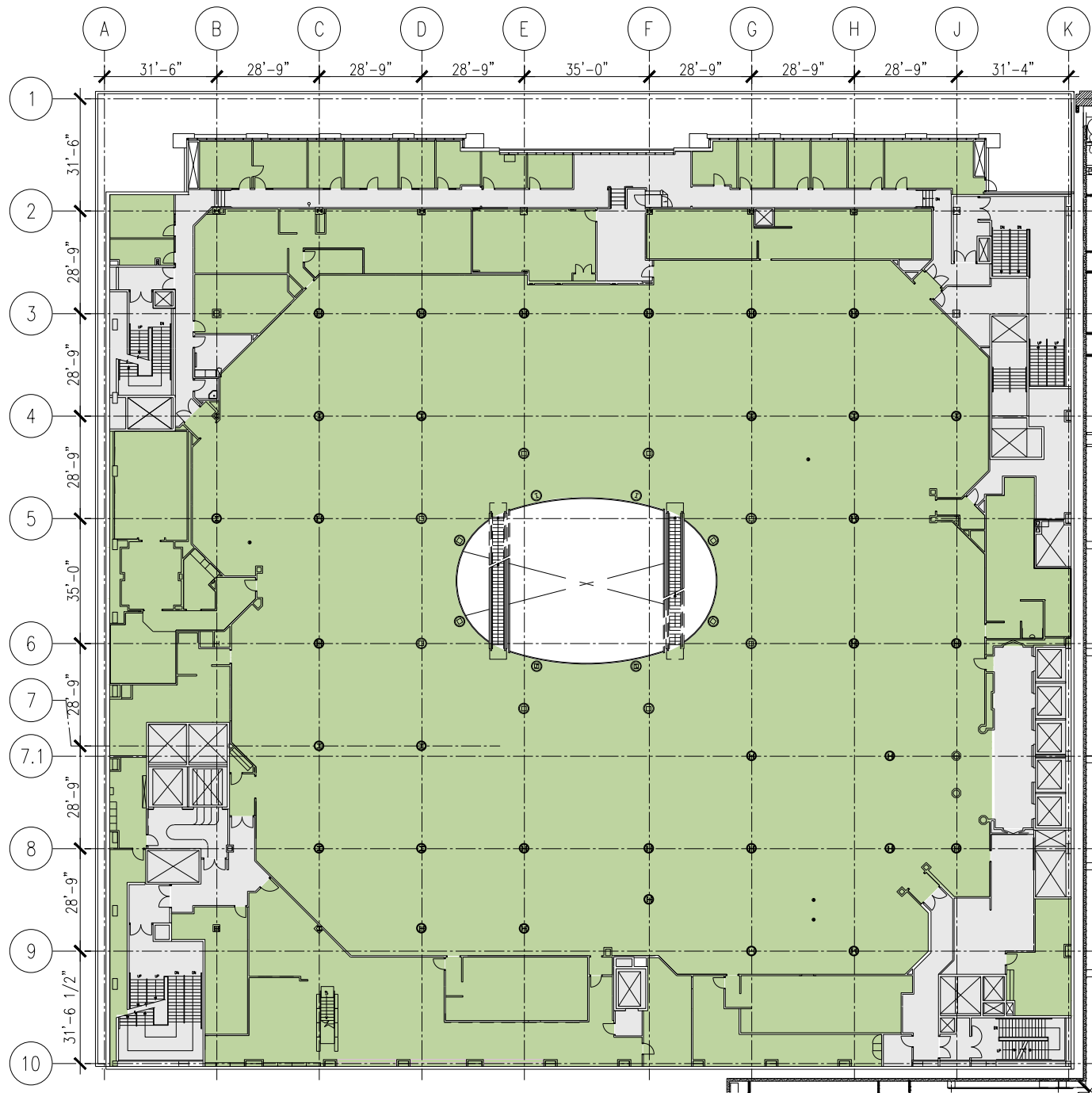


LEVEL 5 PROPOSED FLOOR PLAN

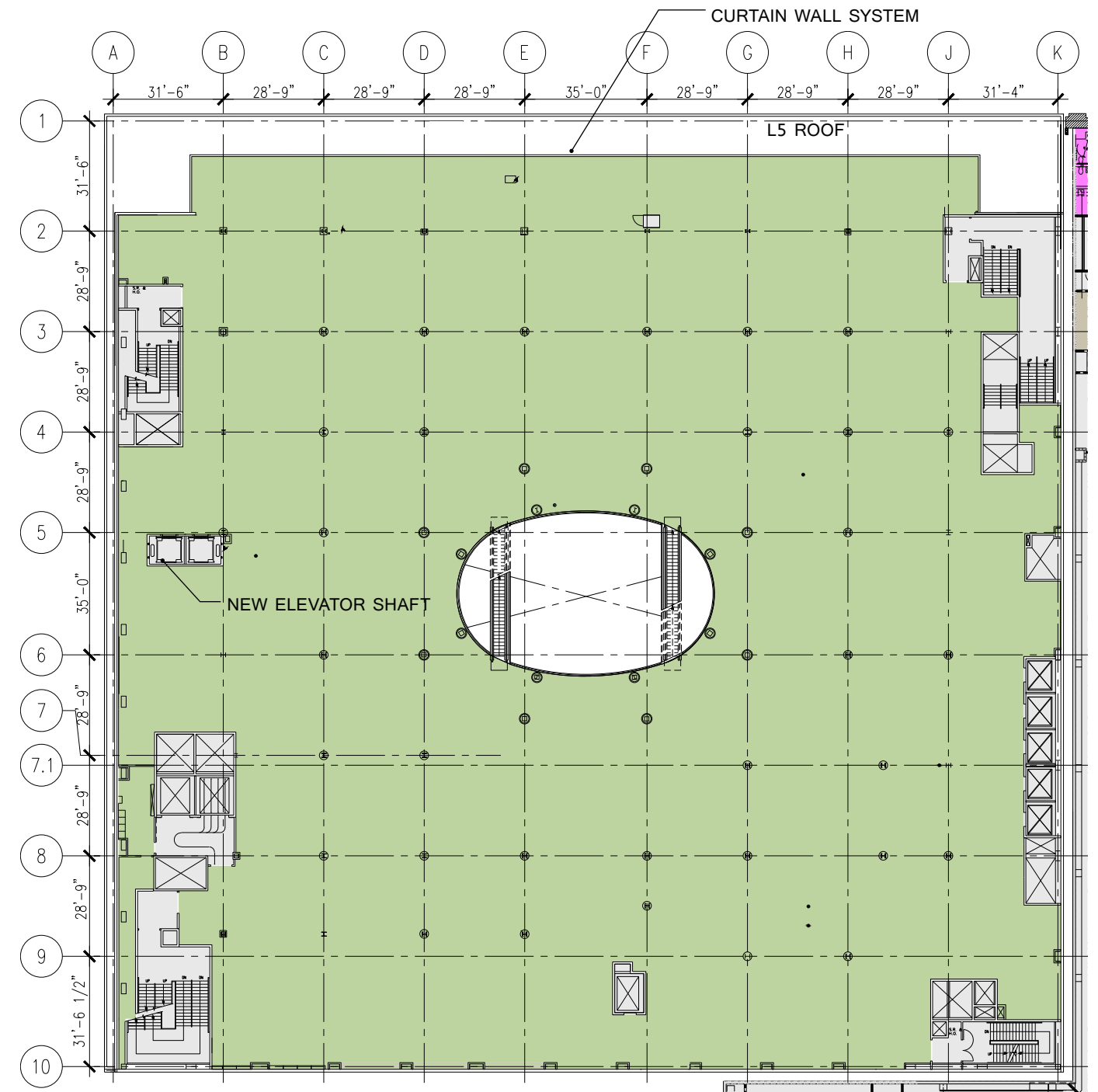
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999





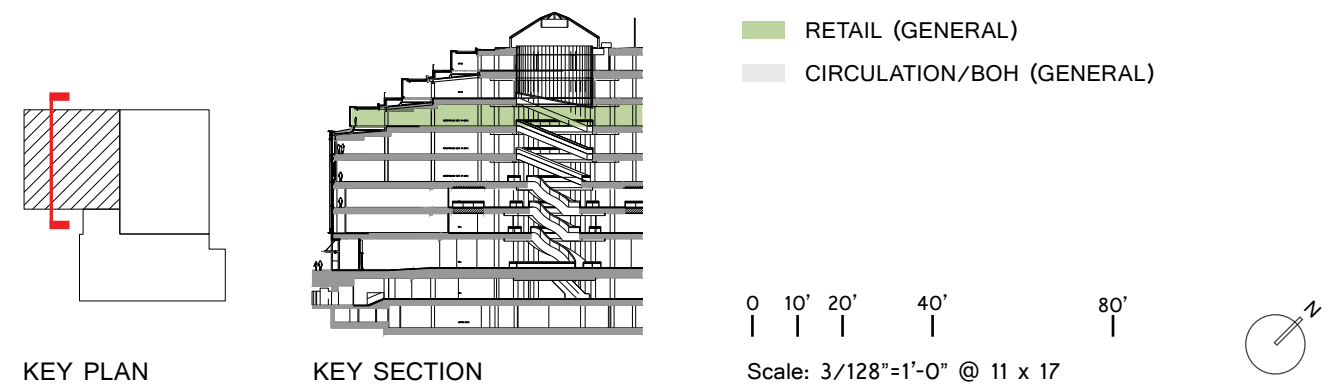
LEVEL 6 EXISTING FLOOR PLAN

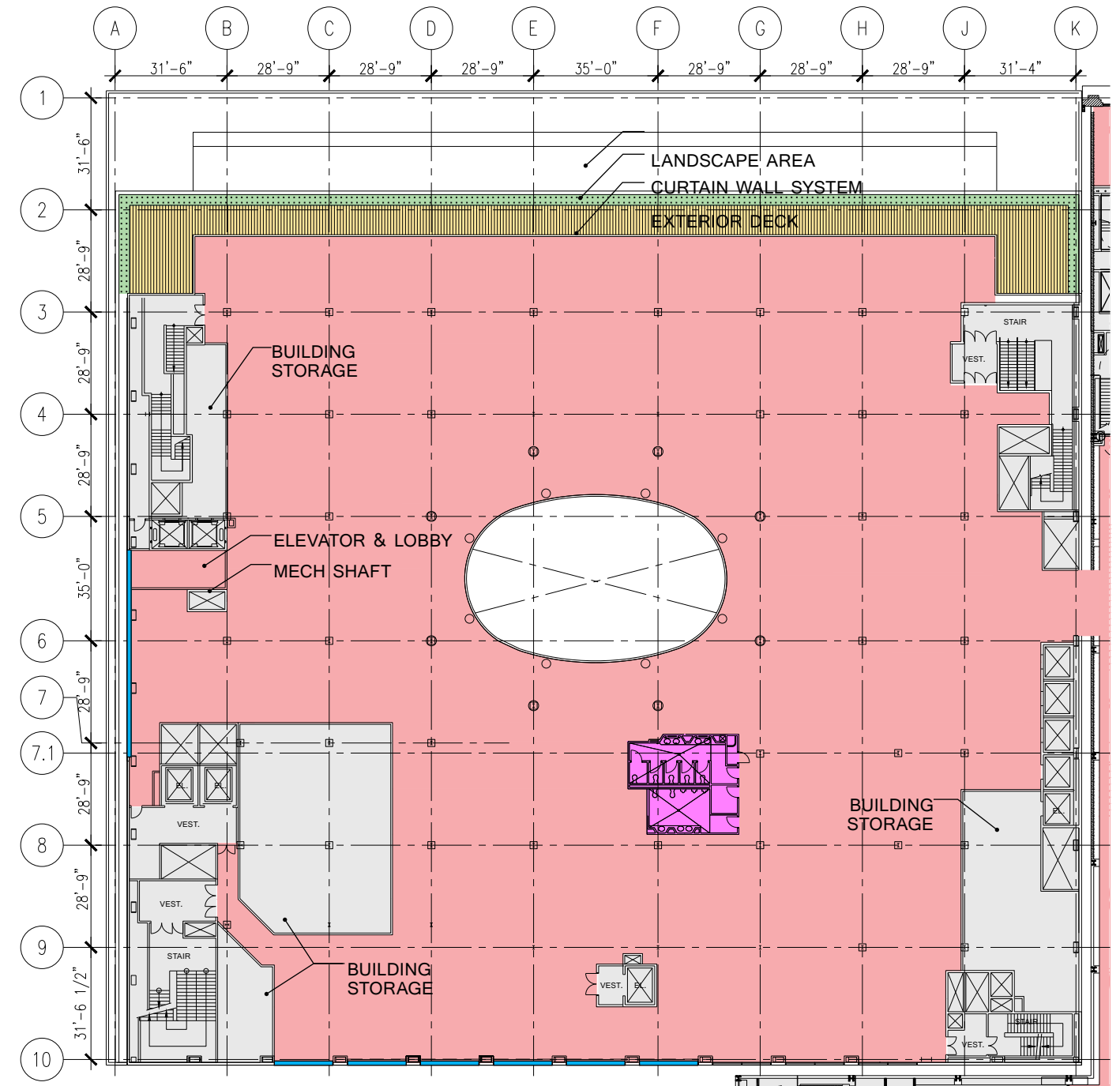
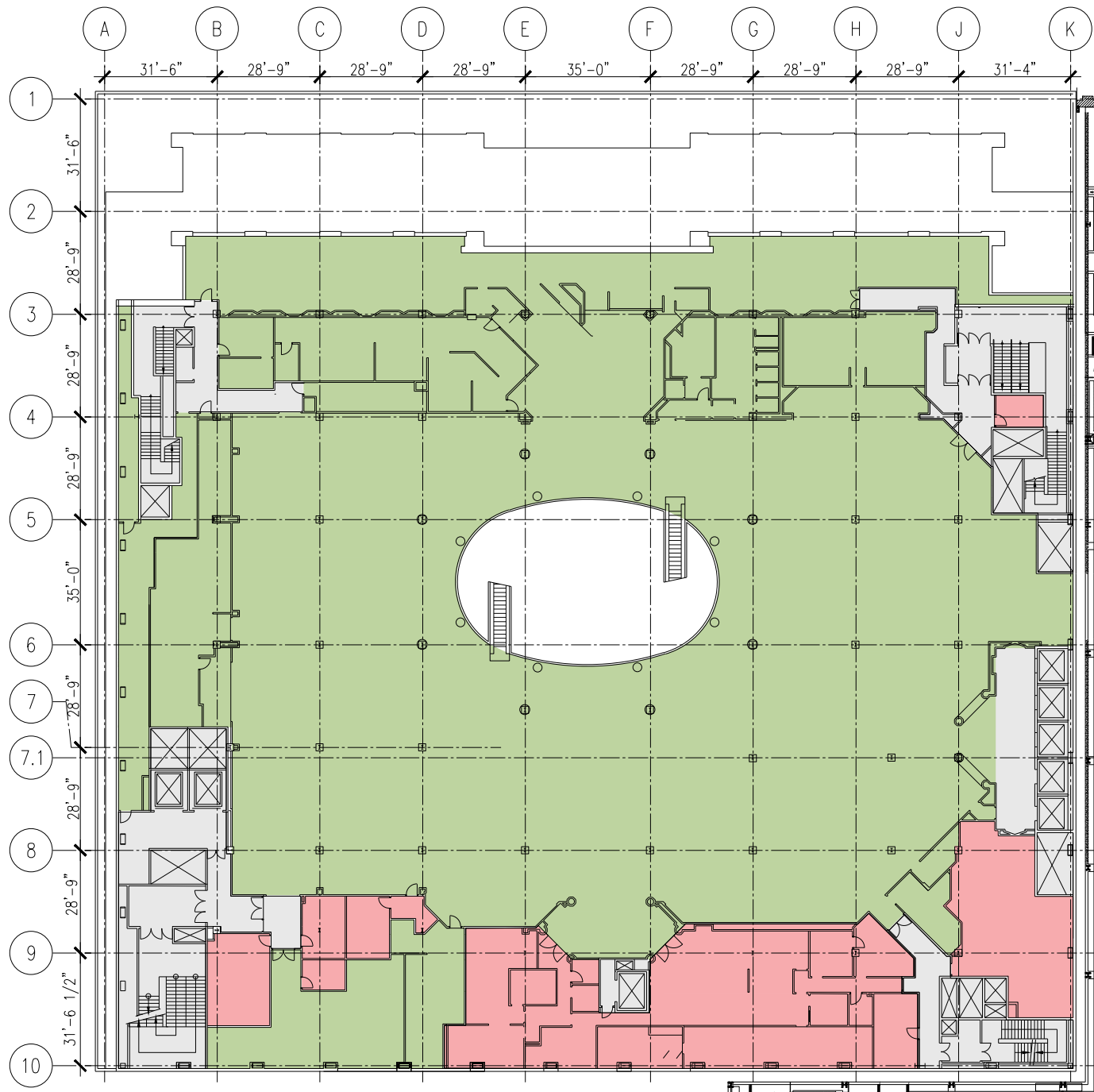


LEVEL 6 PROPOSED FLOOR PLAN

PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999





PROPOSITION M AREA CALCULATION:

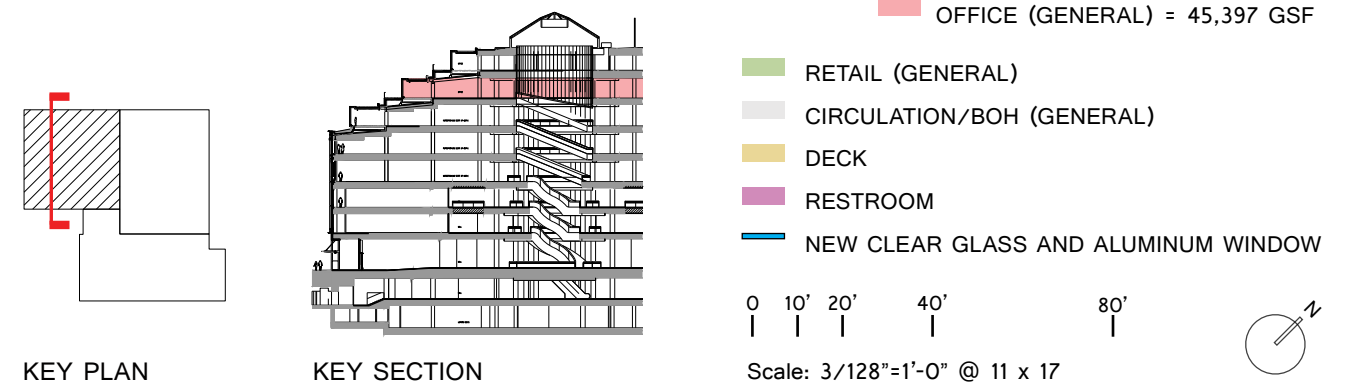
FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

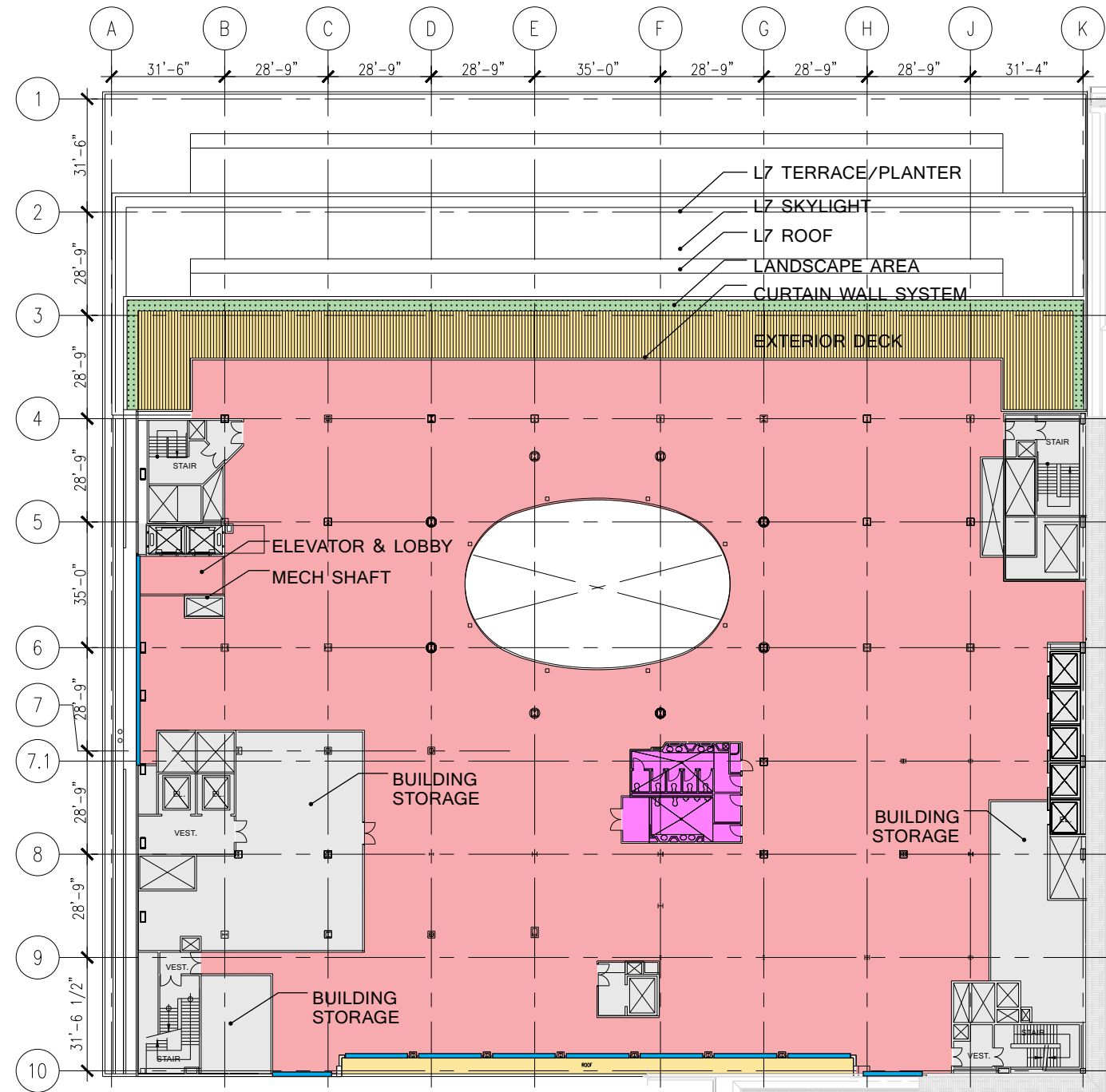
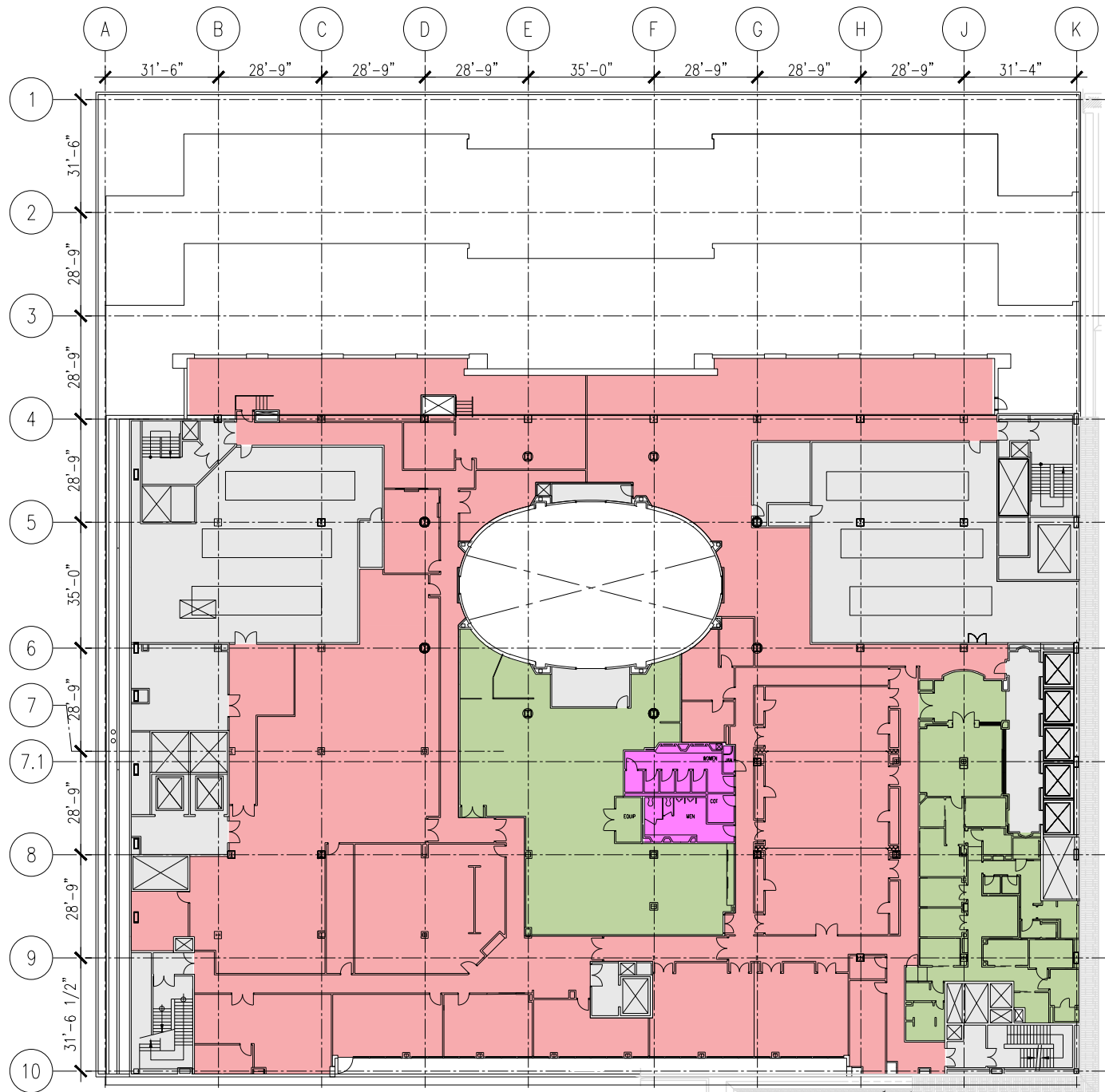
LEVEL 7 EXISTING FLOOR PLAN

OFFICE (GENERAL) = 7,117 GSF

LEVEL 7 PROPOSED FLOOR PLAN

OFFICE (GENERAL) = 45,397 GSF



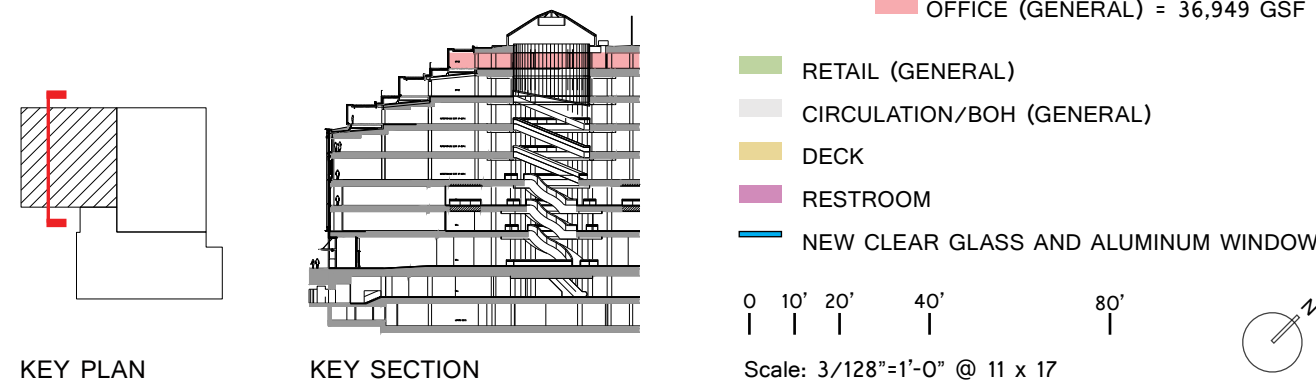


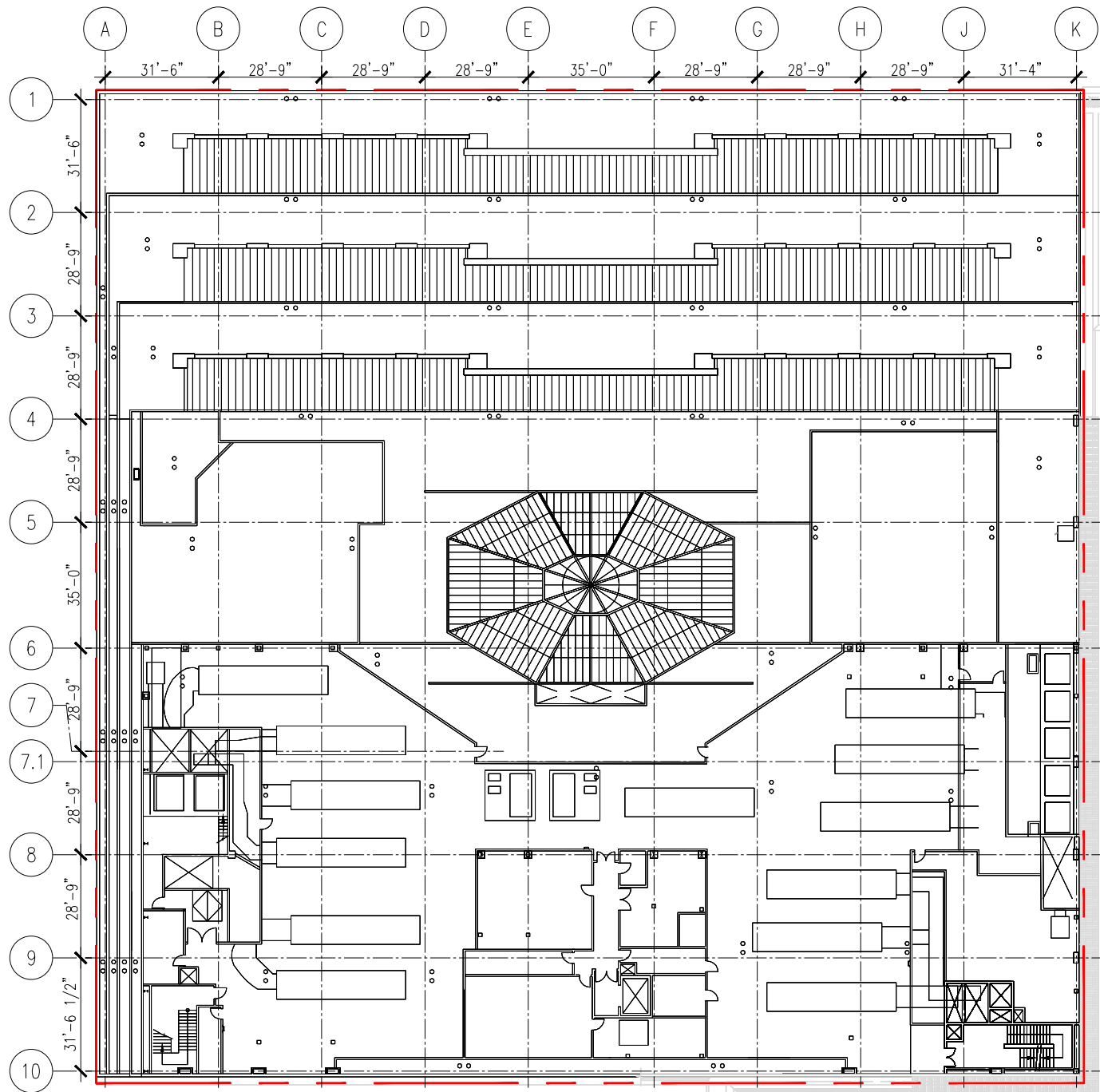
PROPOSITION M AREA CALCULATION:

FLOOR	GROSS AREA AS DEFINED BY SF PLANNING CODE	EXISTING GENERAL OFFICE GSF **	PROPOSED GENERAL OFFICE GSF	NET ADDITIONAL OFFICE GSF
8	48,080	25,883	36,949	11,066
7	60,102	7,117	45,397	38,280
6	67,939			
5	71,156			
4	72,676			
3	72,218			
2	71,922			
1M	16,155			
1	71,642		653	653
LL1	71,216			
LL2	34,792			
TOTAL:	657,898	33,000	82,999	49,999

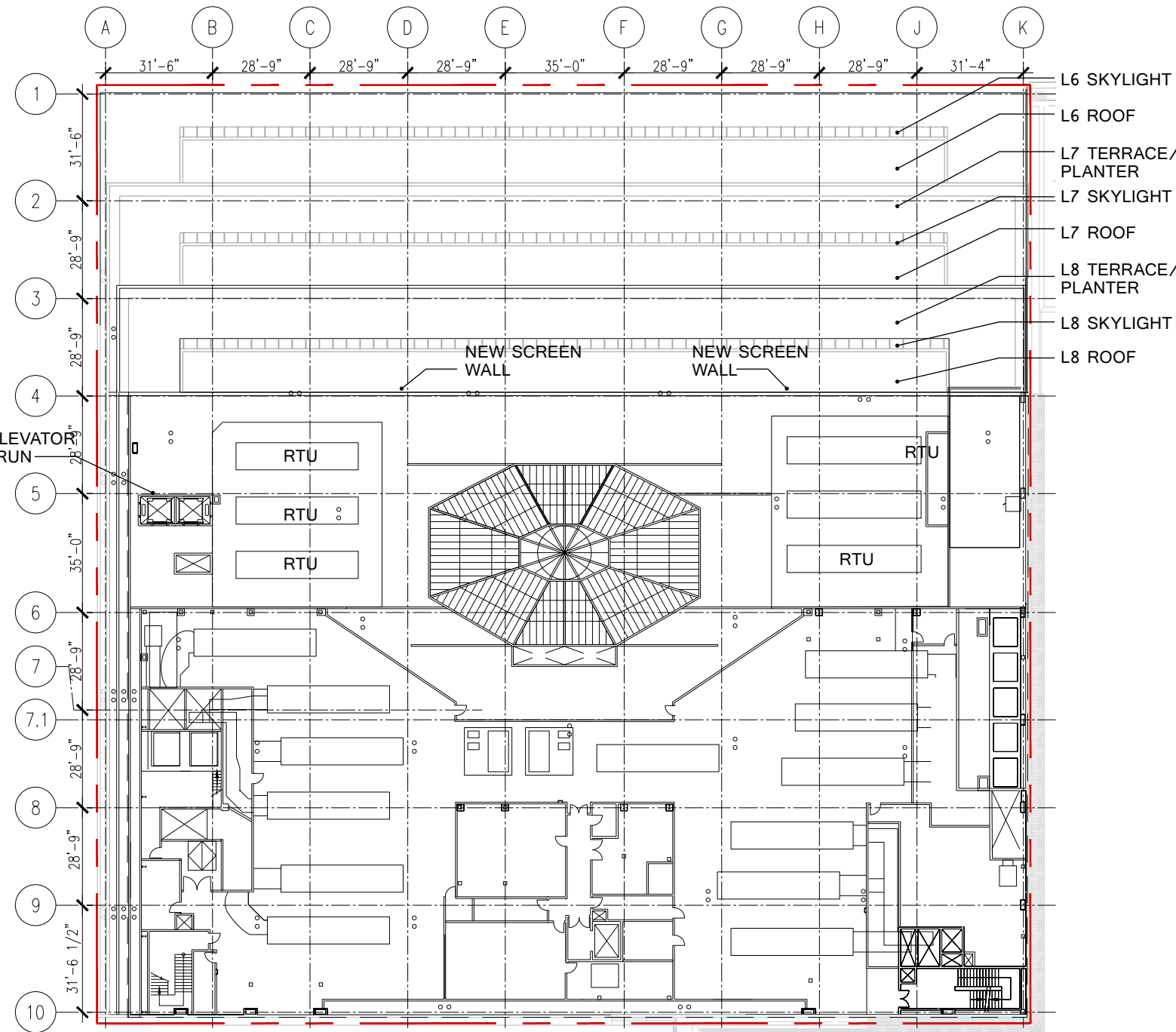
LEVEL 8 EXISTING FLOOR PLAN
 OFFICE (GENERAL) = 25,883 GSF

LEVEL 8 PROPOSED FLOOR PLAN
 OFFICE (GENERAL) = 36,949 GSF

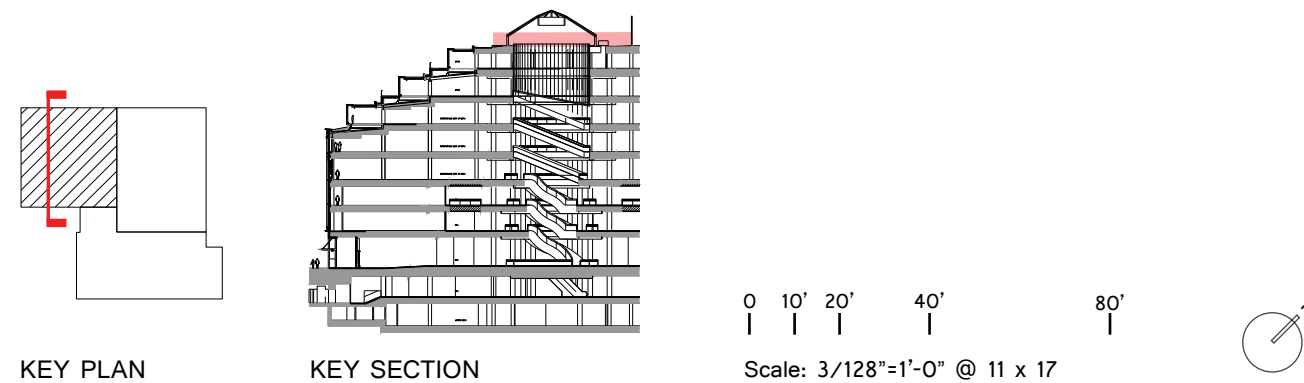




ROOF LEVEL EXISTING FLOOR PLAN



ROOF LEVEL NEW FLOOR PLAN

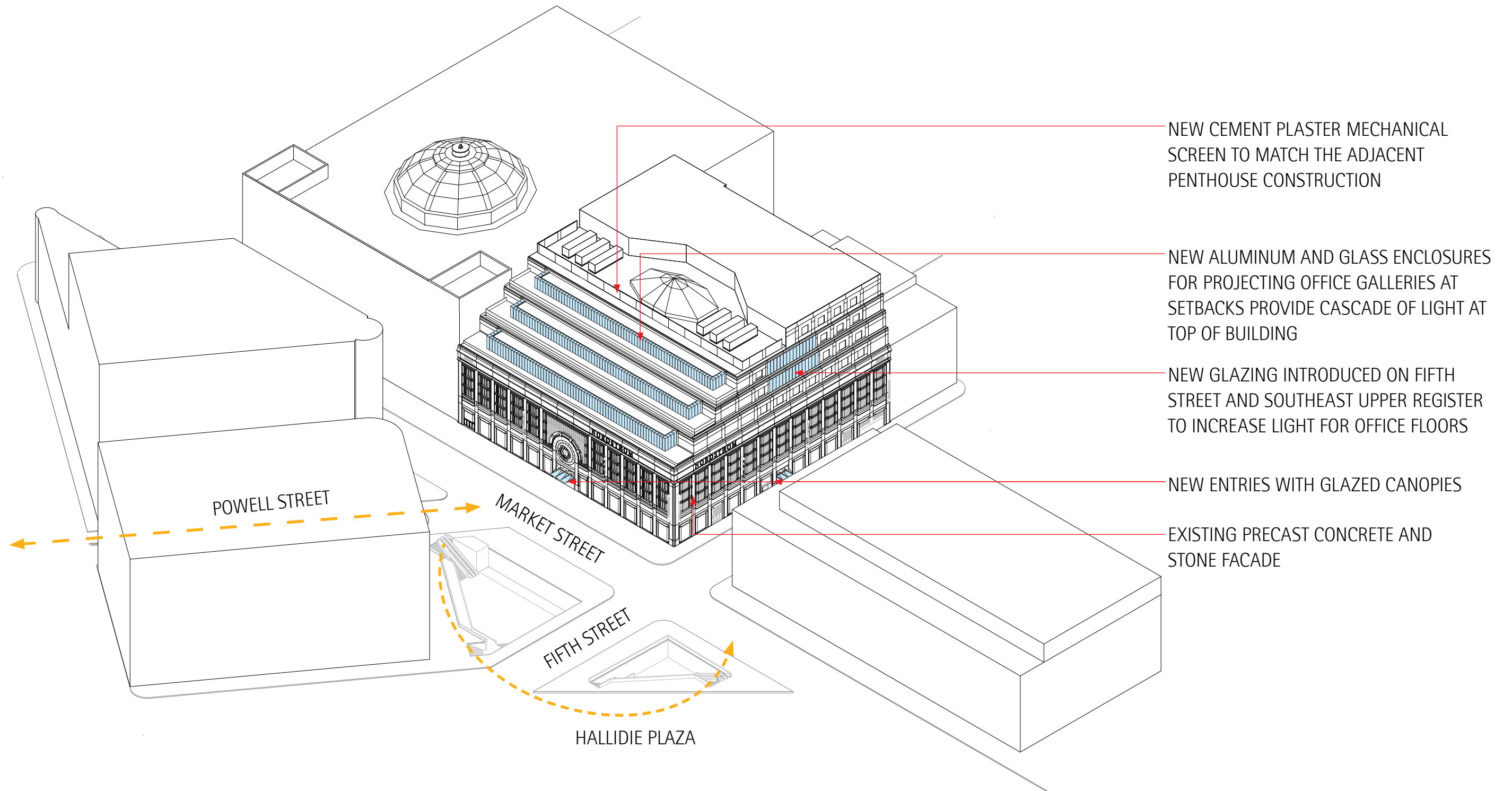


KEY PLAN

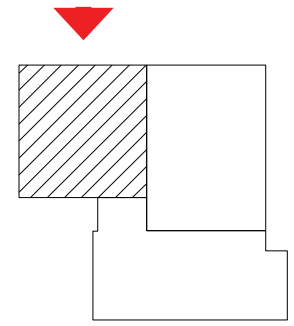
KEY SECTION

0 10' 20' 40' 80'
Scale: 3/128"=1'-0" @ 11 x 17

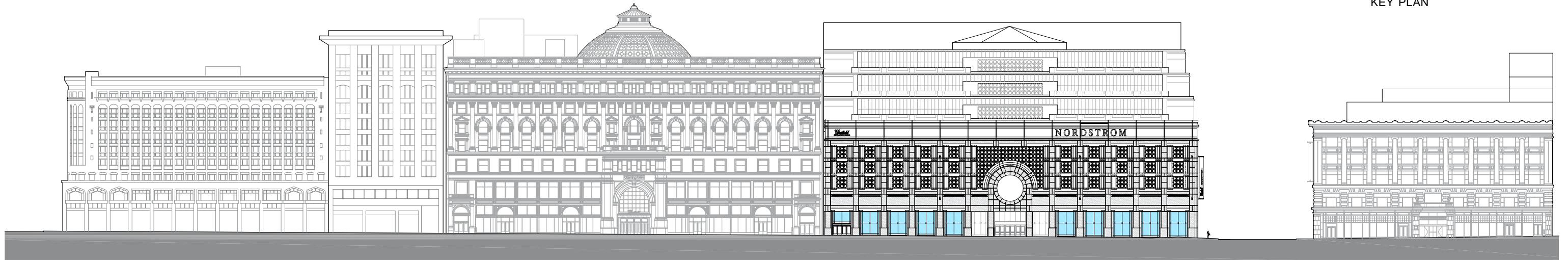
FACADE CONCEPT



FACADE CONCEPT MARKET STREET ELEVATION IN CONTEXT



KEY PLAN



801 MARKET STREET -
THE PACIFIC BUILDING

833 MARKET STREET -
THE JAMES BONG BUILDING

845 MARKET STREET -
THE EMPORIUM

865 MARKET STREET EXISTING DESIGN -
WESTFIELD SAN FRANCISCO CENTRE

901 MARKET STREET -
NORDSTROM RACK

EXISTING



801 MARKET STREET -
THE PACIFIC BUILDING

833 MARKET STREET -
THE JAMES BONG BUILDING

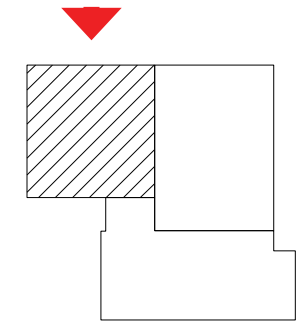
845 MARKET STREET -
THE EMPORIUM

865 MARKET STREET PROPOSED DESIGN -
WESTFIELD SAN FRANCISCO CENTRE

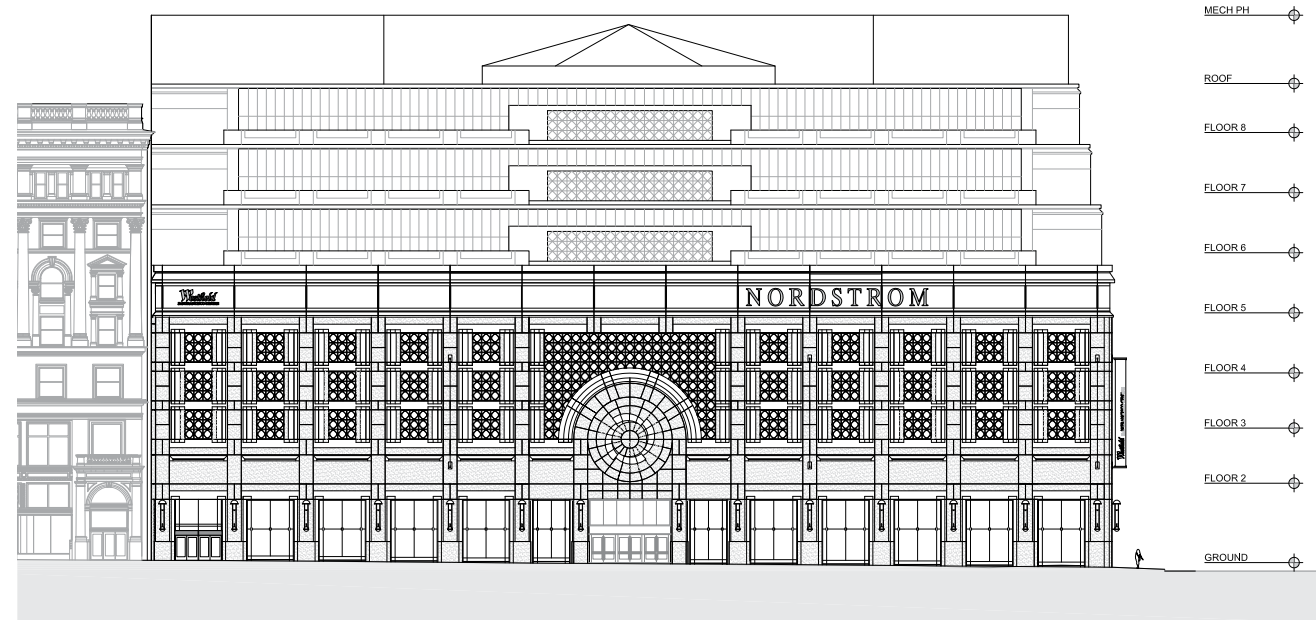
901 MARKET STREET -
NORDSTROM RACK

PROPOSED

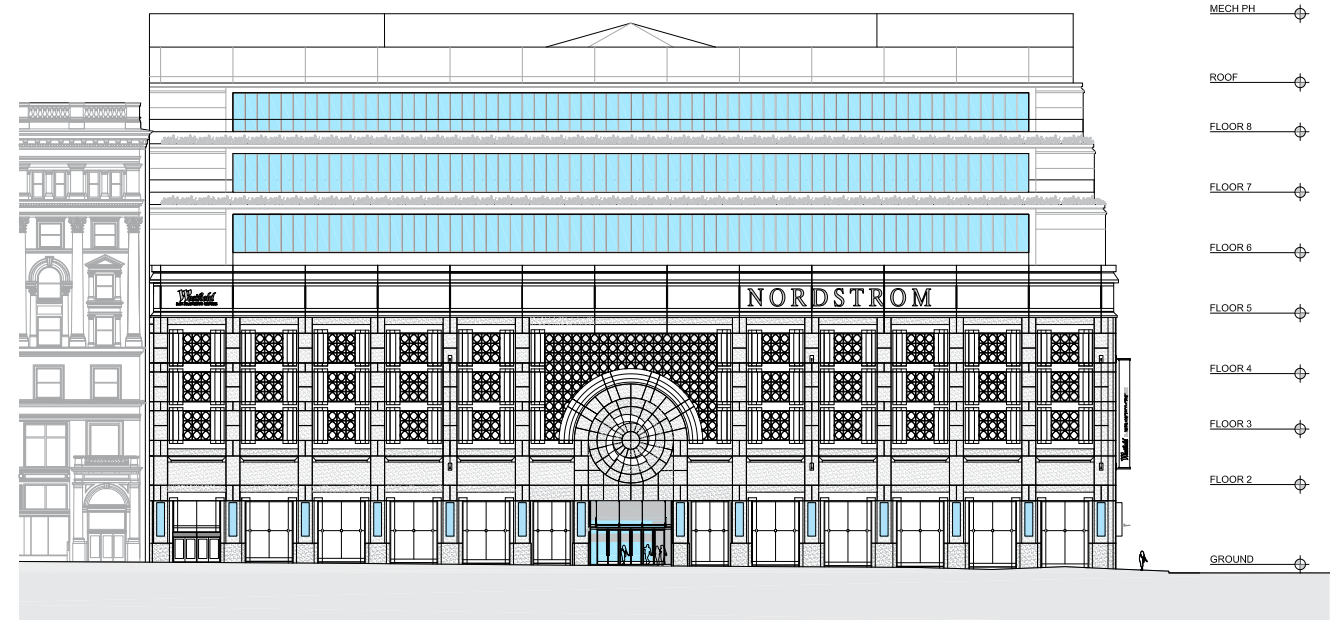
FACADE CONCEPT MARKET STREET ELEVATION



KEY PLAN

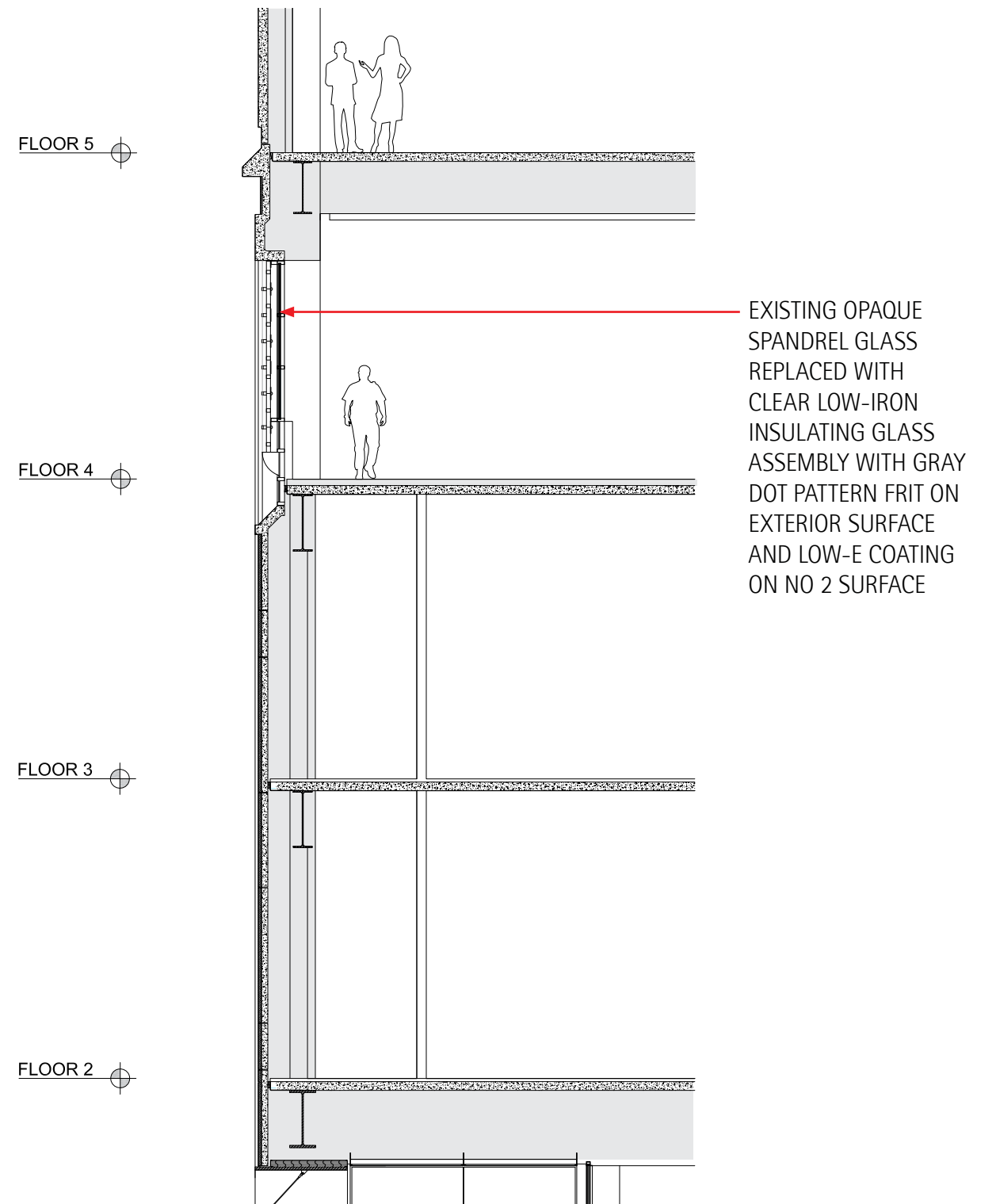
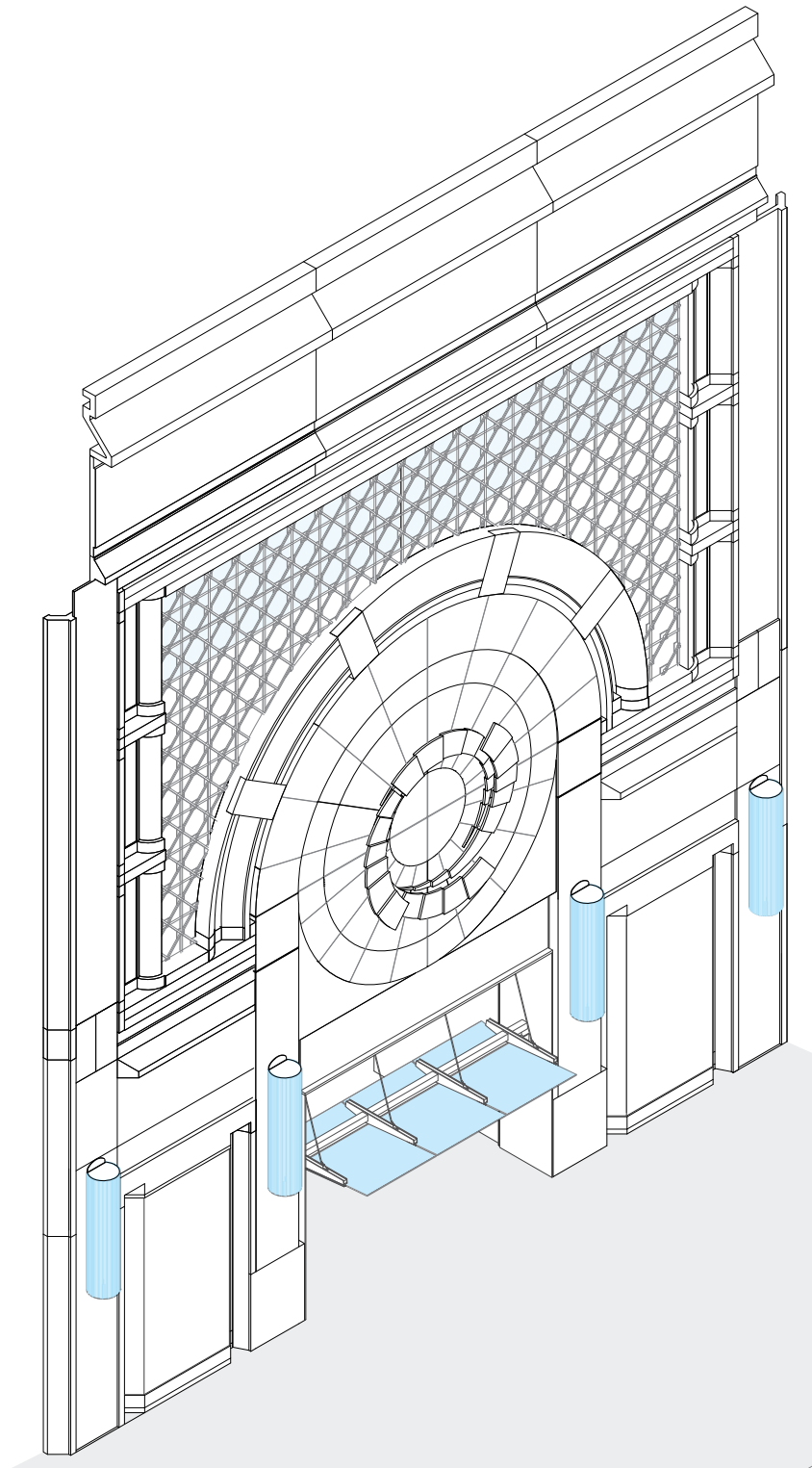


EXISTING

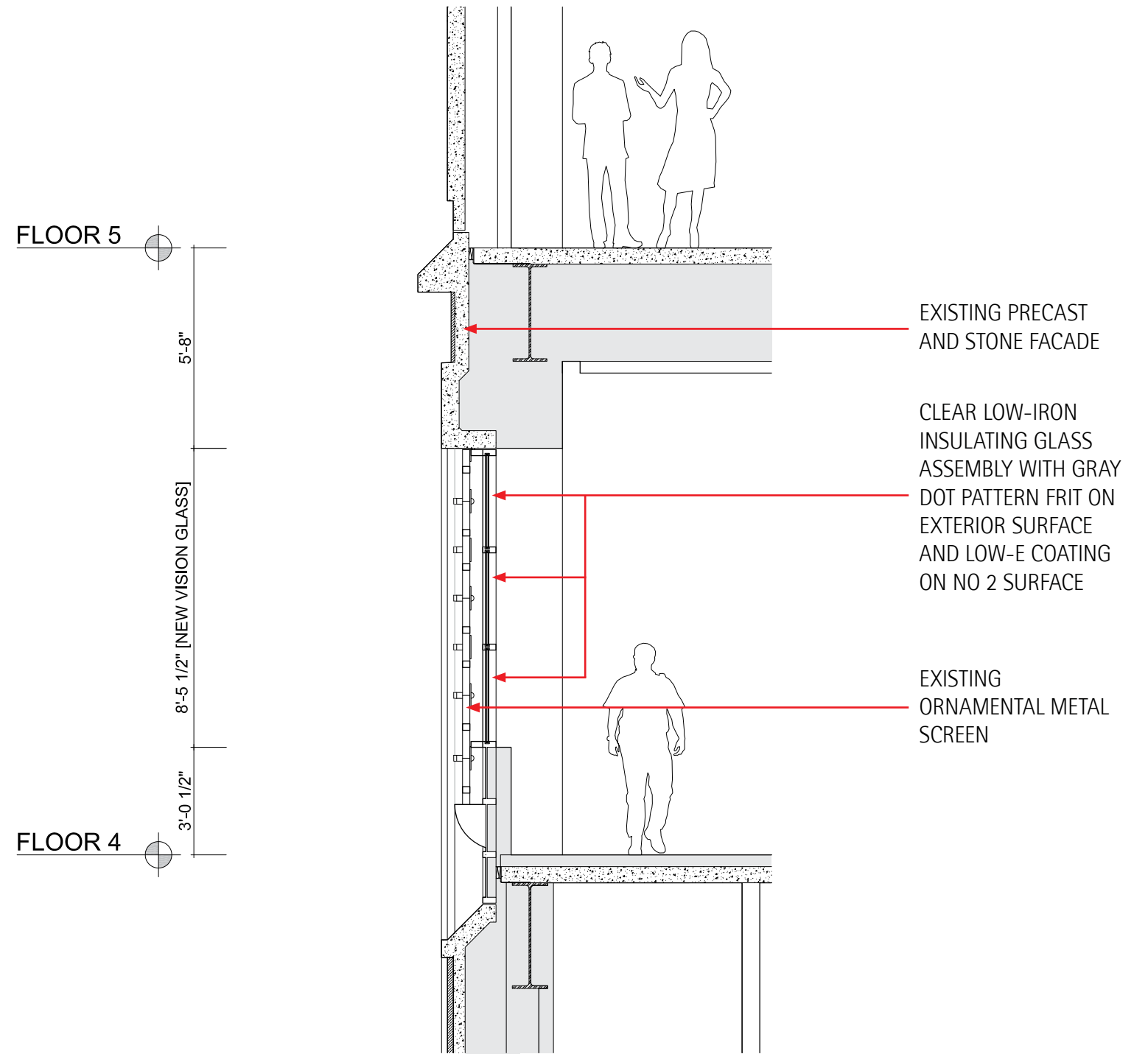
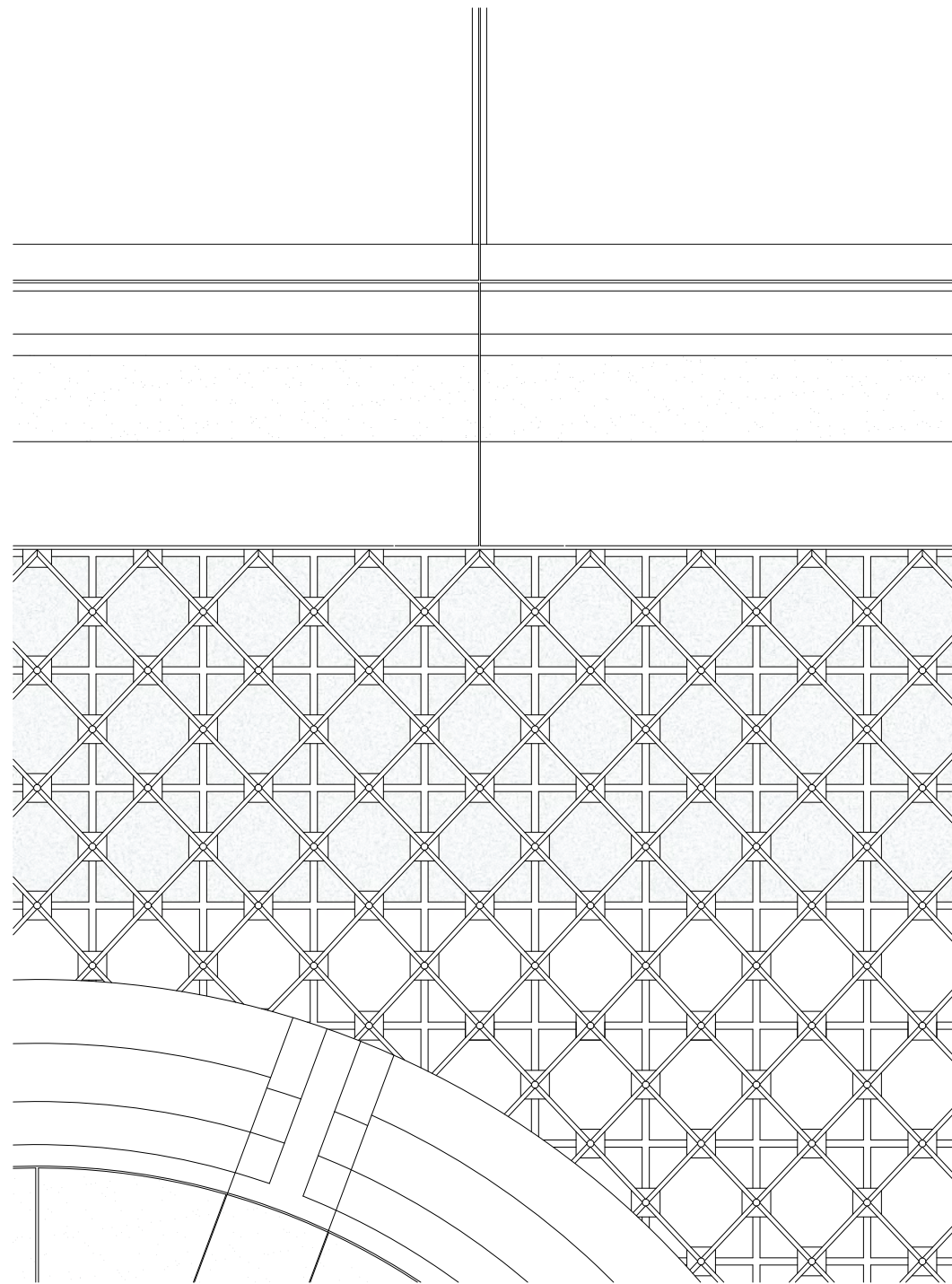


PROPOSED

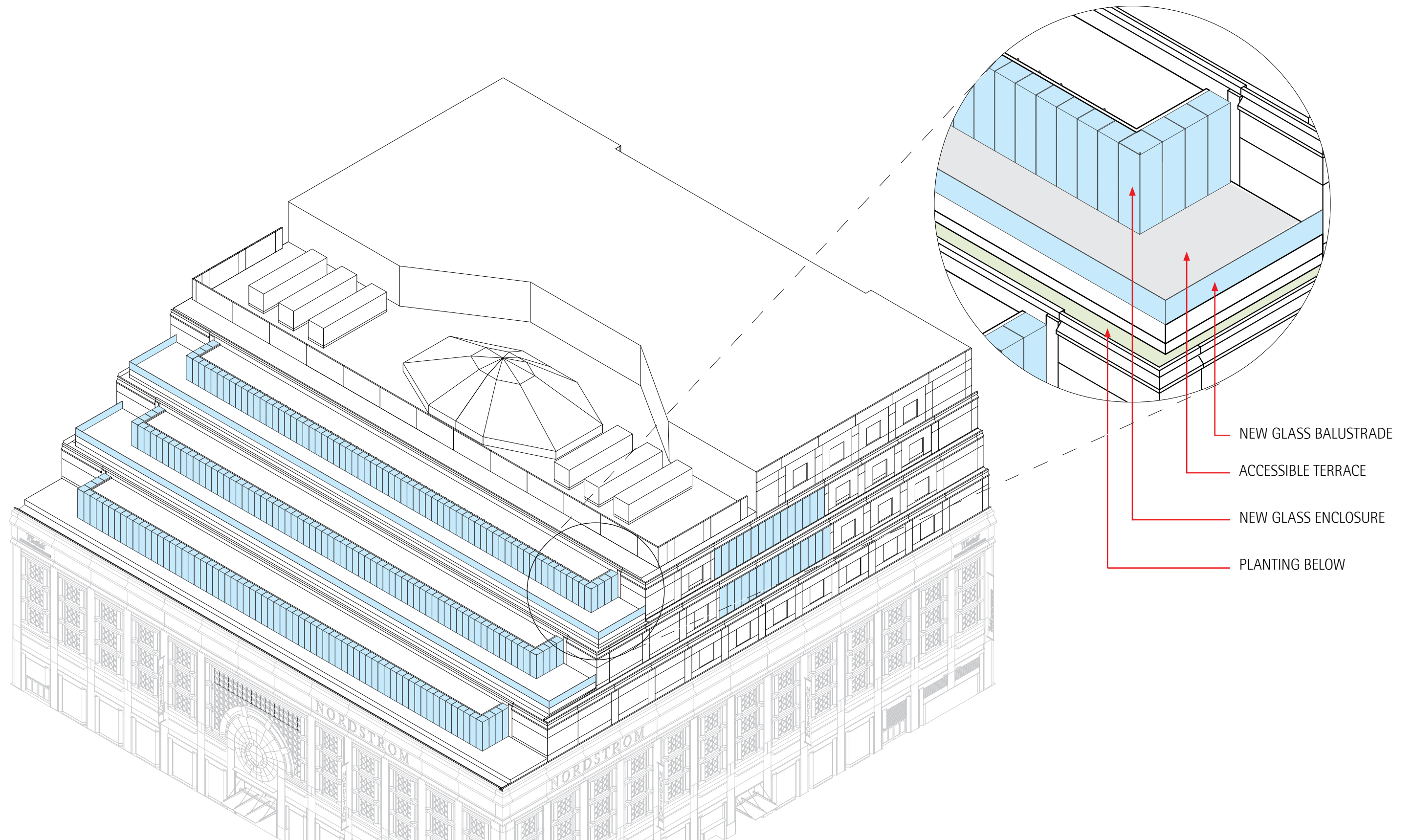
FACADE CONCEPT AXONOMETRIC AND SECTION OF FOURTH FLOOR GLAZING



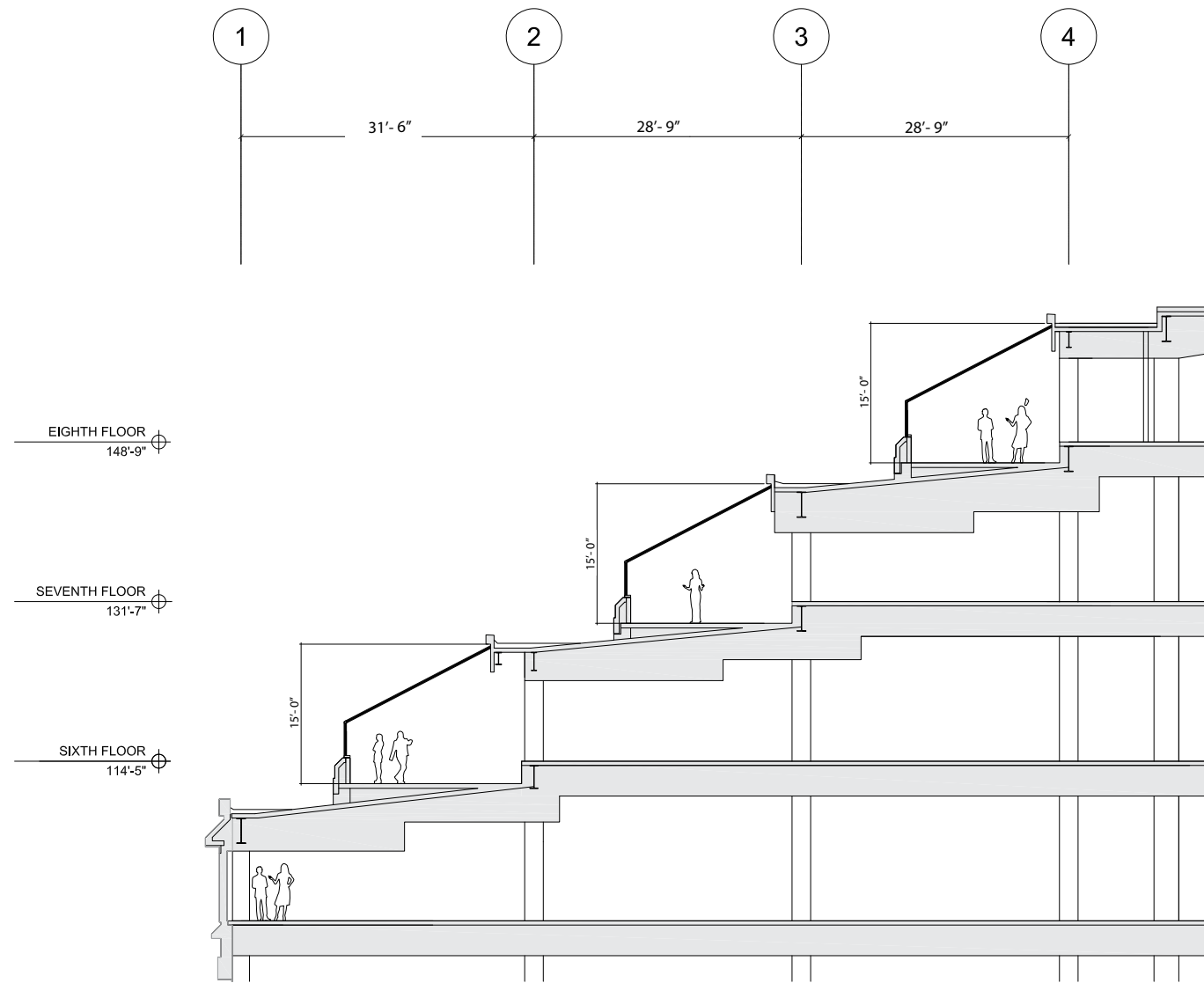
FACADE CONCEPT SECTION AND ELEVATION OF FOURTH FLOOR GLAZING



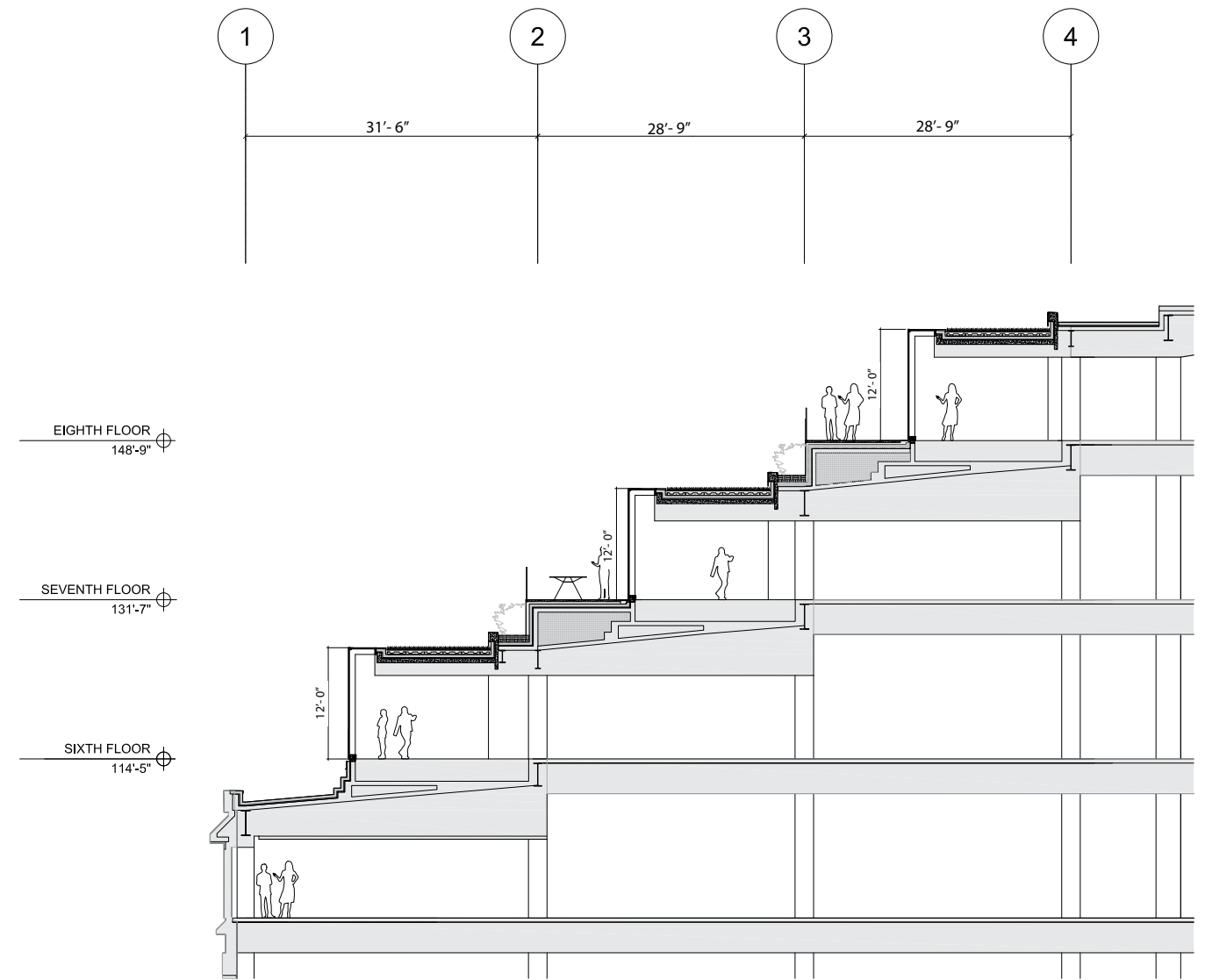
FACADE CONCEPT UPPER REGISTER AXONOMETRIC DIAGRAM



FACADE CONCEPT UPPER REGISTER SECTION

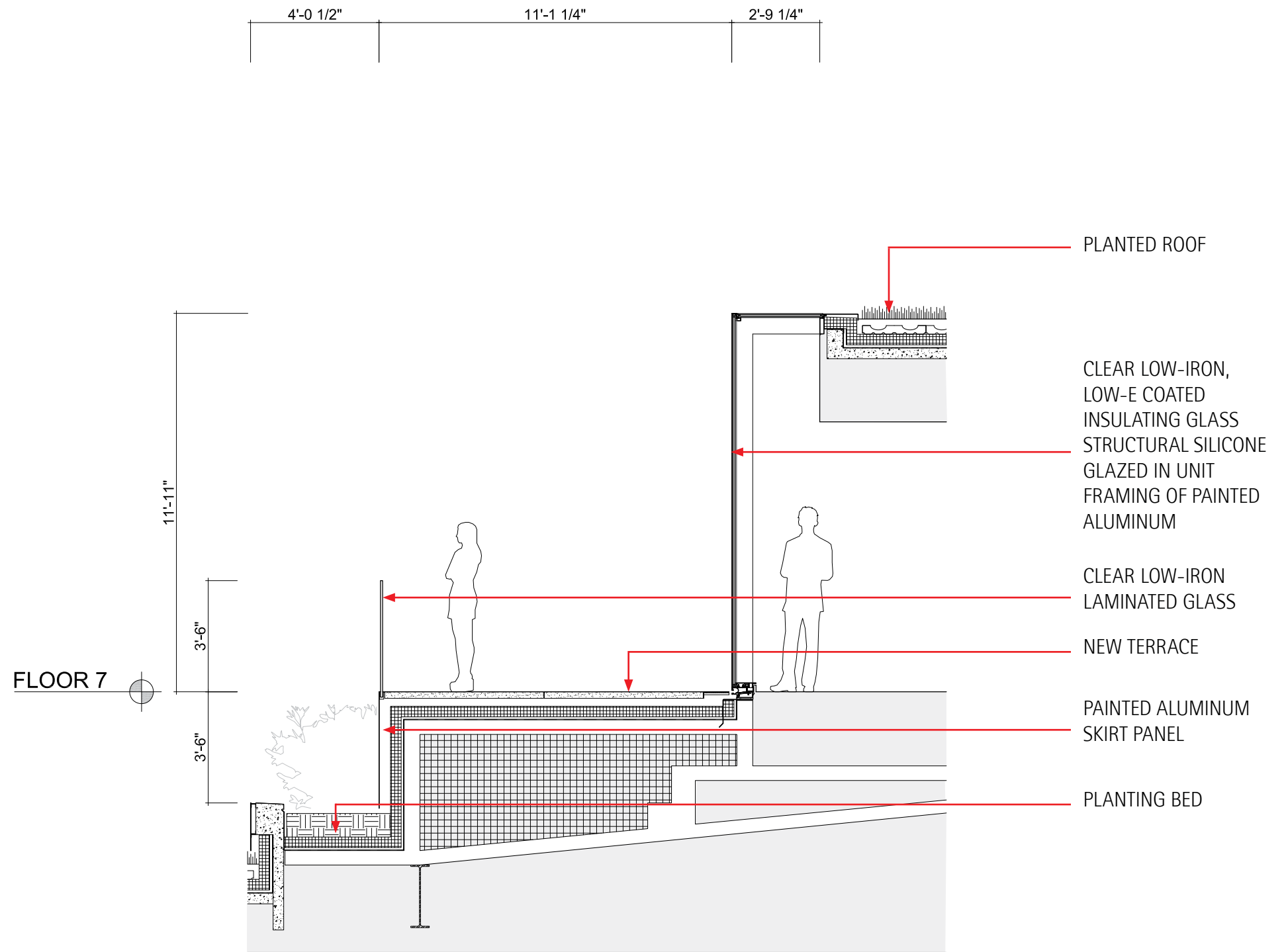
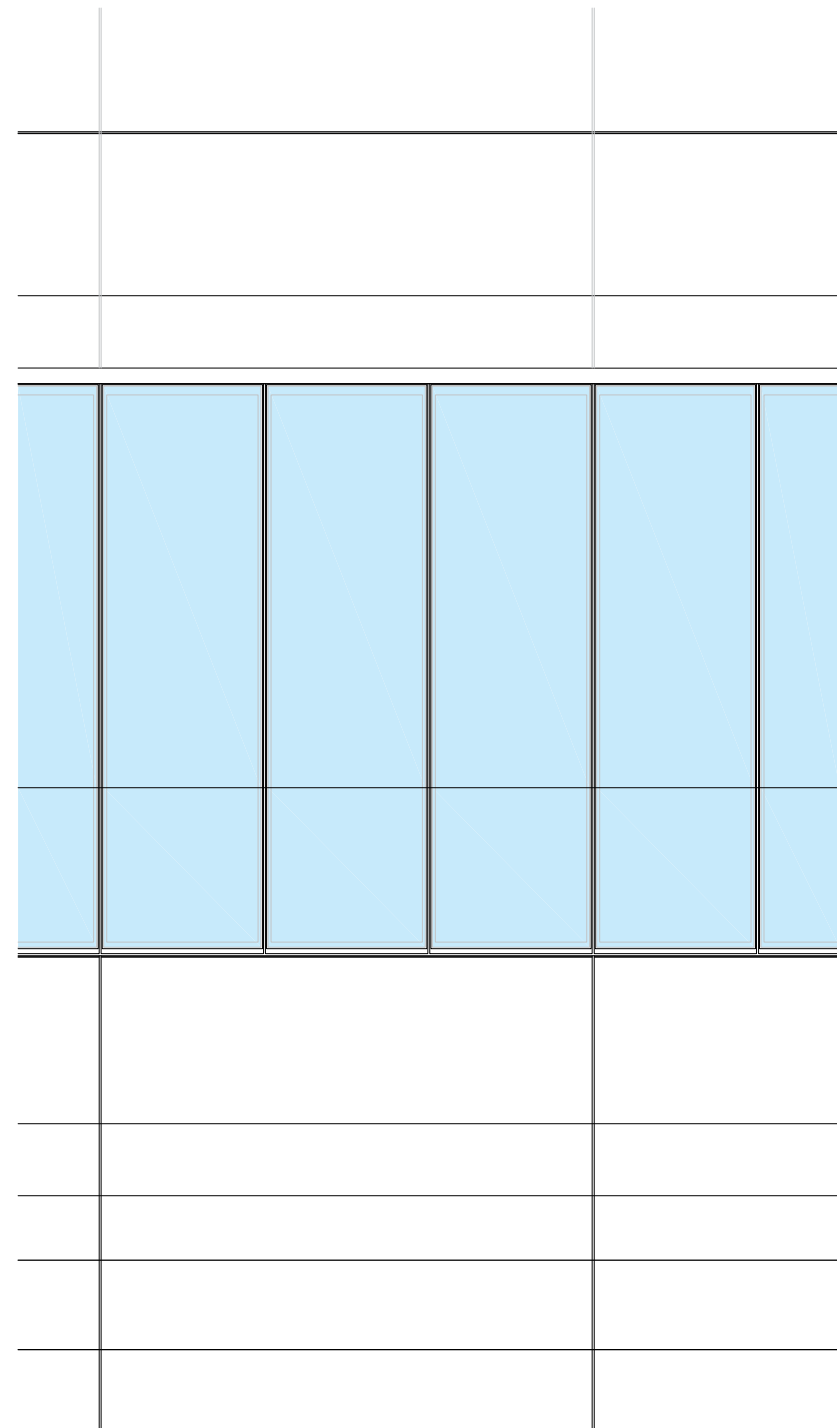


UPPER REGISTER SECTION - EXISTING

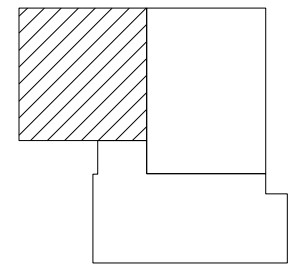


UPPER REGISTER SECTION - NEW

FACADE CONCEPT AXONOMETRIC, SECTION AND ELEVATION OF UPPER REGISTER AT MARKET STREET



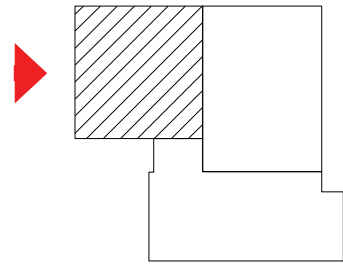
FACADE CONCEPT PERSPECTIVE VIEW



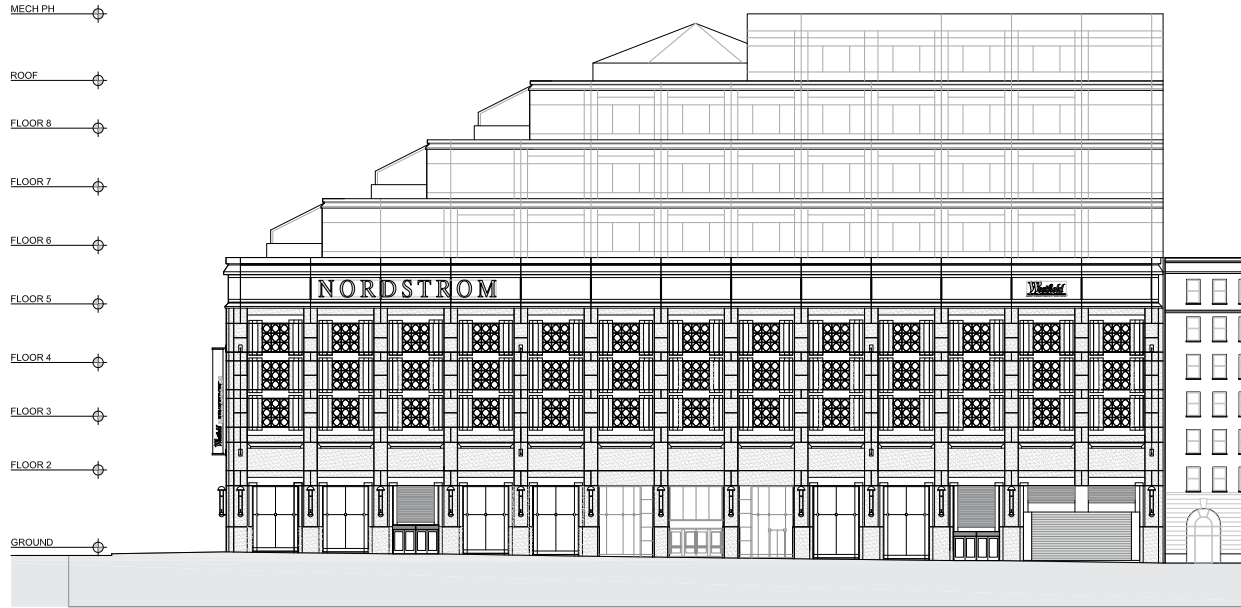
KEY PLAN



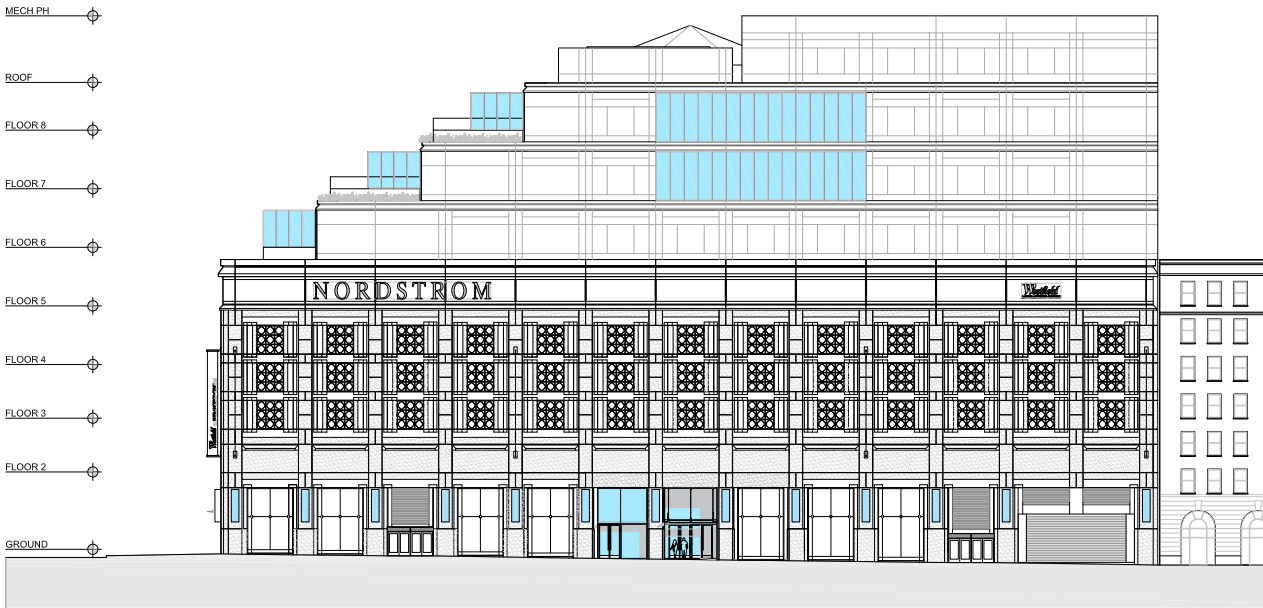
FACADE CONCEPT FIFTH STREET ELEVATION



KEY PLAN

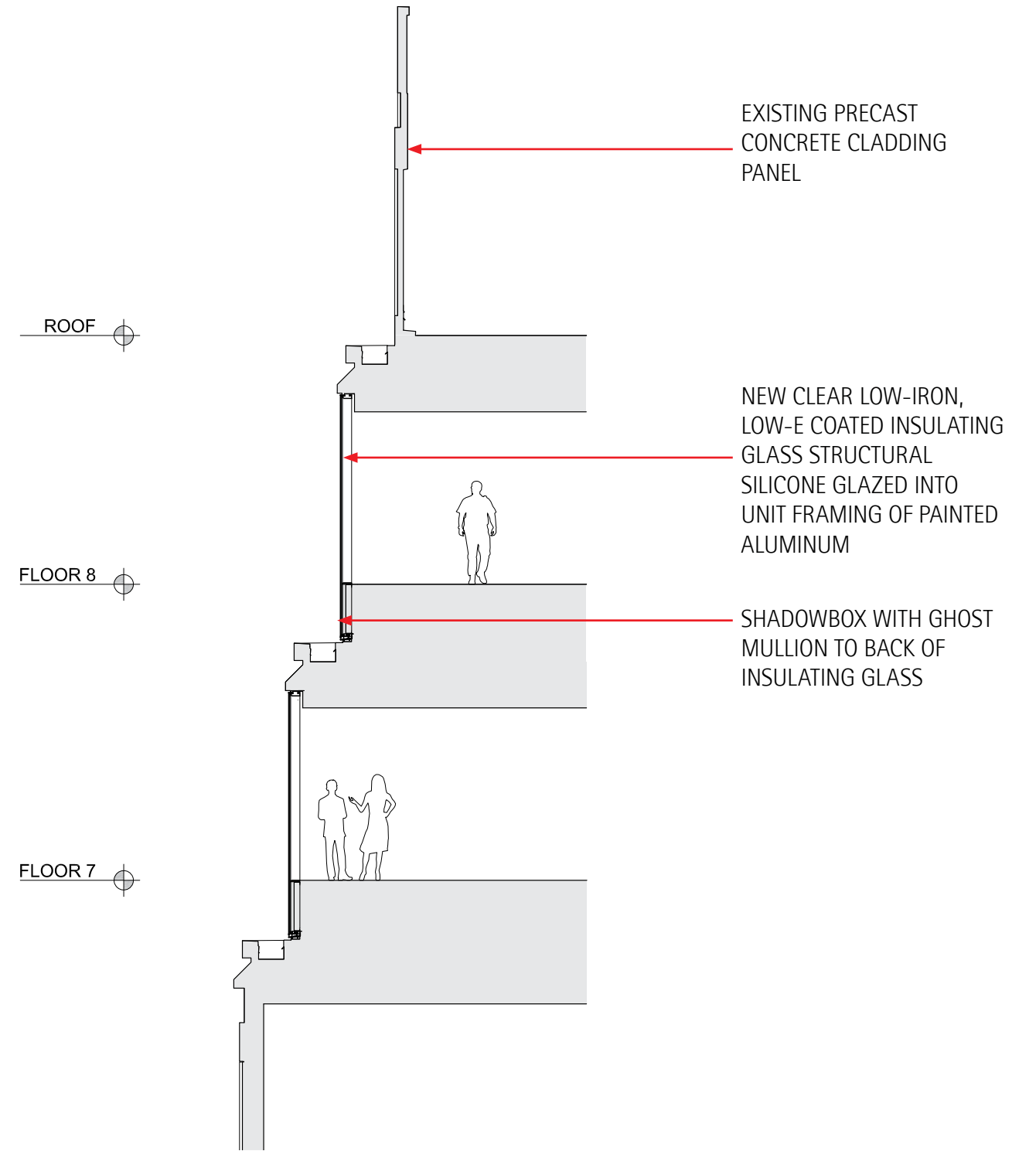
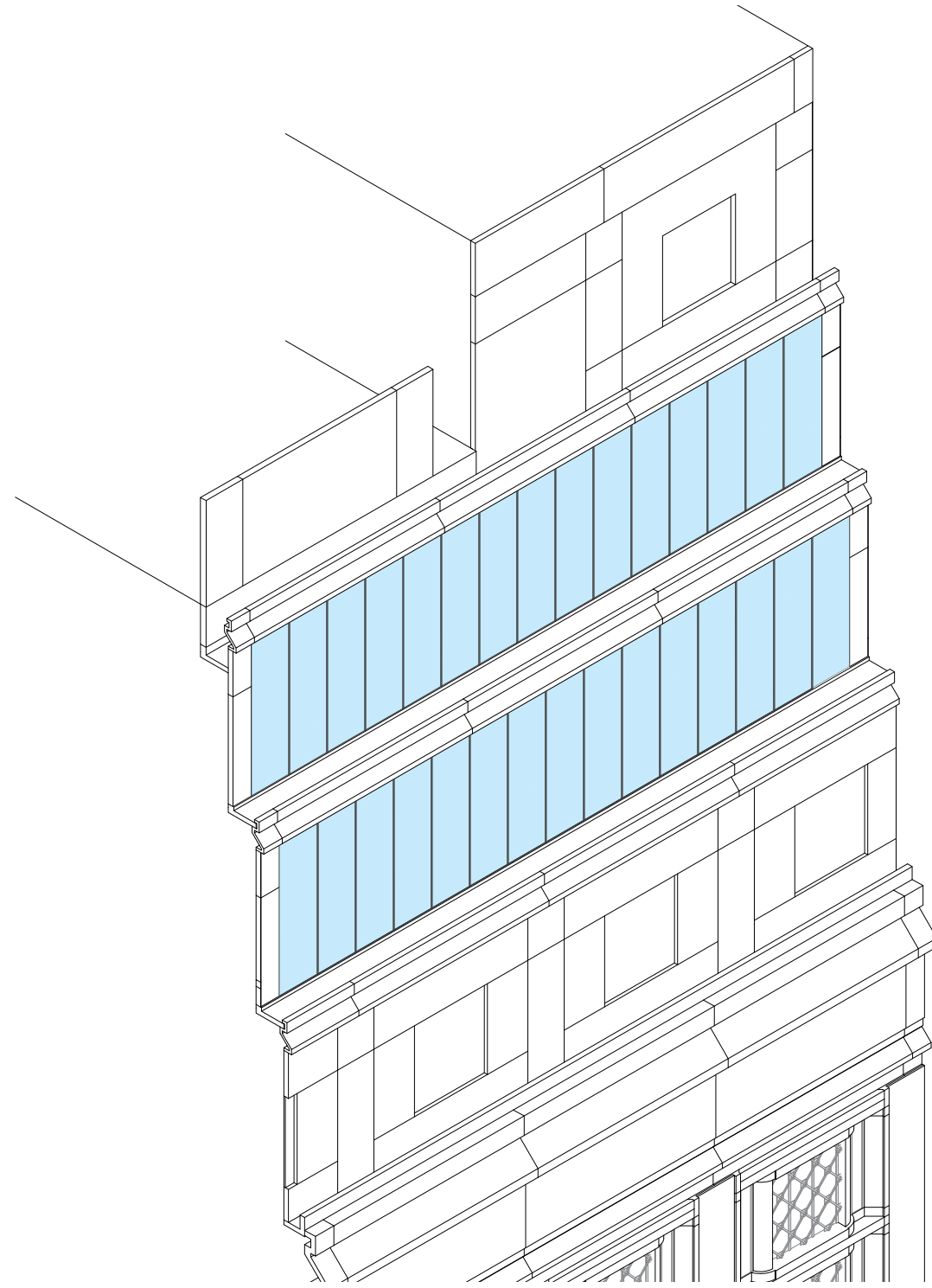


EXISTING



PROPOSED

FACADE CONCEPT AXONOMETRIC AND SECTION OF UPPER REGISTER AT FIFTH STREET

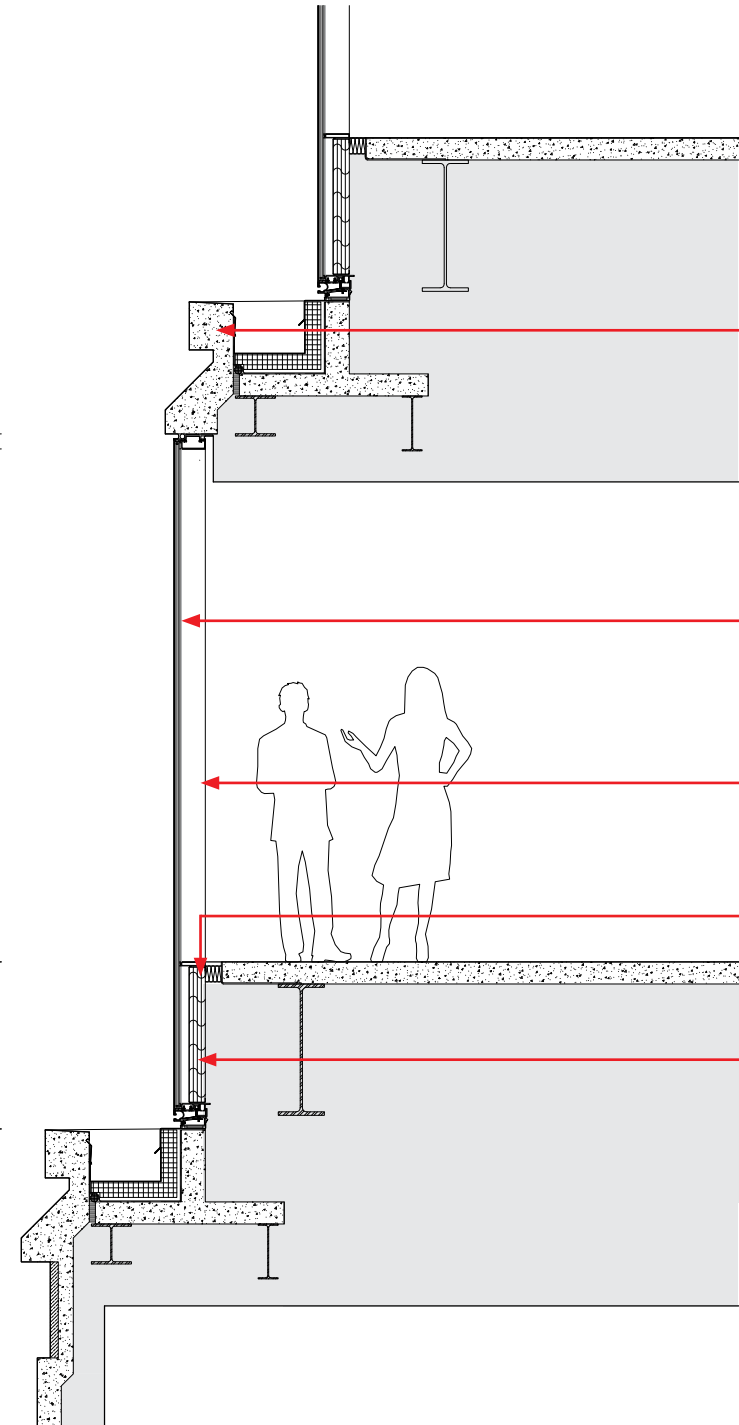
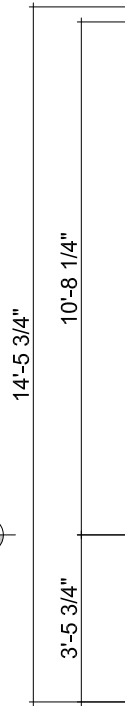


FACADE CONCEPT SECTION AND ELEVATION OF UPPER REGISTER AT FIFTH STREET



FLOOR 8

FLOOR 7



EXISTING PRECAST
CONCRETE CLADDING
PANEL

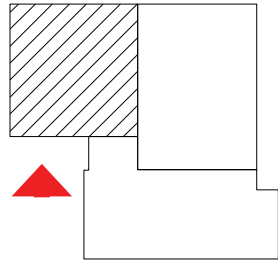
CLEAR LOW-IRON, LOW-E
COATED INSULATING GLASS
WITH LAMINATED INNER
LITE

PAINTED ALUMINUM
FRAMING

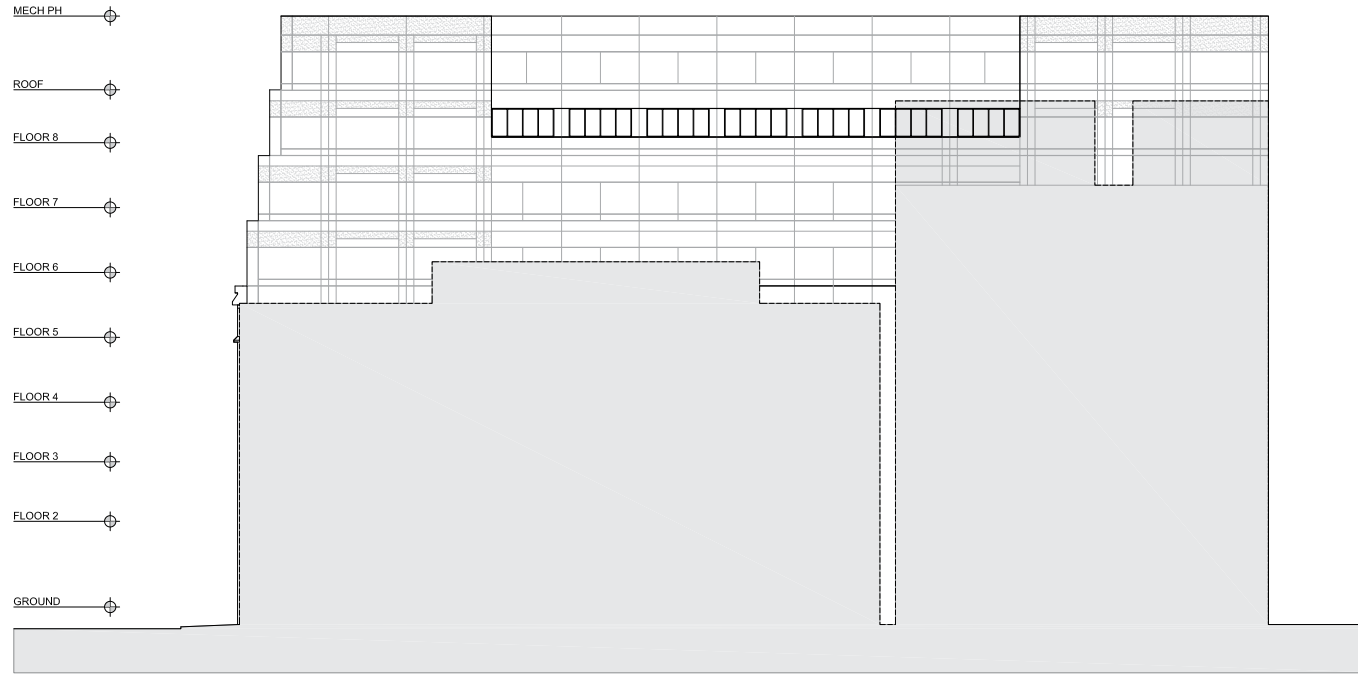
GHOST MULLION FIXED TO
BACK OF GLASS

SHADOWBOX WITH
INTEGRAL INSULATION

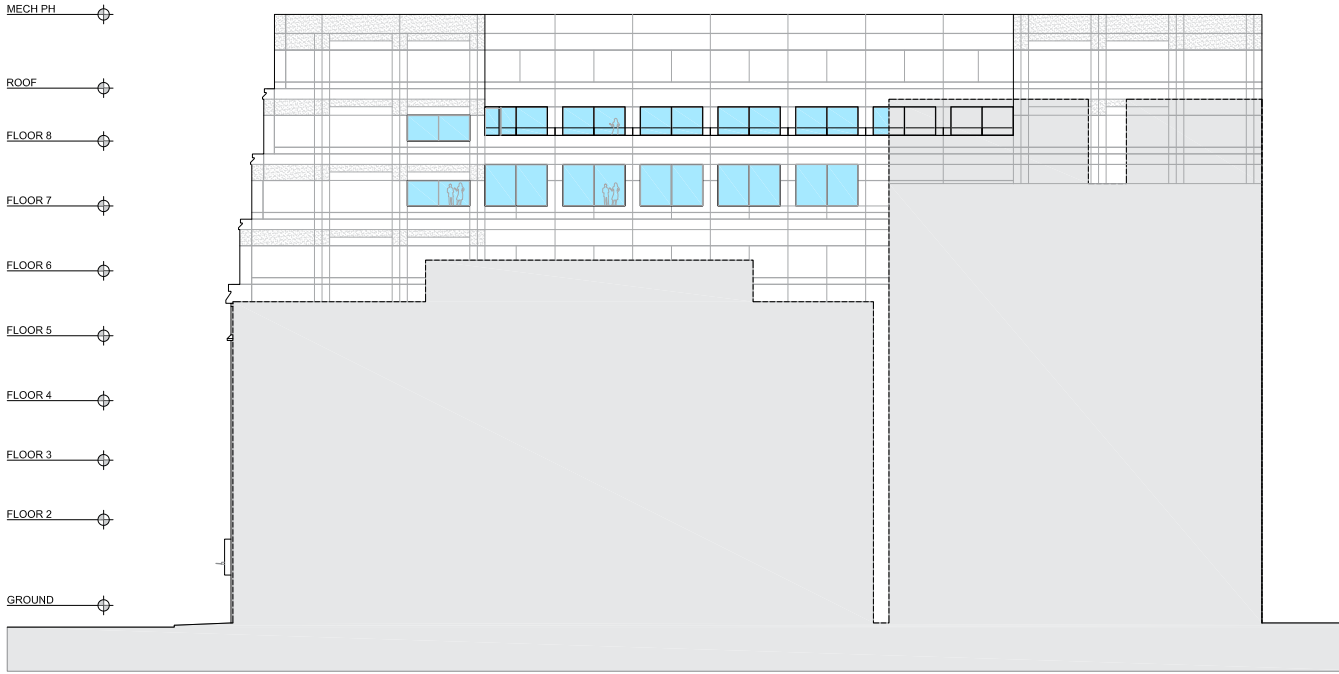
FACADE CONCEPT SOUTHEAST ELEVATION



KEY PLAN

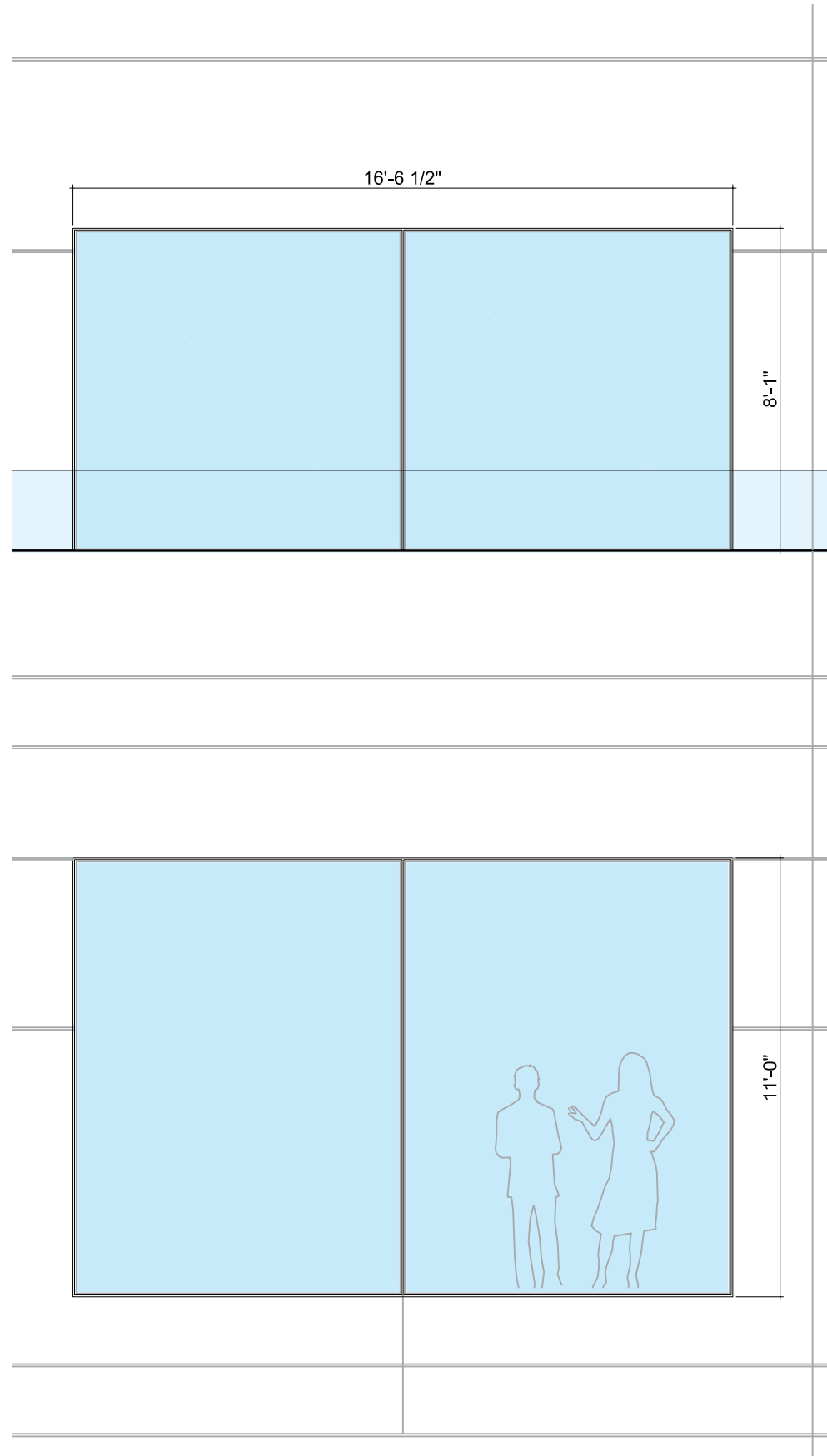


EXISTING



PROPOSED

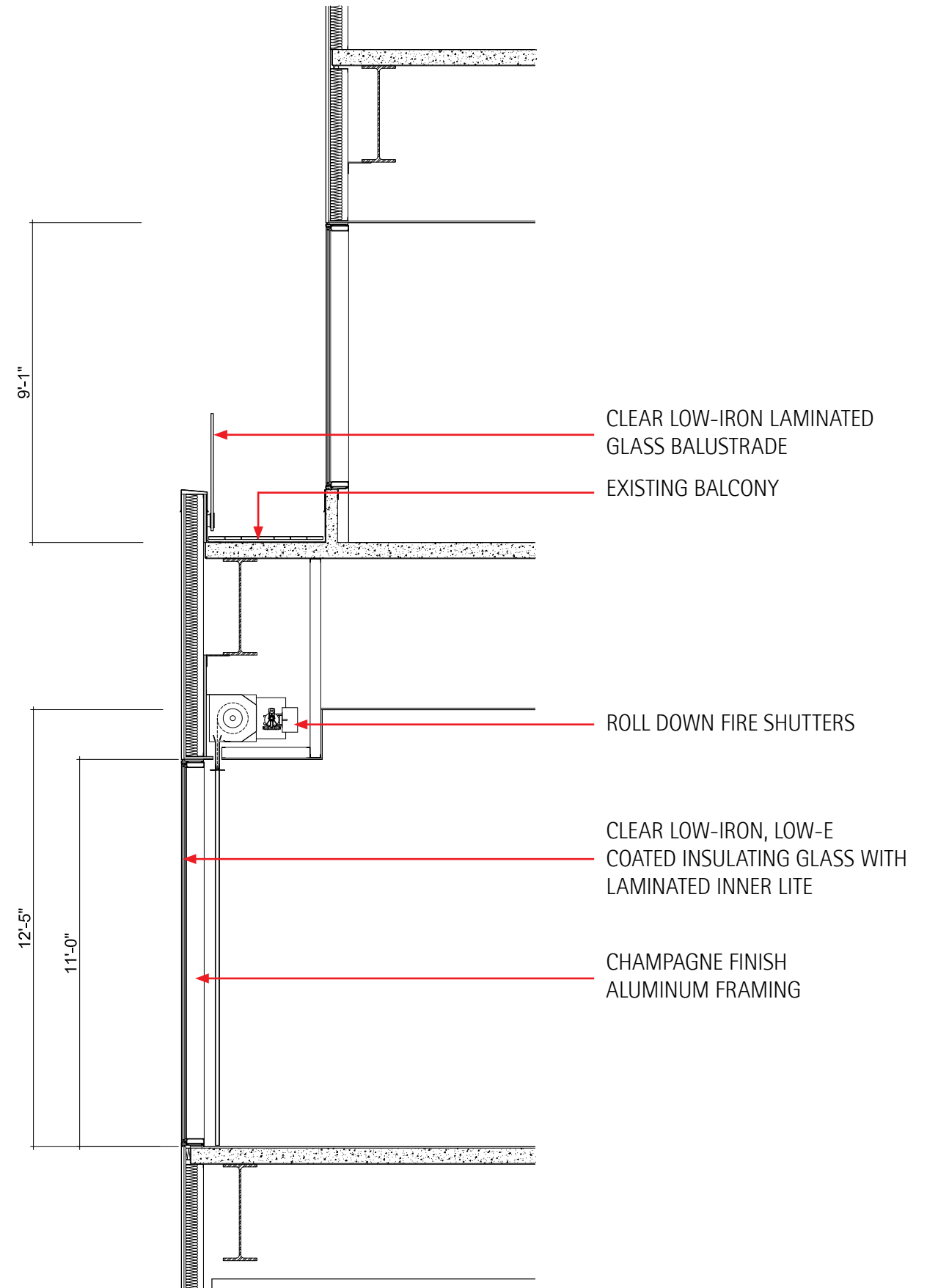
FACADE CONCEPT ELEVATION AND SECTION OF UPPER REGISTER AT SOUTHEAST



ROOF

FLOOR 8

FLOOR 7



FACADE CONCEPT MARKET AND FIFTH STREET ENTRIES

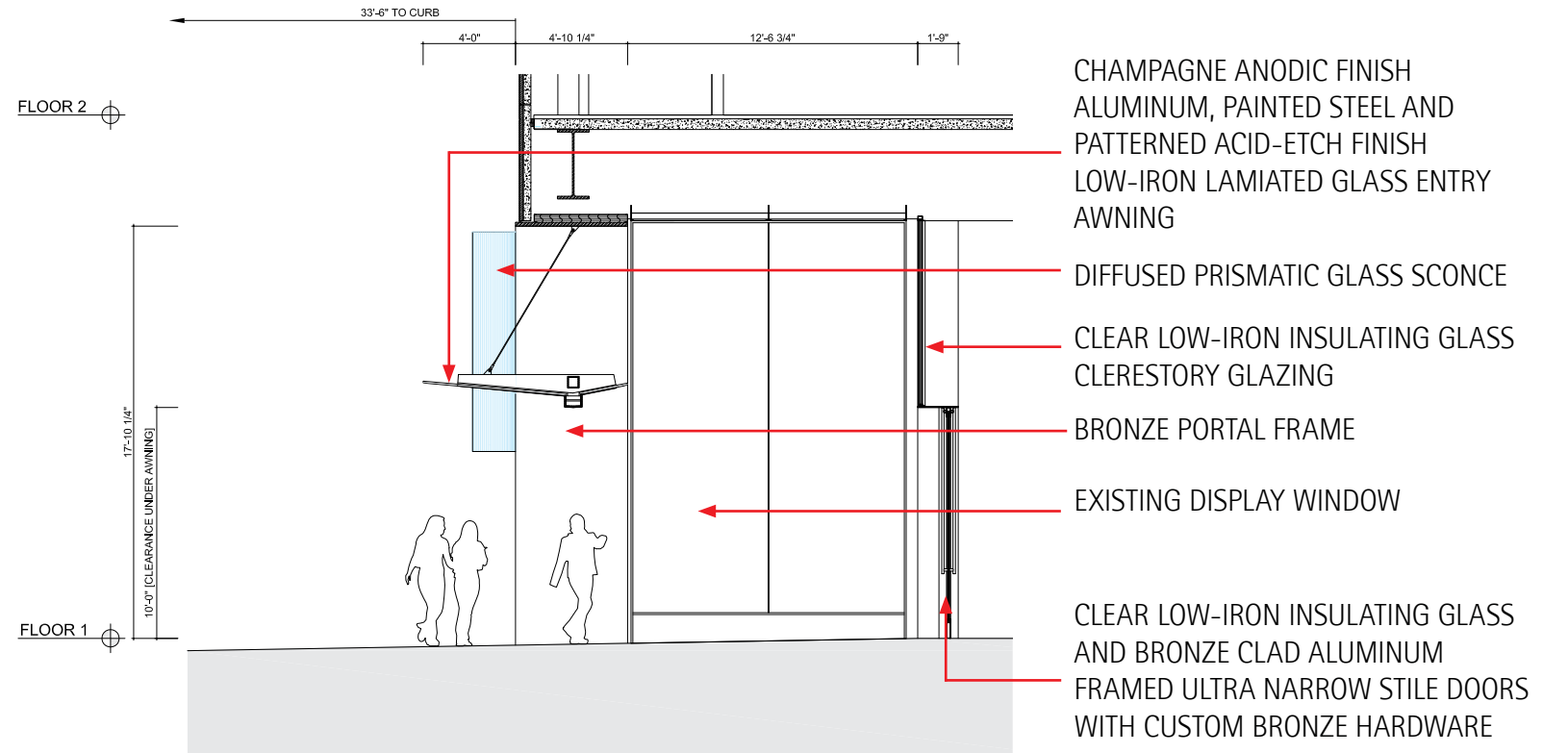
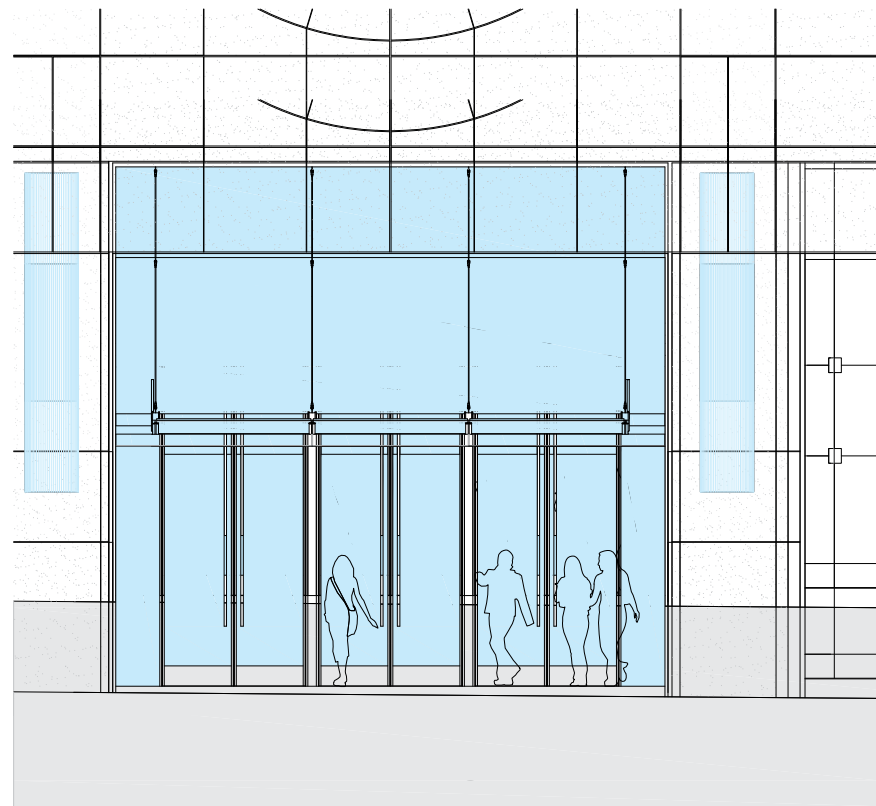


MARKET STREET SHOPPING CENTRE ENTRY

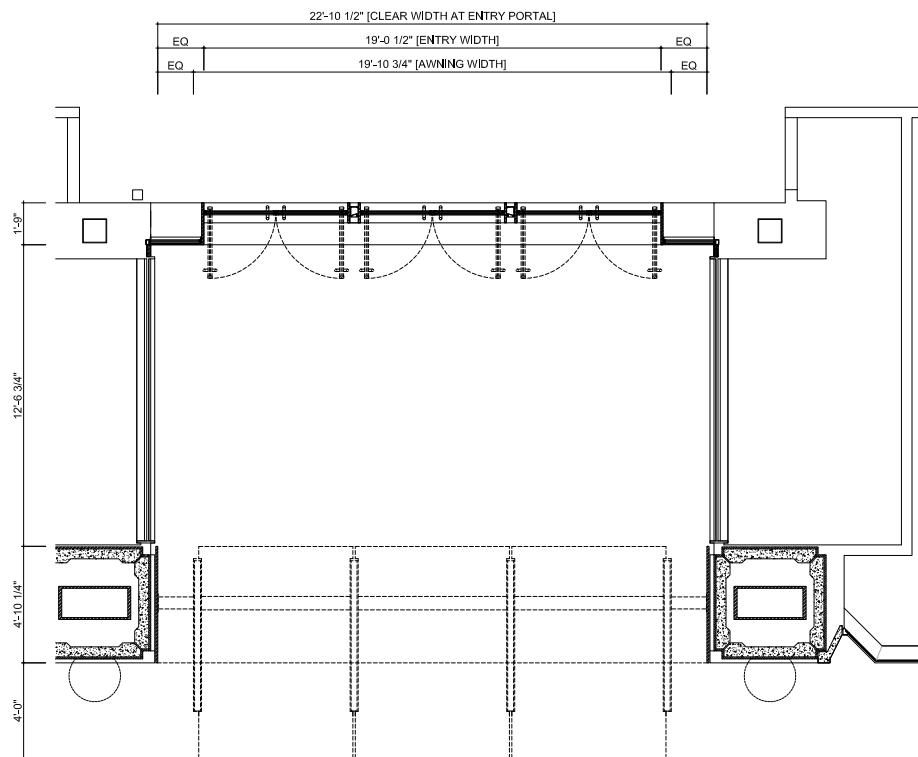


FIFTH STREET OFFICE LOBBY AND SHOPPING CENTRE ENTRY

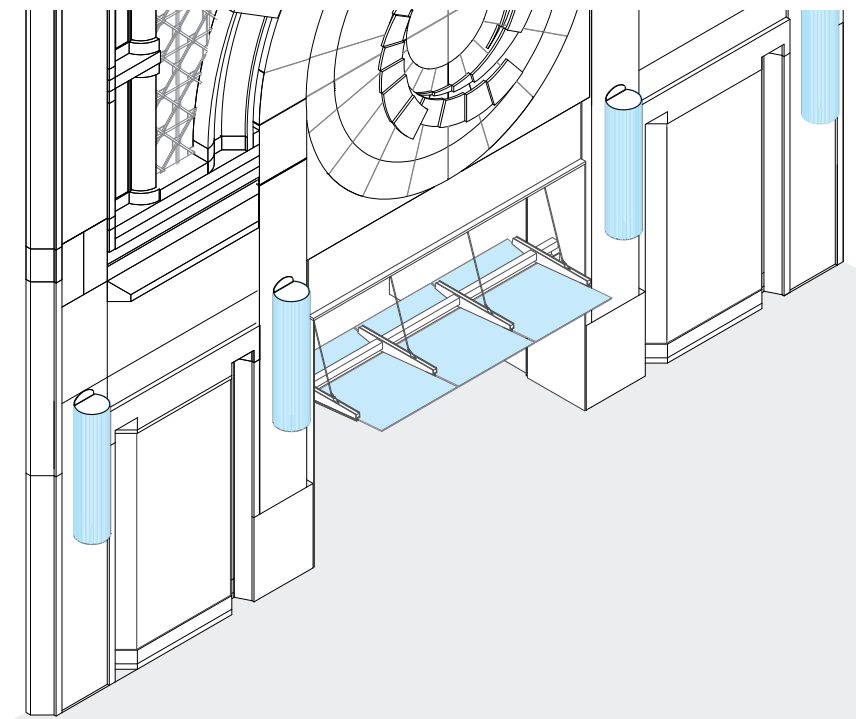
FACADE CONCEPT PLAN, SECTION AND ELEVATION AT MARKET STREET ENTRY



SECTION



PLAN

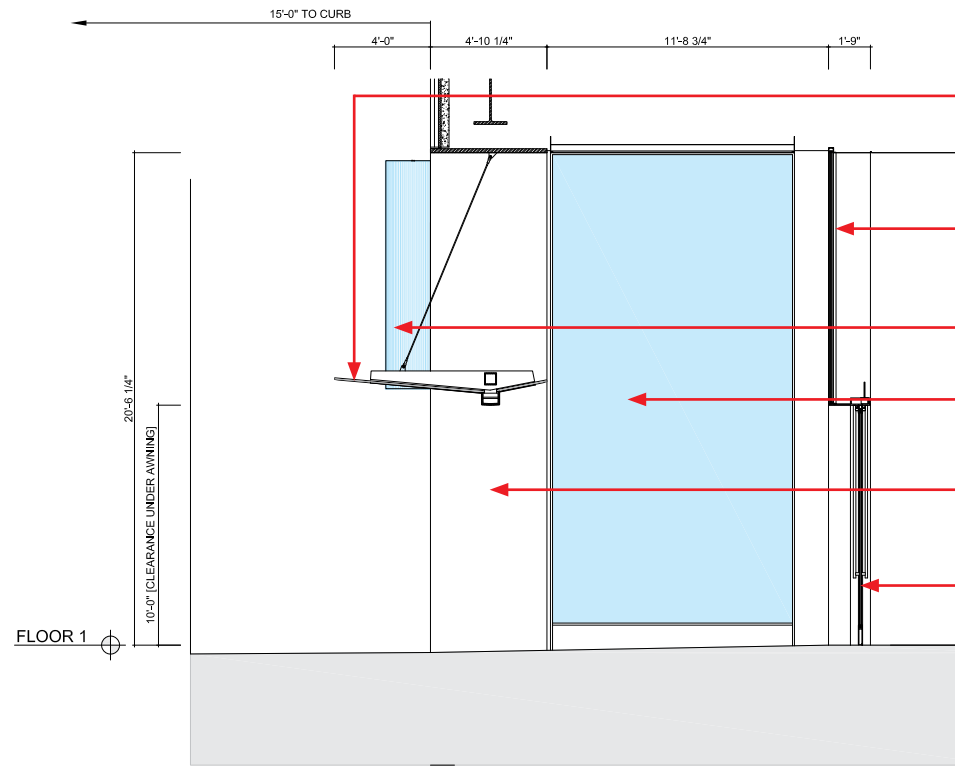


AXONOMETRIC VIEW

FACADE CONCEPT PLAN, SECTION AND ELEVATION AT FIFTH STREET ENTRY

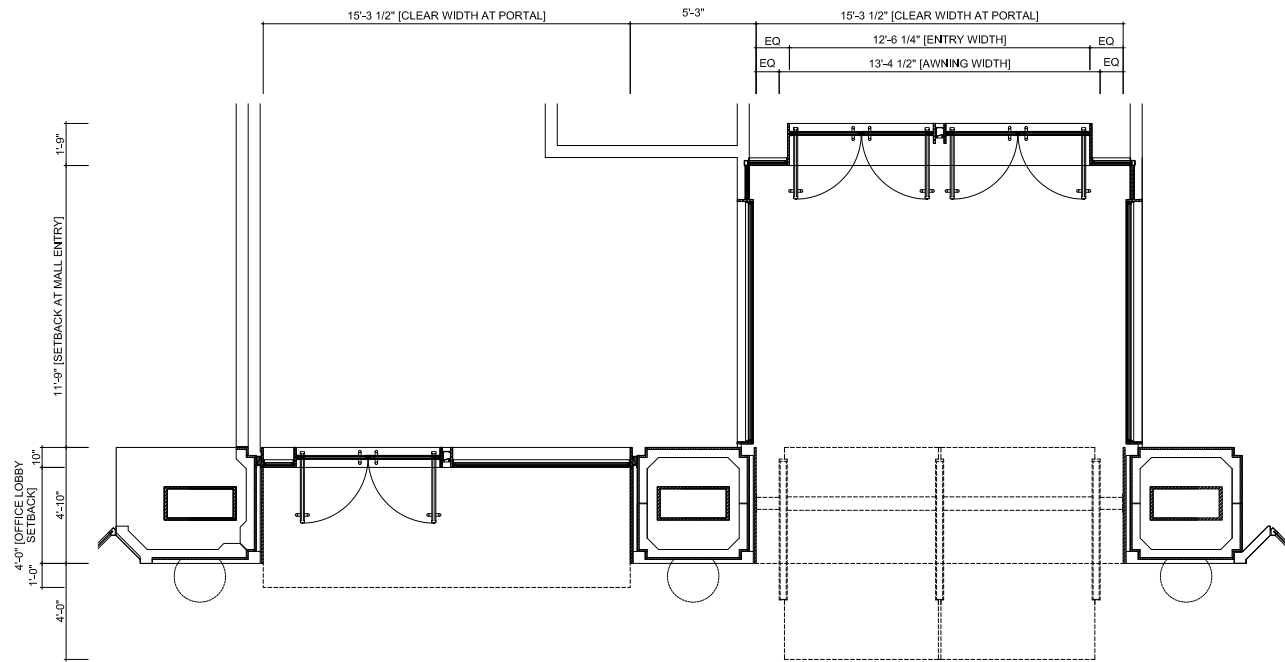


ELEVATION

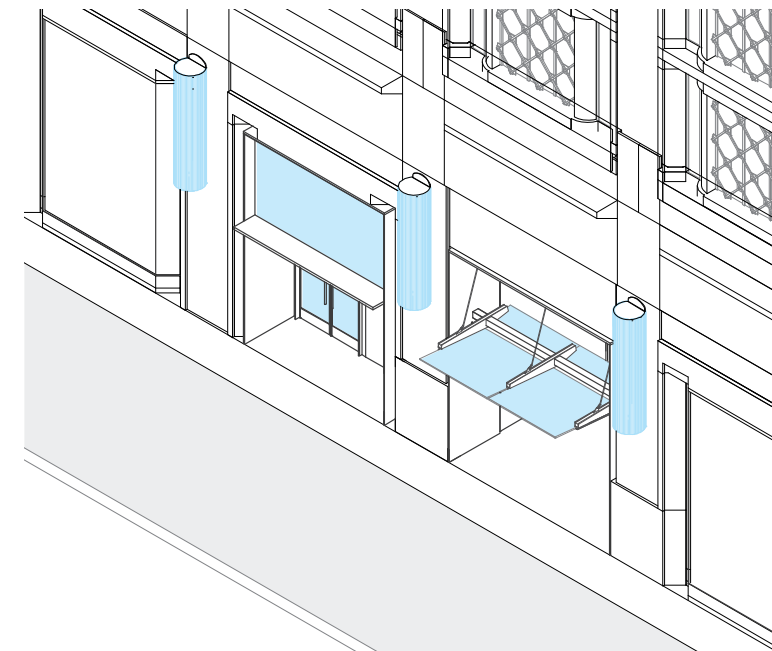


SECTION

- CHAMPAGNE ANODIC FINISH ALUMINUM, PAINTED STEEL AND PATTERNED ACID-ETCH FINISH
- LOW-IRON LAMINATED GLASS ENTRY AWNING
- CLEAR LOW-IRON INSULATING GLASS CLERESTORY GLAZING
- DIFFUSED PRISMATIC GLASS SCONCE
- CLEAR LOW-IRON INSULATED GLASS DISPLAY WINDOW
- BRONZE PORTAL FRAME
- CLEAR LOW-IRON INSULATING GLASS AND BRONZE CLAD ALUMINUM FRAMED ULTRA NARROW STILE DOORS WITH CUSTOM BRONZE HARDWARE



PLAN



AXONOMETRIC VIEW

FACADE CONCEPT PERSPECTIVE VIEW





SAN FRANCISCO PLANNING DEPARTMENT

**EXHIBIT
C**

Planning Commission Motion No. 20591

HEARING DATE: DECEMBER 5, 2019

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Record No.: 2018-007267OFA
Project Address: 865 Market Street
Zoning: C-3-R (Downtown-Retail) Zoning District
 120-X, 160-S Height and Bulk District
Block/Lot: 3705/042
Project Sponsor: Chris Kitchen
 Unibail-Rodamco-Westfield
 2049 Century Park East, Suite 4100
 Los Angeles, CA 90067
Property Owner: HM Center Investment, LP
 P.O. Box 130940
 Carlsbad, CA 92013
Staff Contact: Jonathan Vimr – (415) 575-9109
 Jonathan.vimr@sfgov.org

ADOPTING FINDINGS TO APPROVE AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2019-2020 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO SECTIONS 320 THROUGH 325 OF THE PLANNING CODE TO ALLOW UP TO 49,999 GROSS SQUARE FEET OF OFFICE USE AT 865 MARKET STREET, LOT 042 IN ASSESSOR'S BLOCK 3705, WITHIN THE C-3-R (DOWNTOWN-RETAIL) ZONING DISTRICT AND THE 120-X, 160-S HEIGHT AND BULK DISTRICT. THE PROJECT WOULD CONVERT UP TO 49,999 GROSS SQUARE FEET OF RETAIL, ACCESSORY OFFICE, AND MISCELLANEOUS (MECHANICAL/CIRCULATION) SPACE INTO 49,999 GROSS SQUARE FEET OF GENERAL OFFICE USE ON THE SEVENTH AND EIGHTH FLOORS.

PREAMBLE

On April 17, 2018, Gibson, Dunn & Crutcher LLP, on behalf of Unibail-Rodamco-Westfield (hereafter, "Project Sponsor") filed Application No. 2018-007267OFA (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to authorize the office conversion of up to 49,999 square feet of commercial space at 865 Market Street, Block 3705, Lot 042 (hereinafter "Project Site").

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

On November 7, 2019 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Development Authorization Application No. 2018-007267OFA. At that hearing the Commission continued the project to December 5, 2019.

The Planning Department Commission Secretary is the Custodian of Records; the File for Record No. 2018-007267OFA is located at 1650 Mission Street, Suite 400, San Francisco, California.

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

MOVED, that the Commission hereby authorizes the Office Development Authorization as requested in Application No. 2018-007267OFA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Project Description.** The Project includes the allocation of up to 49,999 gross square feet from the Annual Office Development Limitation program and accompanying interior remodel of at the Westfield San Francisco Centre (also known as the Westfield Mall). The Centre contains Nordstrom as an anchor tenant in addition to numerous other retailers. As proposed, the multi-tenant retail uses at floors 1-3 would be retained, as would Nordstrom's space at floors 4-6. Up to 49,999 square feet of existing retail, accessory office, and miscellaneous (mechanical and circulation) spaces would be converted to general office use at floors 7-8, with a small entry lobby to these office levels located at the ground floor fronting Fifth Street.
3. **Site Description and Present Use.** The Project site occupies an entire corner parcel (with a lot area of approximately 75,624 square feet), with approximately 265-ft of frontage along Market Street and 274-ft of frontage along Fifth Street. It is developed with an eight story (over multiple sub-grade levels) commercial building completed in 1988 that houses a variety of retail tenants at floors 1-3 and is currently occupied by a single tenant, Nordstrom, at floors 4-8.
4. **Surrounding Properties and Neighborhood.** The Project Site is located within the C-3-R Zoning Districts in the Downtown Area Plan, and near the southwestern corner of the Kearny-Market-Mason-Sutter Conservation District. The immediate context is mixed in character with institutional, residential, hotel, retail, and office uses all in the vicinity. It has excellent access to public transit as it fronts Market Street, possesses a direct connection to the Powell Street BART and MUNI stations, and is just across the street from the Powell Street Cable Car turnaround. Other zoning districts in the vicinity of the project site include: P (Public), C-3-G (Downtown-General), and C-3-S (Downtown-Support). The Kearny-Market-Mason-Sutter Conservation District serves as the heart of San Francisco's retail market and is composed of a rich collection of early 20th-

century commercial buildings utilizing compatible detailing, color, materials, massing, and scale; the Conservation District retains high integrity of character.

5. **Public Outreach and Comments.** To date, the Department has received two (2) letters in support of the project and none in opposition. One member of the public has corresponded with the Department regarding project plans and hearing dates.
6. **Planning Code Compliance.** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Use.** Per Planning Code Section 210.2, within the C-3-R Zoning District Non-Retail Sales and Services uses are principally permitted when located above the sixth floor of the subject building.

The project proposes to convert up to 49,999 square feet of retail, accessory office, and miscellaneous spaces at floors 7-8 to general office use. Therefore, the project meets this planning code requirement.

- B. **Bicycle Parking.** Planning Code Section 155.2 requires at least one Class I bicycle parking space for every 5,000 occupied square feet of office space and a minimum of two Class 2 bicycle parking spaces for any office use greater than 5,000 gross square feet.

The project's office use would require ten Class I spaces and two Class 2 spaces to meet this requirement.

- C. **Shower Facility and Clothes Locker Requirement.** Planning Code Section 155.4 requires at least two showers and twelve clothes lockers when gross square footage exceeds 20,000 square feet but is not greater than 50,000 square feet of the office use floor area.

The Project will be required to provide two showers and twelve clothes lockers to meet this requirement.

7. **Office Development Authorization.** Planning Code Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

- I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

As of October 17, 2019, 979,637 gross square feet of "Small Cap" Office Development was available under the Section 321 office allocation program. The Project will add up 49,999 gross square feet of office space at the Property. If the Project is approved, approximately 929,638 gross square feet will

remain in the Small Cap pool. The proposal represents an allocation of approximately 5.1 percent of the small cap office space currently available.

While the project will promote economic growth as a result of the conversion to office, the project is subject to various development fees, including but not limited to, the Jobs-Housing Linkage Program that would help fund affordable housing. These development fees will contribute to program designed to benefit the surrounding community and city as a whole. The new office space, together with the reconfiguration of the Nordstrom store and exterior and interior improvements, will promote the long-term economic health of the Westfield Centre while having little to no impact on housing, transportation or public services because the Project is reprogramming existing space in a location that is as well served by public transit as any in the city.

Overall, the project will maintain a balance between economic growth and housing, transportation and public services.

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

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

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

The proposed office space would not require any significant changes to the envelope of the existing building. Rather, existing underutilized retail, accessory office, and miscellaneous spaces would be converted and reconfigured into up to 49,999 square feet of cohesive office space confined to the top two floors (7-8) of the Westfield Centre. This converted space would reflect a high-quality interior renovation of the existing interior areas. As the Property is located within an Article 11 Conservation District, the related exterior alterations require a Major Permit to Alter, which was approved by the Historic Preservation Commission on October 2, 2019 (see Case No. 2018-007267PTA).

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

- a. Use. *The project is located within the C-3-R (Downtown-Retail Zoning District, which principally permits office uses above the sixth floor pursuant to Planning Code Section 210.2. The Project would reconfigure existing retail space and allow for the continued viability of the Westfield Centre and its numerous other tenants.*
- b. Transit Accessibility. *The Project site has exceptional transit access and is well situated for continuation of retail space paired with the expansion of office use. The Property has a direct*

connection to the Powell Street BART and MUNI stations, fronts Market Street and its numerous transit/streetcar lines, and is a block away from a cable car stop.

- c. Open Space Accessibility. *The project is located across the street from Hallidie Plaza, is four blocks from Union Square, and has an active POPOS space.*
- d. Urban Design. *The Project reinforces neighborhood character by converting space with an existing building for office use and completing exterior alterations that are compatible with the surrounding conservation district. As mentioned above, a Major Permit to Alter (see Case No. 2018-007267PTA) for exterior work was approved on October 2, 2019. Any additional exterior changes would require further review by Department preservation staff to ensure continued compatibility with the conservation district.*
- e. Seismic Safety. *The Project will conform to the structural and seismic requirements of the San Francisco Building Code, thereby meeting this policy.*

V. THE ANTICIPATED USES OF THE PROPOSED OFFICE DEVELOPMENT IN LIGHT OF EMPLOYMENT OPPORTUNITIES TO BE PROVIDED, NEEDS OF EXISTING BUSINESSES, AND THE AVAILABLE SUPPLY OF SPACE SUITABLE FOR SUCH ANTICIPATED USES.

- a. Anticipated Employment Opportunities. *The Project would enhance employment opportunities by reconfiguring underutilized space into leasable office space at the upper two floors of the subject building. This conversion will provide new employees in the area, who will patronize new businesses, and will also promote ongoing maintenance of the Westfield Centre.*
- b. Needs of Existing Businesses. *The top two floors, where conversion is proposed, are currently primarily used by Nordstrom for retail floor space and accessory offices. These spaces are underutilized by Nordstrom and the conversion would offer flexibility for the anchor tenant. The Project would also create needed office spaces within the downtown area, creating job opportunities in a highly accessible transit-oriented location.*
- c. Availability of Space Suitable for Anticipated Uses. *Demand for new office space has increased rapidly in the past few years. The Project would address this demand while creating office space suitable for a variety of potential tenants.*

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

The site will retain its existing multi-tenant retail spaces and anchor tenant department store. The Project Sponsor intends to reconfigure the top two floors into cohesive, flexible office space that could serve one major tenant or multiple small office tenants.

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

The project will require approximately 7,102 units of TDR to accommodate the reconfiguration of the top two floors, which the applicant will purchase.

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

DOWNTOWN PLAN AREA

Objectives and Policies

OBJECTIVE 2:

MAINTAIN AND IMPROVE SAN FRANCISCO'S POSITION AS A PRIME LOCATION FOR FINANCIAL, ADMINISTRATIVE, CORPORATE AND PROFESSIONAL ACTIVITY

Policy 2.1

Encourage prime downtown office activities to grow as long as undesirable consequences of such growth can be controlled.

The Project would add office space to a location that is well-served by existing and future public transit options, and is within walking distance to a diversity of goods and services available for employees of the office tenants. The new office use at the Property will likely draw tenants whose employees do not rely on private vehicles, and many employees will be able to walk to the Property from SoMa, Downtown, and Tenderloin neighborhoods. The Project's location and proximity to public transit encourage growth while limiting potential impacts on traffic.

Policy 2.2

Guide location of office development to maintain a compact downtown core and minimize displacement of other uses.

The Project will maintain and improve San Francisco's position as a prime location for financial, administrative, corporate and professional services. The Project will help expanding companies stay in San Francisco and encourage new companies to open offices here, thereby supporting the City's economic vitality. Further, office conversion would be limited to the top two levels and existing retail would remain throughout the rest of the vertical shopping center.

OBJECTIVE 3:

IMPROVE DOWNTOWN SAN FRANCISCO'S POSITION AS THE REGION'S PRIME LOCATION FOR SPECIALIZED RETAIL TRADE.

Policy 3.1

Maintain high quality, specialty retail shopping facilities in the retail core.

The Project will maintain high quality, special retail shopping facilities in the retail core by maintaining all retail uses within the vertical shopping center other than those at floors 7-8, which have become untenable for retail and are currently underutilized. The core function of the eight-floor building as a retail center would be retained.

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 2:

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

Policy 2.1

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

Due to its access to public transit, the downtown area has become a highly desirable location for businesses throughout the Bay Area. The Project will provide ideal office space for additional businesses whose employees value transportation options and the cultural amenities available in San Francisco's downtown area. The Project will retain 574,889 square feet of retail space at the Property.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ECONOMY.

Policy 2.1

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

The Project is located on Market Street with a direct, basement connection to the Powell Street BART and MUNI station. In addition to BART and the MUNI light rail, employees at the building would have easy access to the F Market Street Car, Powell Street Cable Car, and the numerous bus lines that run along and across Market Street in the downtown area. The Property is at a location well-suited for new office uses. Employees at and visitors of the Project will be able to easily walk, take public transit, or ride bicycles to and from the Project Site, which will keep the Project's transit and traffic impacts to a minimum.

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

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

The site is located in San Francisco's central business district and would make productive use of underutilized space within an existing building. Although retail and accessory office space would be converted to general office use, this would be confined to the top two floors of a vertical shopping center, with retail at all other levels (totaling 574,889 square feet) being retained.

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

The project site does not possess any existing housing. The project is compatible with the existing and proposed mixed-use character of the downtown area, with all related exterior work having been approved by the Historic Preservation Commission (see Case No. 2018-007267PTA).

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

As the Project will not remove affordable housing, the City's supply of affordable housing will be preserved.

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

The Property, located downtown, is extremely well served by public transit. The Property has a direct, basement connection to the Powell Street MUNI and BART station, as well as numerous MUNI bus lines running along Market Street. Employees of the new office uses will be able to walk, ride a bicycle, or take public transportation to the Property and other parts of Downtown, avoiding the need for a single-rider, vehicular commute.

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

The Project does not involve any industrial uses. Future office employees are anticipated to increase the demand for, and patronage of, existing and new retail uses in the building, the immediate vicinity, and throughout Downtown.

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

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The Property contains a Category V-Unrated building completed in 1988, but that is located within an Article 11 Conservation District. As such, related exterior alterations were reviewed and approved by the Historic Preservation Commission (see Case No. 2018-007267PTA).

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

The Project will not cast net new shadows or impede views for parks and open spaces in the area, nor have any negative impact on existing public parks and open spaces.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Office Development Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Development Authorization Application No. 2018-007267OFA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated October 24, 2019 and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Office Development Authorization to the Board of Appeals within fifteen (15) calendar days after the date of this Motion No. 20591. The effective date of this Motion shall be the date of this Motion if not appealed (After the 15-day period has expired) OR the date of the decision of the Board of Appeals. For further information about appeals to the Board of Appeals, including current fees, please contact the Board of Appeals at (415) 575-6880.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on December 5, 2019.


Jonas P. Tonin
Commission Secretary

AYES: Melgar, Koppel, Diamond, Fung, Moore, Richards

NAYS: None

ABSENT: Johnson

ADOPTED: December 5, 2019

EXHIBIT A

AUTHORIZATION

This authorization is for a Office Development Authorization to allow 49,999 square feet of office within the existing building located at 865 Market Street, Block 3705 and Lot 042 pursuant to Planning Code Section(s) 320-325 within the C-3-R (Downtown-Retail) Zoning District and a 120-X, 160-S Height and Bulk District; in general conformance with plans, dated October 24, 2019, and stamped "EXHIBIT B" included in the docket for Record No. 2018-007267OFA and subject to conditions of approval reviewed and approved by the Commission on December 5, 2019 under Motion No. 20591. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on December 5, 2019 under Motion No. 20591.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 20591 shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Allocation and any subsequent amendments or modifications.

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

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

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

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

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

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

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

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

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

5. **Development Timeline - Office.** Pursuant to Planning Code Section 321(d) (2), construction of the office development project shall commence within 18 months of the effective date of this Motion. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this office development authorization.

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

6. **Transferable Development Rights.** Pursuant to Section 128, the Project Sponsor shall purchase the required number of units of Transferrable Development Rights (TDR) and secure a Notice of Use of TDR prior to the issuance of a site permit for all development which exceeds the base FAR of 6.0 to 1, up to a FAR of 9.0 to 1. The net addition of gross floor area subject to this requirement shall be determined based on drawings submitted with the Building Permit Application.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

7. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
8. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
9. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

PARKING AND TRAFFIC

10. **Bicycle Parking (Commercial Only).** Pursuant to Planning Code Sections 155.1 and 155.2, the Project shall provide no fewer than ten Class 1 and two Class 2 bicycle parking spaces. SFMTA has final authority on the type, placement and number of Class 2 bicycle racks within the public ROW. Prior to issuance of first architectural addenda, the project sponsor shall contact the SFMTA Bike Parking Program at bikeparking@sfmta.com to coordinate the installation of on-street bicycle racks and ensure that the proposed bicycle racks meet the SFMTA's bicycle parking guidelines. Depending on local site conditions and anticipated demand, SFMTA may request the project sponsor pay an in-lieu fee for Class II bike racks required by the Planning Code.

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

11. **Showers and Clothes Lockers.** Pursuant to Planning Code Section 155.4, the Project shall provide no fewer than two showers and twelve clothes lockers.

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

12. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

PROVISIONS

13. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

14. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.

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

15. **Downtown Park Fee - C-3 District.** The Project is subject to the Downtown Park Fee, as applicable, pursuant to Planning Code Section 412.

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

16. **Jobs-Housing Linkage.** The Project is subject to the Jobs Housing Linkage Fee, as applicable, pursuant to Planning Code Section 413.

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

17. **Child-Care Requirements for Office and Hotel Development.** In lieu of providing an on-site child-care facility, the Project has elected to meet this requirement by providing an in-lieu fee, as applicable, pursuant to Planning Code Section 414.

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

18. **Union Square Park, Recreation, and Open Space Fee.** The Project is subject to the Union Square Park, Recreation and Open Space Fee, as applicable, pursuant to Planning Code Section 435.

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

MONITORING - AFTER ENTITLEMENT

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

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

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

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

OPERATION

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

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

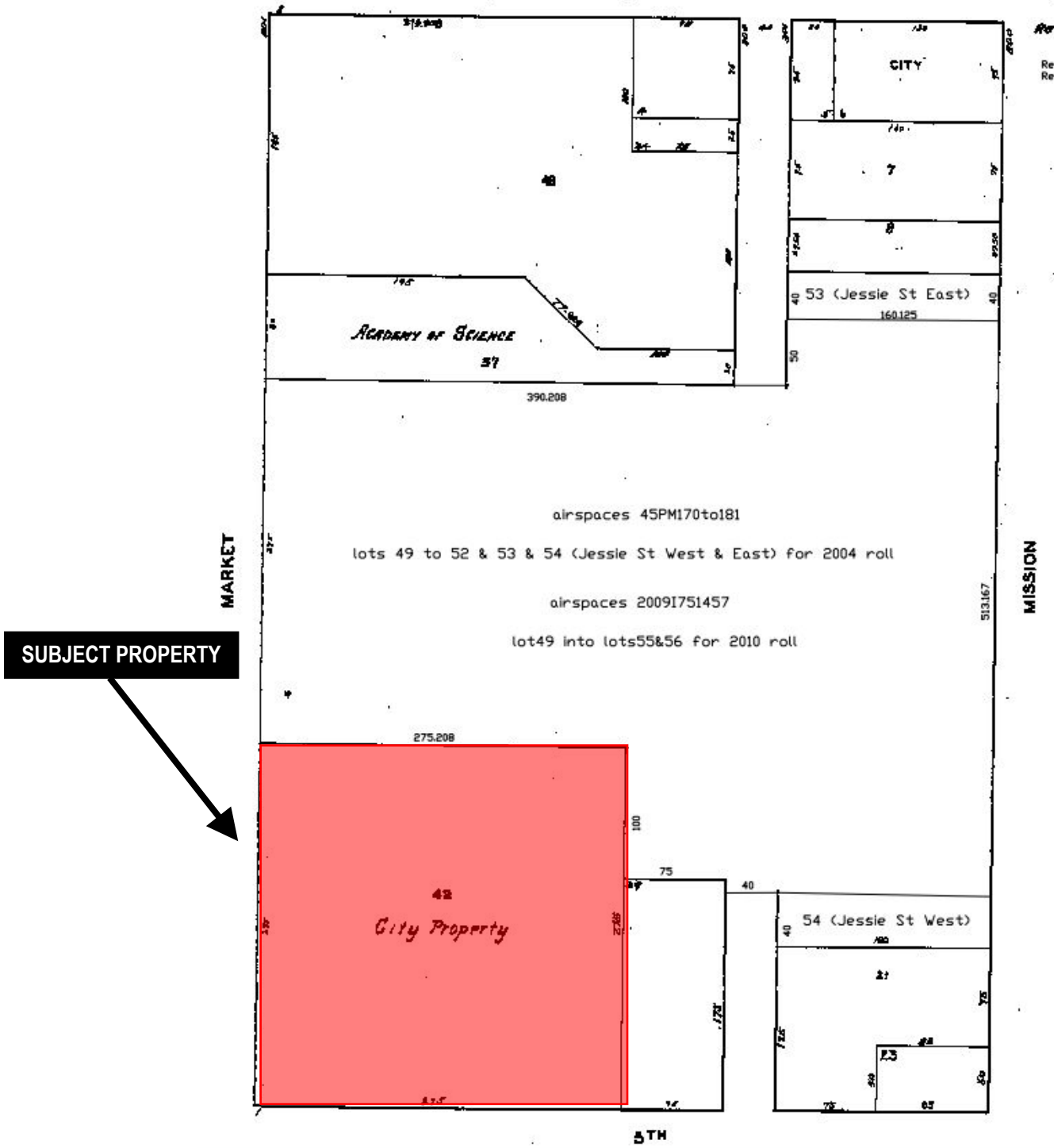
22. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator and all registered neighborhood groups for the area with written notice of the name, business address, and telephone number of the community liaison. Should the contact

information change, the Zoning Administrator and registered neighborhood groups shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

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

EXHIBIT D

Parcel Map



Office Allocation
Case Number 2018-007267OFA-02
865 Market Street



Sanborn Map*



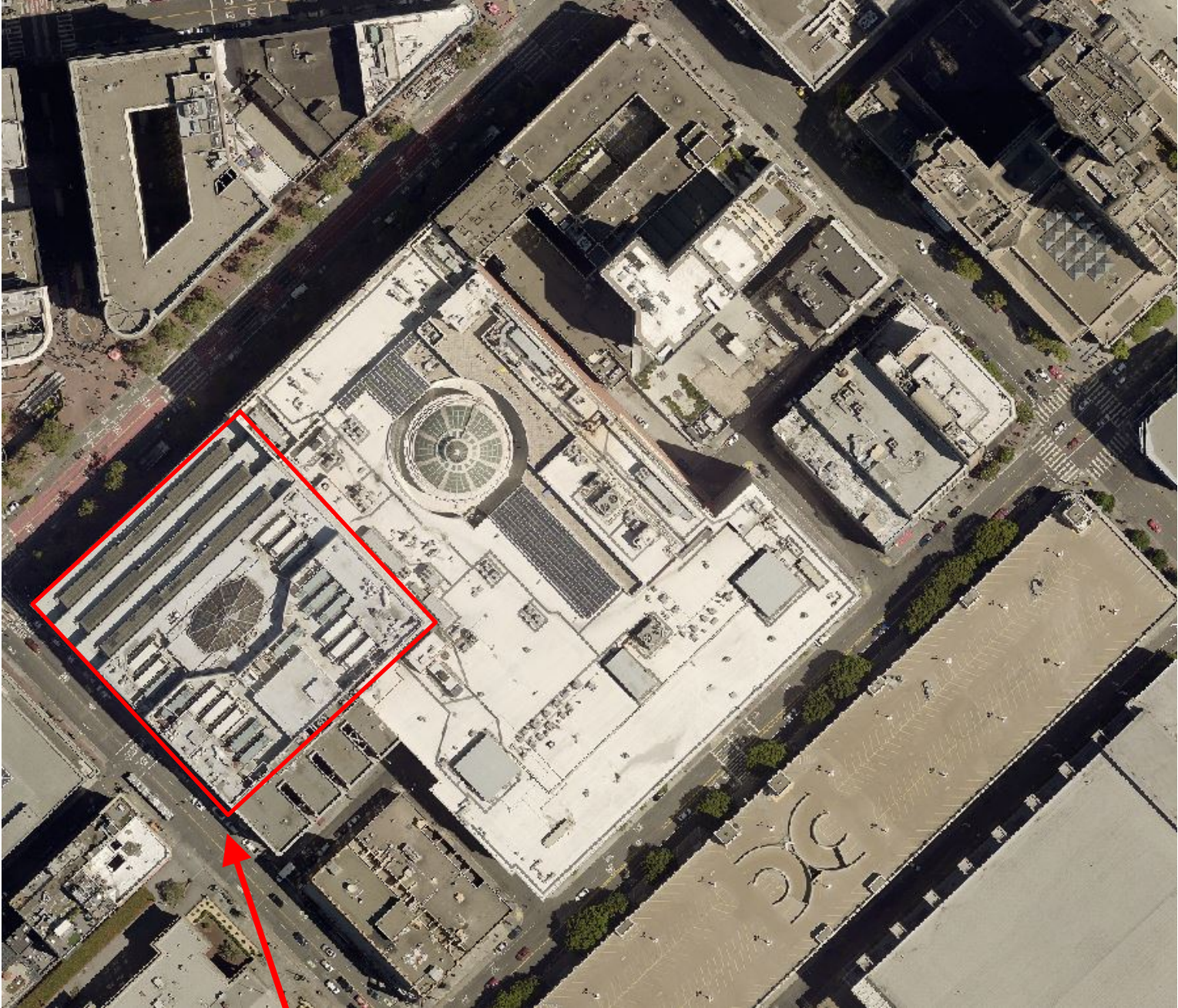
SUBJECT PROPERTY

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



Office Allocation
Case Number 2018-007267OFA-02
865 Market Street

Aerial Photo

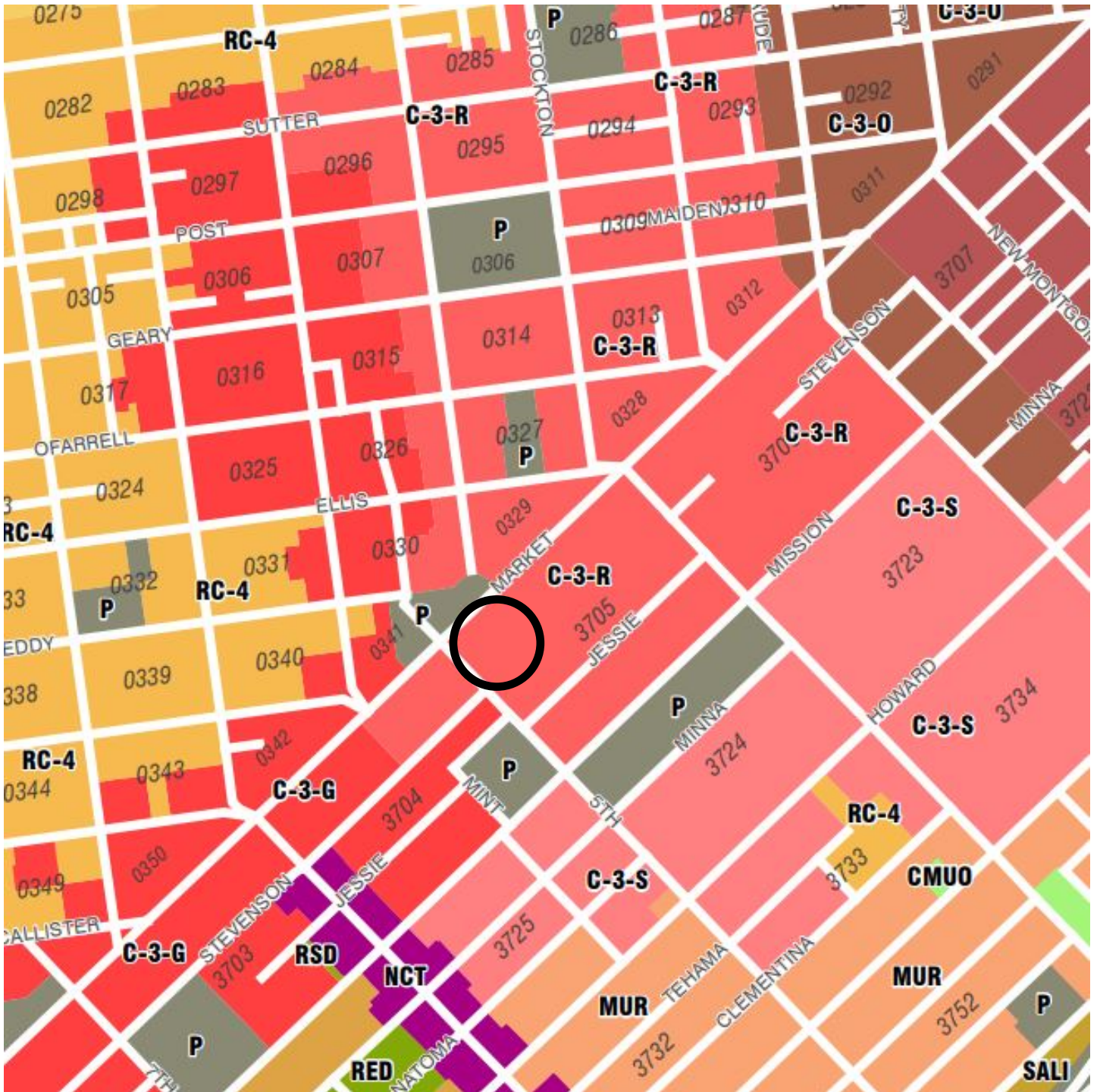


SUBJECT PROPERTY



Office Allocation
Case Number 2018-007267OFA-02
865 Market Street

Zoning Map



Office Allocation
Case Number 2018-007267OFA-02
865 Market Street

Site Photo*



**As viewed from intersection of Market and Fifth Streets.*

Office Allocation
Case Number 2018-007267OFA-02
865 Market Street

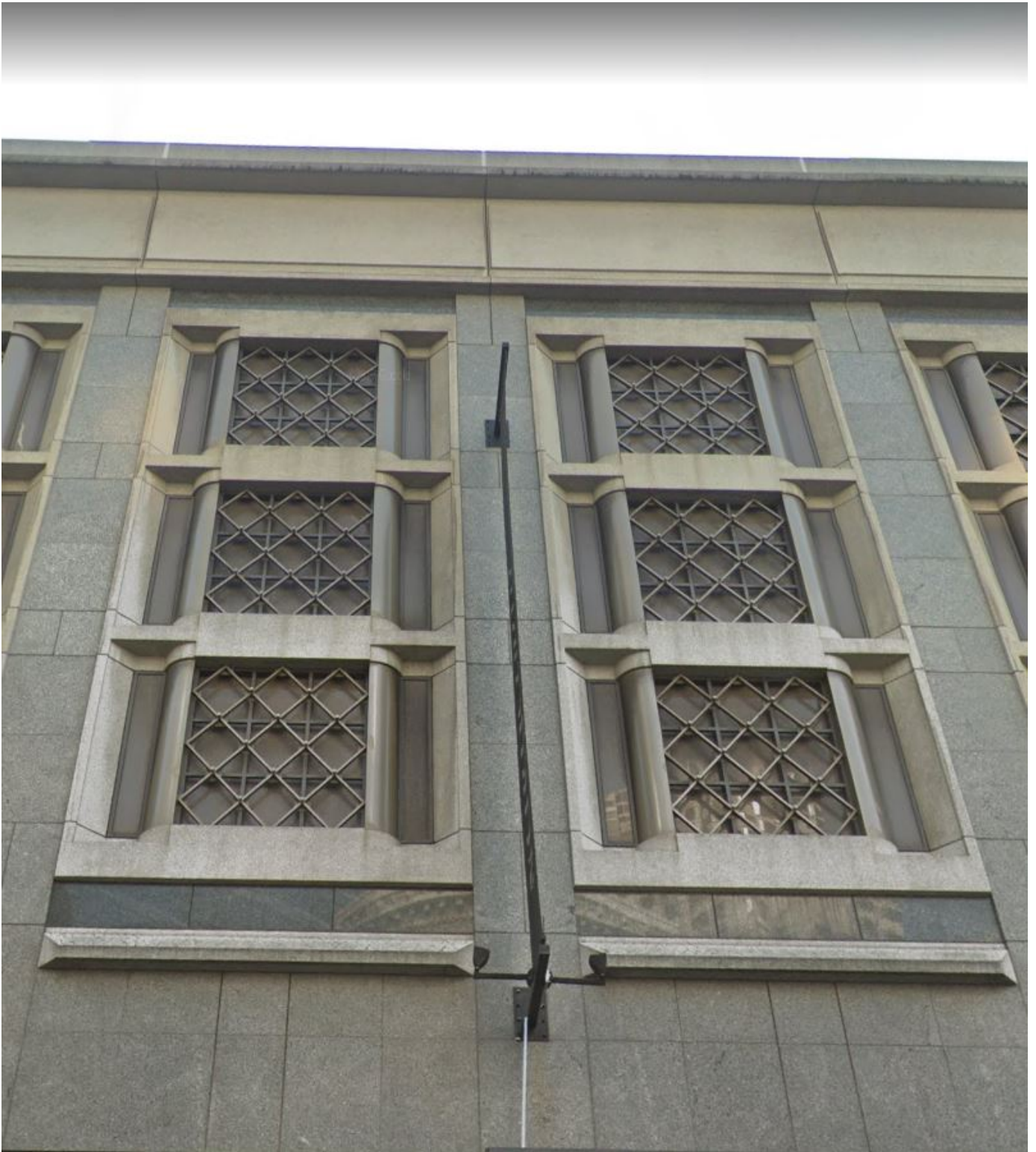
Site Photo*



*Primary Market Street entry.

Office Allocation
Case Number 2018-007267OFA-02
865 Market Street

Site Photo*



**Typical bays.*

Office Allocation
Case Number 2018-007267OFA-02
865 Market Street