



EXECUTIVE SUMMARY CONDITIONAL USE AND OFFICE DEVELOPMENT AUTHORIZATION

HEARING DATE: APRIL 15, 2021

Record No.: 2020-007798PRJ
Project Address: 48 Stockton Street
Zoning: Downtown-Retail (C-3-R) Zoning District
80-130-F Height and Bulk District
Block/Lot: 0328/003 & 004
Project Sponsor: Clarke Miller, Strada Investment Group
101 Mission Street, Suite 420
San Francisco, CA 94111
Property Owner: Stockton Street Properties, Inc.
San Francisco, CA 94111
Staff Contact: Linda Ajello Hoagland, AICP – (628) 652-7320
linda.ajellohoagland@sfgov.org

Recommendation: Approval with Conditions

Project Description

The Project includes a change of use on floors 3 through 6 (37,402 square feet) from retail to office use at the site of the former Barneys Department Store. In the Downtown Retail Zoning District, non-retail sales or service uses (in this case general office) require a Conditional Use Authorization on the third floor for any use size, and when greater than 5,000 square feet on the 4th through 6th floors. In addition, the total amount of office would require an Office Development Authorization.

Required Commission Action

In order for the Project to proceed, the Commission must grant a Conditional Use Authorization, pursuant to Planning Code Sections 210.2 and 303 to allow a change of from retail to office use within the C-3-R Zoning District.

In addition, the Commission must grant an Office Development Authorization, pursuant to Planning Code Sections 210.2, 321 and 322, to allow 37,402 square feet of new office use from the Office Development Annual Limit (Small Cap).

Issues and Other Considerations

- **General Office Uses in C3R.** The project would convert 37,402 square feet of retail space into general office at floors 3-6 (approx. 9,330 square feet at each level). The Department believes that allowing the office use at this location would provide activity in the Union Square shopping area and would not undermine the core retail functions of the C-3-R District. Because the office uses are located on floors 3 through 6, the Project would not affect the retail shopping experience at the pedestrian level.
- **Office Development Authorization.** The Project includes 37,402 square feet on new office use. As of December 10, 2020, there is approximately 728,338 square feet of “Small” Cap Office Development available under the Section 321 office allocation program.
- **Minor Permit to Alter:** The subject building is an Article 11 Historic Resource. A Minor Permit to Alter (2020-007798PTA) has been submitted to make alterations to an existing entry door to create an office entry along the O’Farrell Street frontage. This permit is being processed separately (see COA #7).
- **Public Comment & Outreach.**
 - **Support/Opposition:** To date, the Department has not received any public comments regarding the Project.

Environmental Review

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

Basis for Recommendation

The Department finds that the Project is, on balance, consistent with the Downtown Area Plan and the Objectives and Policies of the General Plan. Although the Project results in a loss of retail space, the Project preserves the retail space on the first two floors of the building and the office use is designed with flexibility that would allow one or more office tenants to occupy the space. The Department also finds the project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

Attachments:

Draft Motion – Conditional Use Authorization with Conditions of Approval
Draft Motion – Office Development Authorization with Conditions of Approval
Exhibit B – Plans and Renderings

Exhibit C – Environmental Determination
Exhibit D – Land Use Data
Exhibit E – Maps and Context Photos
Exhibit F - Project Sponsor Brief



PLANNING COMMISSION DRAFT MOTION

HEARING DATE: APRIL 15, 2021

Record No.: 2020-007798CUA
Project Address: 48 STOCKTON STREET
Zoning: Downtown-Retail (C-3-R) Zoning District
80-130-F Height and Bulk District
Block/Lot: 0328/003 & 004
Project Sponsor: Clarke Miller, Strada Investment Group
101 Mission Street, Suite 420
San Francisco, CA 94111
Property Owner: Stockton Street Properties, Inc.
San Francisco, CA 94111
Staff Contact: Linda Ajello Hoagland, AICP – (628) 652-7320
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ADOPTING FINDINGS TO APPROVE A CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 210.2 AND 303, TO ALLOW A 37,402 SQUARE FOOT NON-RETAIL SALES AND SERVICE USE (GENERAL OFFICE) USE ON FLOORS 3 THROUGH 6 OF AN EXISTING BUILDING, LOCATED AT 48 STOCKTON STREET, LOTS 003 AND 004 IN ASSESSOR'S BLOCK 0328, WITHIN THE C-3-R (DOWNTOWN-RETAIL) ZONING DISTRICT AND A 80-130-F HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On August 31, 2020, Clarke Miller of Strada Investment Group (hereinafter "Project Sponsor") filed Application No. 2020-007798CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Conditional Use Authorization to allow a change of use from retail to office use and establish a 37,402 square foot non-retail sales and service use (general office) on floors 3 through 6 of an existing building (hereinafter "Project") at 48 Stockton Street, Block 0328 Lots 003 and 004 (hereinafter "Project Site").

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

On April 15, 2021, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2020-007798CUA.

The Planning Department Commission Secretary is the Custodian of Records; the File for Record No. 2020-007798CUA 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 authorizes the Conditional Use Authorization as requested in Application No. 2020-007798CUA, 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 a change of use on floors 3 through 6 (37,402 square feet) from retail to office use at the site of the former Barneys Department Store. In the Downtown Retail Zoning District, non-retail sales or service uses (in this case general office) require a Conditional Use Authorization on the third floor for any use size, and when greater than 5,000 square feet on the 4th through 6th floors. In addition, the total amount of office would require an Office Development Authorization.
- 3. Site Description and Present Use.** The Project site located on two lots (with a lot area of approximately 35,734 square feet), which have approximately 87.5-ft of frontage along O'Farrell Street and 112.75-ft of frontage along Sutter Street. The Site is developed with a six-story over basement commercial building constructed in 1909 as the Newman Levinson Building. The building is listed as a Class "A" Historic Resource, located in the Kearny-Market-Mason-Sutter Conservation District. The building has been used as a department store since its construction and was most recently occupied by Barney's Department Store until they closed their doors in 2020.
- 4. Surrounding Properties and Neighborhood.** The Project Site is located one block from Union Square, in the heart of the city's historic retail shopping district. The neighborhood is characterized by mid-rise, mixed-use commercial buildings and the busy pedestrian, public transit, and auto traffic on Stockton Street. The immediate neighborhood includes two-to-ten-story buildings with the Phelan Building (retail with office on upper floors) located immediately adjacent to the east, The Roos Brothers Building (retail) immediately adjacent to the south, the former Macy's Building (retail with office on upper floors) to the north and Crate and Barrell and FIDM (retail and institutional uses) to the west. The immediate neighborhood is predominantly within the Downtown-Retail (C-3-R) Zoning District with a few P (Public) zoned properties.
- 5. Public Outreach and Comments.** To date, the Department has not received any public comments regarding the Project.
- 6. Planning Code Compliance.** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - 1. Use.** Planning Code Section 210.2 states that a Conditional Use Authorization is required for Non-Retail Sales and Service uses at the third floor or floors four through six and the use is larger than 5,000 gross square feet in size.

The Project would establish office uses on floors 3 through 6 of the existing building on the Project Site. Section 210.2 includes specific findings that the Commission must make in order to grant Conditional Use Authorization for the proposed office uses. Conformance with these findings is discussed in Section 7 below.

2. **Street Frontage in Commercial Districts.** Section 145.1 of the Planning Code requires that within Commercial Districts space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in width.

The existing retail employee entrance along the O'Farrell Street frontage will be converted to the entrance lobby for the office use. Building lobbies are considered an active use, therefore, the Project complies with Section 145.1.

3. **Off-Street Freight Loading.** Planning Section 152.1 of the Planning Code requires 0.1 off-street loading space for each 10,000 square feet of office uses, rounded to the closest whole number.

The Project would establish approximately 37,402 square feet of office uses; thus, the Project does not require any off-street loading spaces.

4. **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 include 18 clothing lockers and three showers, therefore, the Project complies with Section 155.4.

5. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 26 points (13 each for retail and Office).

For projects involving a change of use, Section 169 requires the submittal of a TDM Plan only if the change would result in at least 25,000 square feet of any use other than Residential. The proposed Project would establish approximately 37,402 square feet of office uses in a space that was previously approved for retail uses. As currently proposed, the Project will achieve its required 26 points (13 points for retail and 13 points for Office) through the following TDM measures:

- Parking Supply (Option K)
- Bicycle Parking (Option A)
- Showers and Lockers

- F. **Office Allocation.** Planning Code Section 320 through 325 specify that the Commission must grant specific approval for certain office developments, including the adoption of specified findings. In addition, these Sections set a limit of 950,000 square feet of office space that may be approved annually. In each approval period, at least 75,000 square feet of office development shall be reserved for buildings between 25,000 and 49,999 square feet (also referred to as "Small Cap").

Pursuant to Section 320, a project which results in 25,000 square feet or more of office space is considered an "office development", by definition. The Project includes 37,402 square feet of office and has submitted an application (2020-007798OFA) for authorization for Small Cap office allocation by the Commission.

7. Conditional Use Findings. Planning Code Section 303 establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the project complies with said criteria in that:

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

The Project Site is located within the Downtown core, an area characterized by an intense mix of a wide variety of uses. Many buildings in the vicinity contain office uses on upper stories over ground-floor retail, particularly within the Financial District to the east of the Project Site. The office use proposed by the Project is relatively small in size (37,402 square feet) and would not undermine the core retail functions of the C-3-R District. Because the office uses are located on floors 3 through 6, the Project would not affect the retail shopping experience at the pedestrian level.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- (1) Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The height and bulk of the existing building will remain the same and will not alter the existing appearance or character of the project vicinity. The proposed work will not affect the building envelope.

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

The Planning Code does not require parking or loading for the proposed office uses. The Project is located within the Downtown core, which is the nexus of City-wide and regional transit services. Abundant transportation options are available within walking distance of the Project Site, including numerous Muni bus lines, bus lines from other regional transit providers (such as AC Transit and Golden Gate Transit), and Muni Metro and BART service. Given the abundant transit service in the area, the proposed use should not generate significant amounts of private vehicular trips.

- (3) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project would occupy floors 3-6 of an existing building, and would not alter the existing relationship of the building to its surroundings. The proposed office use will not generate noise, glare, dust, or odors.

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

The proposed office use does not require any alterations of the Project Site. Given the relatively small size of the office use, no new parking or loading areas are required or proposed.

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

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

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

As stated in Section 210.2, the purpose of the C-3-R District is to serve as, "...a regional center for comparison shopper retailing and direct consumer services." This Section further states that, "Within the District, continuity of retail and consumer service uses is emphasized, with encouragement of pedestrian interest and amenities..." While the proposed office use does not directly contribute to the core retail functions of the C-3-R District, the uses would be located on floors 3 through 6 in a manner that is not readily visible by pedestrians and visitors to the area. The existing ground floor of the building is characterized by a procession of retail tenant spaces on both the Stockton and O'Farrell Street frontages. This existing retail presence will not be affected by the Project. The Project will indirectly support the retail functions of the District as workers in the newly established office space patronize retail and restaurant establishments in the area.

8. Third-Story Non-Retail Sales and Service Findings. In addition to the criteria of Section 303(c) of this Code, the Code specifies that the Commission consider the following criteria to establish the proposed office use at the third floor within the C-3-R District:

- A. The proposed use would not require modification of the location that would negatively impact existing architectural, historic and aesthetic features, or otherwise inhibit the conversion back to a principally-permitted use in the future.

An application for a Minor Permit to Alter (2015-006733PTA) has been submitted for the proposed changes to the existing retail employee entry to create the office entry lobby along O'Farrell Street. The Project would not otherwise alter the exterior of the building on the Project Site, which was constructed in 1909 and is designated as a Category I building in Article 11 of the Planning Code. The building was previously occupied by the Barneys Department store. The proposed office uses would not inhibit the future conversion of the space to retail and service uses, which are emphasized in the Planning Code as the primary purpose of the C-3-R District.

- B. The proposed use would not have an actual or potential adverse impact on adjacent zoning districts in which non-retail sales and services uses are not permitted.

As discussed above, the use is relatively minimal in size and would not potentially undermine the character of the neighborhood introducing an incompatible use. The use is not adjacent to other zoning districts where the use is prohibited.

- C. The proposed use will not result in the development of non-retail sales and services uses such that the District's primary function is no longer an area for comparison shopper retailing.

The zoning controls of the C-3-R District strongly emphasize principally-permitted uses such as retail stores and restaurants. However, retail sales in urban environments relies strongly on engaging with the pedestrian realm to visually merchandise products and create a vibrant and engaging experience. Retail spaces on upper stories are disengaged from this pedestrian realm, and are difficult to successfully operate for many retail sales establishments. There are currently many vacant ground-floor retail spaces in the area of the Project Site. Therefore, the proposed office uses would not foreclose on the overall supply of available retail space in the city. The office uses would occupy an otherwise-vacant space on four upper floors of an existing building, without altering or changing the fundamentally retail character of the pedestrian realm.

- D. The proposed use would complement or support principally-permitted uses in the District, and the site of the proposed use is not conducive to any principally-permitted uses in the District by virtue of physical limitations, including but not limited to the size and orientation of the floor plate and the nature of independent access to the third floor.

The office uses proposed by the Project would be located on floors 3 through 6, in space that does not benefit from direct visual interface with the pedestrian realm. Due to its upper-story location, it would difficult for pedestrians to readily notice and recognize a retail tenant in this space. This severely limits the types of retail operators that would seek to lease an upper-story space. The Project would fill an otherwise vacant retail space with office uses.

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

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

Policy 1.3

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

OBJECTIVE 2

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

Policy 2.1

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

DOWNTOWN PLAN

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.

OBJECTIVE 3

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

Policy 3.3

Preserve retail service businesses in upper floor offices in the retail district.

Policy 3.5

Meet the convenience needs of daytime downtown workers.

OBJECTIVE 12

CONSERVE RESOURCES THAT PROVIDE CONTINUITY WITH SAN FRANCISCO'S PAST.

Policy 12.1

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

The Project would facilitate the use of a space that is currently vacant and is unsuitable for a traditional retail tenant. Due to its upper-story location, the space lacks visibility and connection to the pedestrian realm. There are currently a substantial number of vacant ground-floor retail spaces in the vicinity that would be much more attractive to future tenants. The proposed office use is compatible and consistent with the intense mix of retail, professional, and residential uses in the larger Downtown area. Workers in the office space would support the retail functions of the district by shopping for convenience needs and patronizing restaurants. In addition, leasing of the office space will provide a revenue stream to preserve the existing building, a Category I resource originally constructed in 1909.

10. 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 third through sixth floors proposed for office uses is currently vacant. Due to its upper-story location and lack of independent access from the street, the space is difficult to operate for a traditional retail tenant. There are currently many vacant ground-floor retail spaces in the vicinity of the Project Site, therefore, the establishment of office uses proposed by the project would not diminish opportunities for future neighborhood-serving retail in the area.

- 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 contain any housing, and no residents would be displaced by the Project. The proposed office uses are consistent with the intense, varied mix of uses found in the Downtown core, and would not diminish the primary retail functions of the C-3-R District.

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

The Project does not currently possess any existing affordable housing. Therefore, the Project would not displace any affordable housing stock.

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

The Project Site lies at the confluence of the major local and regional transit services in the Bay Area. The majority of workers in the proposed office space would arrive by transportation modes other than private vehicles.

- 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 space proposed for office use is currently vacant. While many retail and service sector uses are principally permitted with the C-3-R Zoning District, the physical configuration and upper-story location of the space makes it unsuitable for a traditional retailer. Many vacant retail spaces are currently available in the area, and approval of the Project would not diminish opportunities to enhance service sector employment or ownership.

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

Implementation of the Project would require minor interior tenant improvements that would not affect the structural performance of the building. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building on the Project Site is designated as a Category I building in Article 11 of the Planning Code. An application for a Minor Permit to Alter (2015-006733PTA) has been submitted for the proposed changes to the existing retail employee entry to create the office entry lobby along O'Farrell Street (COA #7). The Project would not otherwise alter the exterior of the building on the Project Site. The Project provide rental income to promote the ongoing economic viability and physical maintenance of the building.

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

The Project would not alter the physical envelope of the building and will therefore have no effect on shadows cast on parks and open spaces.

- 11.** 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.
- 12.** The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2020-007798CUA** subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file, dated August 31, 2020 and March 18, 2021, and stamped “EXHIBIT B”, which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion. The effective date of this Motion shall be the date of this Motion if not appealed (after the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on April 15, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

RECUSE:

ADOPTED: April 15, 2021

EXHIBIT A

Authorization

This authorization is for a conditional use to establish a 37,402 square foot non-retail sales and service use (general office) on floors 3 through 6 of an existing 6-story over basement building located at 48 Stockton Street, Block 0328, and Lots 003 and 004 pursuant to Planning Code Section(s) 210.2 and 303 within the Downtown-Retail (C-3-R) District and a 80-130-F Height and Bulk District; in general conformance with plans, dated August 31, 2020 and March 18, 2021, and stamped "EXHIBIT B" included in the docket for Record No. 2020-007798CUA and subject to conditions of approval reviewed and approved by the Commission on April 15, 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.

Compliance with Other Requirements

The Conditions of Approval set forth in Exhibit B of Motion No. XXXXX, Record No. 2020-007798OFA (Office Allocation Authorization Under Sections 320 through 325) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

Recordation of Conditions Of Approval

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 15, 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 Conditional Use authorization and any subsequent amendments or modifications.

Severability

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

Changes and Modifications

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

CONDITIONS OF APPROVAL, COMPLIANCE, MONITORING, AND REPORTING

Performance

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 628.652.7463, www.sfplanning.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 628.652.7463, www.sfplanning.org

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

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

4. **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 628.652.7463, www.sfplanning.org

5. **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 628.652.7463,

www.sfplanning.org

- 6. Additional Project Authorization.** The Project Sponsor must obtain an Office Development under Sections 321 and 322 to allocate office square footage. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

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

- 7. Minor Permit to Alter.** The Project Sponsor must obtain approval of a Minor Permit to Alter (2015-006733PTA) for the proposed changes to the existing retail employee entry to create the office entry lobby along O'Farrell Street.

For information about compliance, contact the Case Planner, Planning Department at 628.652.7320, www.sfplanning.org

- 8. 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 628.652.7463, www.sfplanning.org

Design – Compliance at Plan Stage

- 9. 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 628.652.7320, www.sfplanning.org

- 10. 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 628.652.7320,

www.sfplanning.org

- 11. Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and programming of the Streetscape Plan so that the plan generally meets the standards of the Better Streets Plan and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy.

For information about compliance, contact the Case Planner, Planning Department at 628.652.7320, www.sfplanning.org

Parking and Traffic

- 12. Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with required monitoring and reporting, and other actions.

Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

For information about compliance, contact the TDM Performance Manager at tdm@sfgov.org or 628.652.7340, www.sfplanning.org

- 13. Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4, the Project shall provide no fewer than 10 Class 1 or 11 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 628.652.7463, www.sfplanning.org

- 14. Showers and Clothes Lockers.** Pursuant to Planning Code Section 155.3, the Project shall provide no fewer than 2 showers and 12 clothes lockers.

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

- 15. 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 628.652.7463, www.sfplanning.org

Provisions

- 16. 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 628.652.7320, www.sfplanning.org

- 17. 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 628.652.7320, www.sfplanning.org

- 18. 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 628.652.7320, www.sfplanning.org

- 19. 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 628.652.7320, www.sfplanning.org

Monitoring - After Entitlement

- 20. 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 628.652.7463, www.sfplanning.org

- 21. 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 628.652.7463, www.sfplanning.org

Operation

- 22. 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, 628.271.2000, www.sfpublishworks.org

- 23. 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 628.652.7463, www.sfplanning.org



PLANNING COMMISSION DRAFT MOTION

HEARING DATE: April 15, 2021

Record No.: 2020-007798OFA
Project Address: 48 STOCKTON STREET
Zoning: Downtown-Retail (C-3-R) Zoning District
80-130-F Height and Bulk District
Block/Lot: 0328/003 & 004
Project Sponsor: Clarke Miller, Strada Investment Group
101 Mission Street, Suite 420
San Francisco, CA 94111
Property Owner: Stockton Street Properties, Inc.
San Francisco, CA 94111
Staff Contact: Linda Ajello Hoagland, AICP – (628) 652-7320
linda.ajellohoagland@sfgov.org

ADOPTING FINDINGS TO APPROVE AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2020-2021 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO SECTIONS 320 THROUGH 325 OF THE PLANNING CODE TO ALLOW UP TO 37,402 GROSS SQUARE FEET OF NON-RETAIL SALES AND SERVICE USE (GENERAL OFFICE) USE ON FLOORS 3 THROUGH 6 OF AN EXISTING BUILDING LOCATED AT 48 STOCKTON STREET, LOTS 003 AND 004 IN ASSESSOR'S BLOCK 0328, WITHIN THE C-3-R (DOWNTOWN-RETAIL) ZONING DISTRICT AND THE 80-130-F HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 31, 2020, Clarke Miller of Strada Investment Group (hereinafter "Project Sponsor") filed Application No. 2020-007798OFA (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to allow a change of use from retail to office use and establish a 37,402 square foot non-retail sales and service use (general office) on floors 3 through 6 of an existing building (hereinafter "Project") at 48 Stockton Street, Block 0328 Lots 003 and 004 (hereinafter "Project Site").

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

On April 15, 2021, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Office Development Authorization Application No. 2020-007798OFA.

On April 15, 2021, the Commission adopted Motion No. XXXXX, approving a Conditional Use Authorization for the Project (Conditional Authorization Application No. 2020-007798CUA) and Motion No. XXXXX, a change of use on floors 3 through 6 (37,402 square feet) from retail to office use in an existing building. Findings contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On April 15, 2021, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Development Authorization Application No. 2020-007798OFA.

The Planning Department Commission Secretary is the Custodian of Records; the File for Record No. 2020-007798OFA 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 authorizes the Office Development Authorization as requested in Application No. 2020-007798OFA, 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 a change of use on floors 3 through 6 (37,402 square feet) from retail to office use at the site of the former Barneys Department Store. In the Downtown Retail Zoning District, non-retail sales or service uses (in this case general office) require a Conditional Use Authorization on the third floor for any use size, and when greater than 5,000 square feet on the 4th through 6th floors. In addition, the total amount of office would require an Office Development Authorization.

3. **Site Description and Present Use.** The Project site located on two lots (with a lot area of approximately 35,734 square feet), which have approximately 87.5-ft of frontage along O’Farrell Street and 112.75-ft of frontage along Sutter Street. The Project Site contains a six-story over basement commercial building constructed in 1909 as the Newman Levinson Building. The building is listed as a Class “A” Historic Resource, located in the Kearny-Market-Mason-Sutter Conservation District. The building has been used as a department store since its construction and was most recently occupied by Barney’s Department Store until they closed their doors in 2020.
4. **Surrounding Properties and Neighborhood.** The Project Site is located one block from Union Square, in the heart of the city’s historic retail shopping district. The neighborhood is characterized by mid-rise, mixed-use commercial buildings and the busy pedestrian, public transit, and auto traffic on Stockton Street. The immediate neighborhood includes two-to-ten-story buildings with the Phelan Building (retail with office on upper floors) located immediately adjacent to the east, The Roos Brothers Building (retail) immediately adjacent to the south, the former Macy’s Building (retail with office on upper floors) to the north and Crate and Barrell and FIDM (retail and institutional uses) to the west. The immediate neighborhood is predominantly within the Downtown-Retail (C-3-R) Zoning District with a few P (Public) zoned properties.
5. **Public Outreach and Comments.** To date, the Department has not received any public comments regarding the Project.
6. **Planning Code Compliance.** The Planning Code Compliance findings set forth in Motion No. XXXXX, Record No. 2020-007798CUA (Conditional Use Authorization), pursuant to Planning Code Section 303) apply to this Motion and are incorporated herein as though fully set forth.
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 December 10, 2020, there was approximately 728,338 square feet of “Small Cap” Office Development available under the Section 321 office allocation program. *The Project would add 37,402 gross square feet of office space at the Property. If the Project is approved, approximately 690,936 gross square feet would 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 would 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 would contribute to program designed to benefit the surrounding community and city as a whole. The new office space, together with the remaining retail space on the lower floors of the building, would promote the long-term economic health in the area 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.

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

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

The majority of the workers and visitors are expected to travel to and from the site using one of the many public transit options. Others are expected to walk or bike. In addition, the Project would provide off-street parking in an amount consistent with the policies of the Plan and current zoning controls. Therefore, the Project is not anticipated to burden local transit or traffic circulation.

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 spaces would be converted and reconfigured into 37,402 square feet of office space confined to the top four floors (3-6) of an existing commercial building. 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 Minor Permit to Alter, which is currently under review (see Case No. 2020-007798PTA).

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

- a. Use. *The Project is located within the C-3-R (Downtown-Retail) Zoning District, which conditionally permits office uses on the third floor, or floors four through six when larger than 5,000 gross square feet in size, pursuant to Planning Code Section 210.2. The Project would reconfigure existing retail space and allow for the continued viability of the area.*
- b. Transit Accessibility. *The Project site has exceptional transit access and is well situated for continuation of retail use on the first two floors, paired with the new office use on floors 3 through 6. The Property is in close proximity to the Powell Street BART, MUNI stations, and its numerous transit/streetcar lines, and is one block away from a cable car stop on Powell and Market Streets.*
- c. Open Space Accessibility. *The Project site is located one block from Union Square.*
- 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 Minor Permit to Alter is currently under review (see Case No. 2020-007798PTA) for modifications to the existing retail employee*

entry to create a dedicated office entry. 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 four floors of the subject building. This conversion will provide new employees in the area, who will patronize new businesses.*
- b. Needs of Existing Businesses. *The top four floors, where conversion is proposed, were previously occupied by Barney's Department store, which occupied the entire building as retail floor space. These spaces are currently vacant, and the conversion would 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. *The Project would create flexible office space suitable for a variety of potential tenants or a single tenant.*

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

The site would retain its existing retail space on the lower two floors. The Project Sponsor intends to reconfigure the top four 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 would not require any TDR's.

8. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. XXXXX, Case No. 2020-007798CUA (Conditional Use Authorization, pursuant to Planning Code Section 303) apply to this Motion and are incorporated herein as though fully set forth.

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 third through sixth floors proposed for office uses are currently vacant. Due to its upper-story location and lack of independent access from the street, the space is difficult to operate for a traditional retail tenant. There are currently many vacant ground-floor retail spaces in the vicinity of the Project Site, therefore, the establishment of office uses proposed by the project would not diminish opportunities for future neighborhood-serving retail in the area.

- 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 contain any housing, and no residents would be displaced by the Project. The proposed office uses are consistent with the intense, varied mix of uses found in the Downtown core, and would not diminish the primary retail functions of the C-3-R District.

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

The Project does not currently possess any existing affordable housing. Therefore, the Project would not displace any affordable housing stock.

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

The Project Site lies at the confluence of the major local and regional transit services in the Bay Area. The majority of workers in the proposed office space would arrive by transportation modes other than private vehicles.

- 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 space proposed for office use is currently vacant. While many retail and service sector uses are principally permitted with the C-3-R Zoning District, the physical configuration and upper-story location of the space makes it unsuitable for a traditional retailer. Many vacant retail spaces are currently available in the area, and approval of the Project would not diminish opportunities to enhance service sector employment or ownership.

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

Implementation of the Project would require minor interior tenant improvements that would not

affect the structural performance of the building. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building on the Project Site is designated as a Category I building in Article 11 of the Planning Code. The Project would not significantly alter the exterior of the building, and would provide rental income to promote the ongoing economic viability and physical maintenance of the building. Alterations to the existing retail employee entrance/storefront are currently under review under Minor Permit to Alter (see Case No. 2020-007798PTA).

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

The Project would not alter the physical envelope of the building and will therefore have no effect on shadows cast on 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** approximately 34,702 square feet of office use out of the 728,338 gsf identified in Office Development Application 2020-007798OFA, subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file, dated August 31, 2020 and March 18, 2021, 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 Section 321 Office Allocation Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (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 15, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED:

EXHIBIT A

Authorization

This authorization is for an Office Development Authorization to authorize 34,702 gross square feet of office use located at 48 Stockton Street, Block 0328, and Lots 003 and 004 pursuant to Planning Code Section(s) 210.2 and 303 within the Downtown-Retail (C-3-R) District and a 80-130-F Height and Bulk District; in general conformance with plans, dated August 31, 2020 and March 18, 2021, and stamped “EXHIBIT B” included in the docket for Record No. 2020-007798OFA and subject to conditions of approval reviewed and approved by the Commission on April 15, 2021 under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

Compliance with Other Requirements

The Conditions of Approval set forth in Exhibit B of Motion No. XXXXX, Record No. 2020-007798CUA (Conditional Use Authorization Under Section 303) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

Recordation of Conditions Of Approval

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 15, 2021 under Motion No. XXXXX.

Printing of Conditions of Approval on Plans

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

Severability

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

Changes and Modifications

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

CONDITIONS OF APPROVAL, COMPLIANCE, MONITORING, AND REPORTING

Performance

1. **Development Timeline - Office.** Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this conditional use authorization. The Commission recognizes and re-affirms its policies as set forth in Commission Resolutions 16418 and 17846A.

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

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

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

EXHIBIT
B

48 STOCKTON

REPOSITIONING DEVELOPMENT

PROJECT APPLICATION
31 AUGUST 2020

PROJECT SPONSOR | STRADA INVESTMENT GROUP
ARCHITECT | GENSLER
HISTORIC PRESERVATION CONSULTANT | PAGE & TURNBULL



PROJECT DESCRIPTION

Stockton Street Properties, Inc. is proposing a partial change of use from Retail only to Retail and Office use of their building at 48 Stockton Street. This is an existing seven floor (basement – level 6) Retail Use building originally built in 1909. This building is located within the Kearny-Market-Mason-Sutter (KMMS) Conservation District, and parts of this building are considered “Category A – Historic Resources”.

This proposal seeks to change the third, fourth, fifth and sixth floors of Retail to Office use, a total of 37,402 square feet subject to Prop M allocation from the small cap allocation pool, and modify the “non-historic” 2005-built existing retail employee entrance on O’Farrell Street into an Office entrance while continuing to also serve as the retail employee entrance. A portion of the existing basement retail will be converted to a commuter bicycle facility with Class 1 bicycle parking, clothing lockers and shower facilities to serve both Retail and Office uses. This proposal maintains the building’s existing square footage.

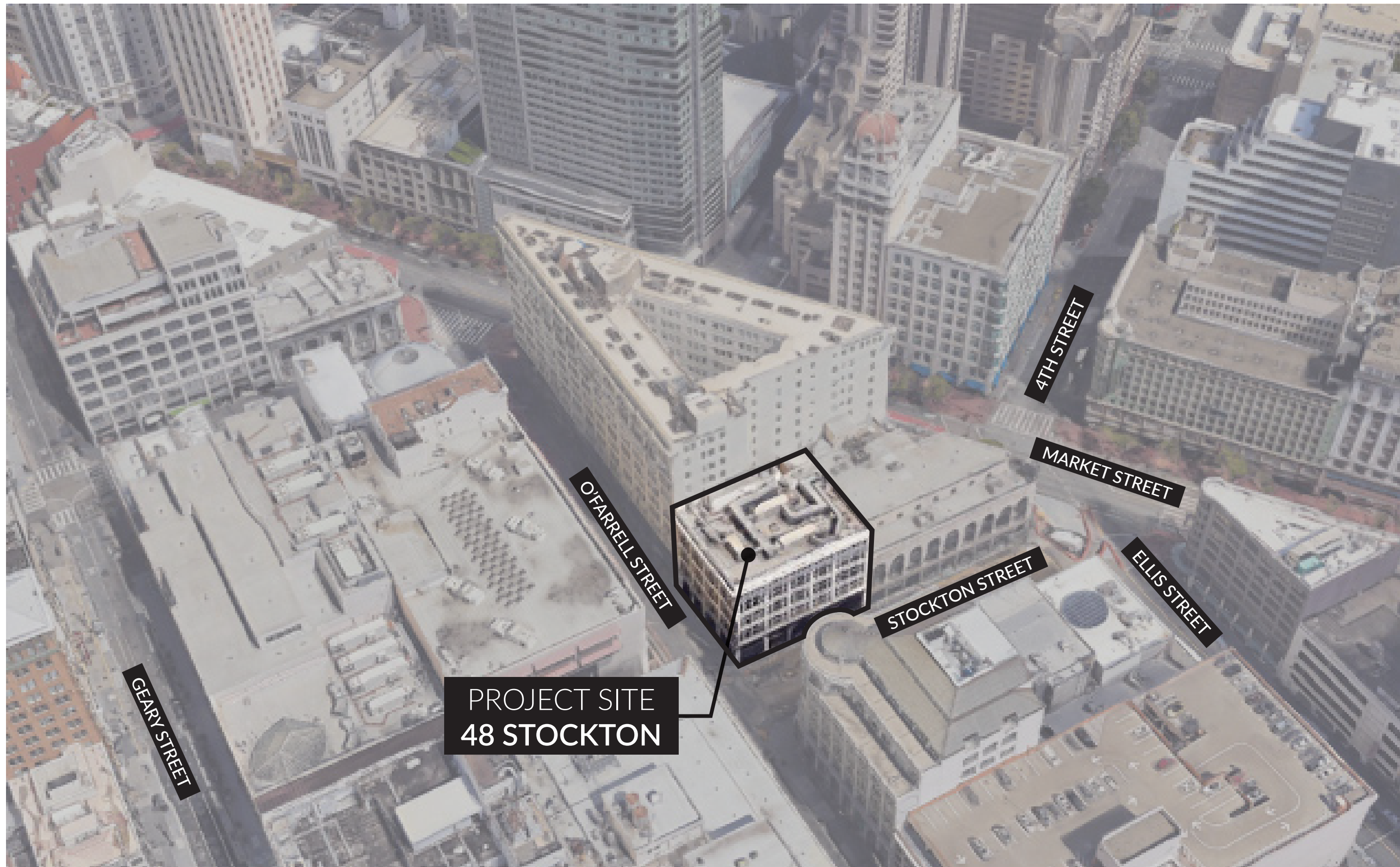
BUILDING SUMMARY

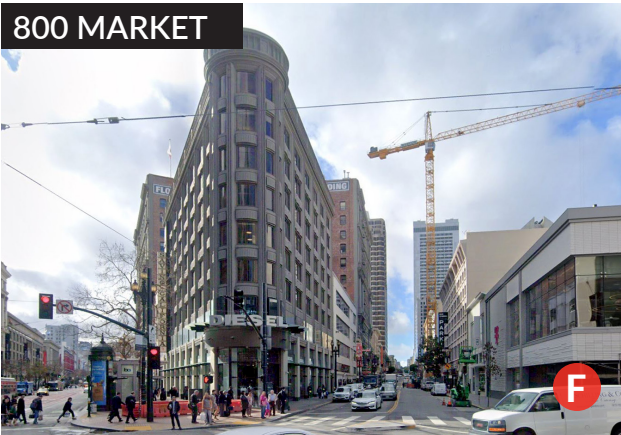
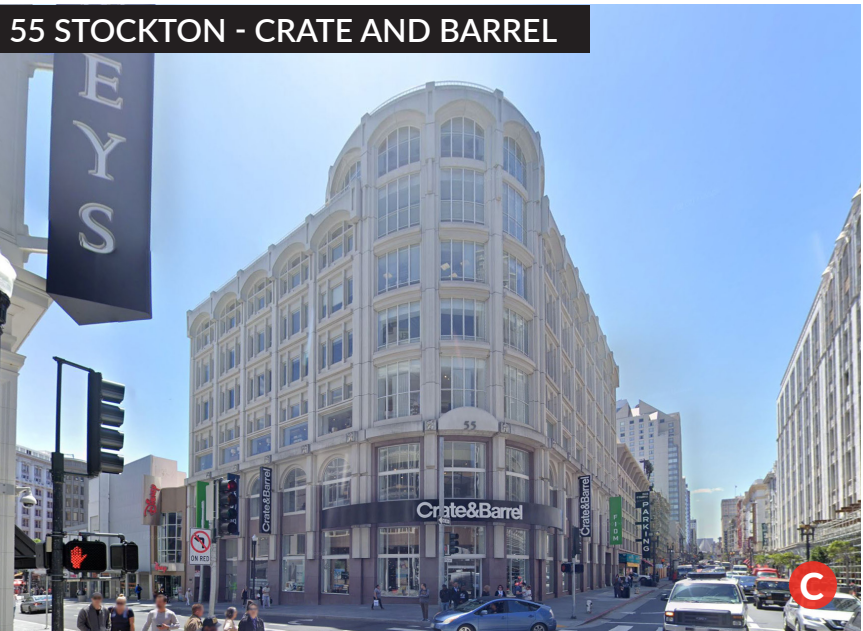
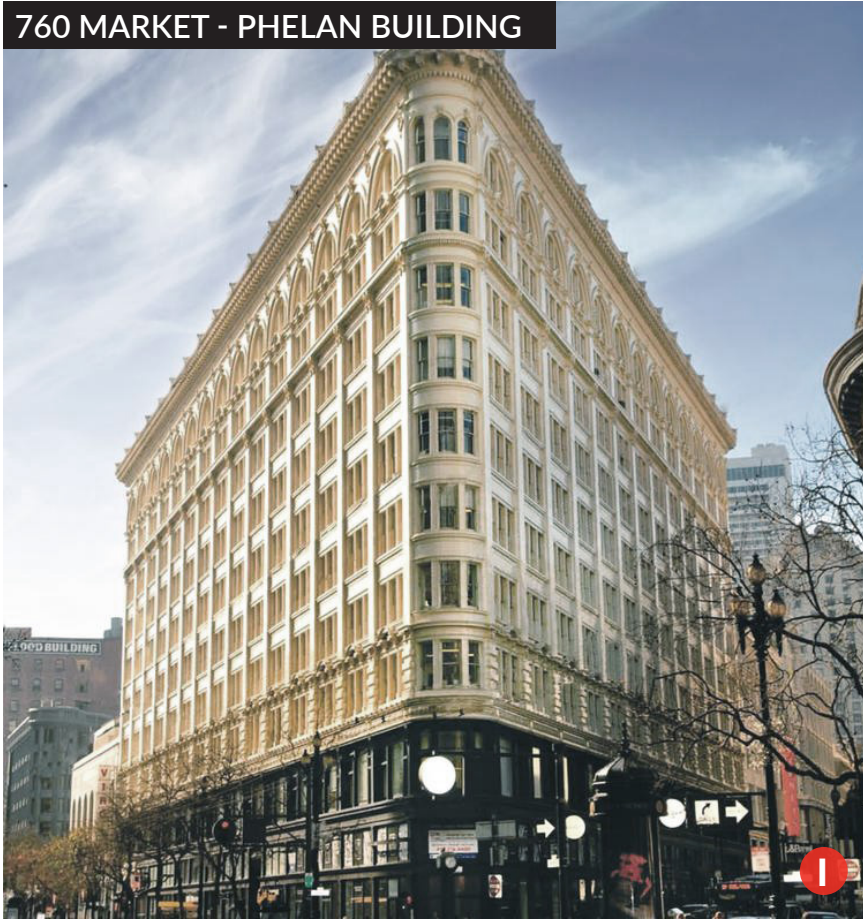
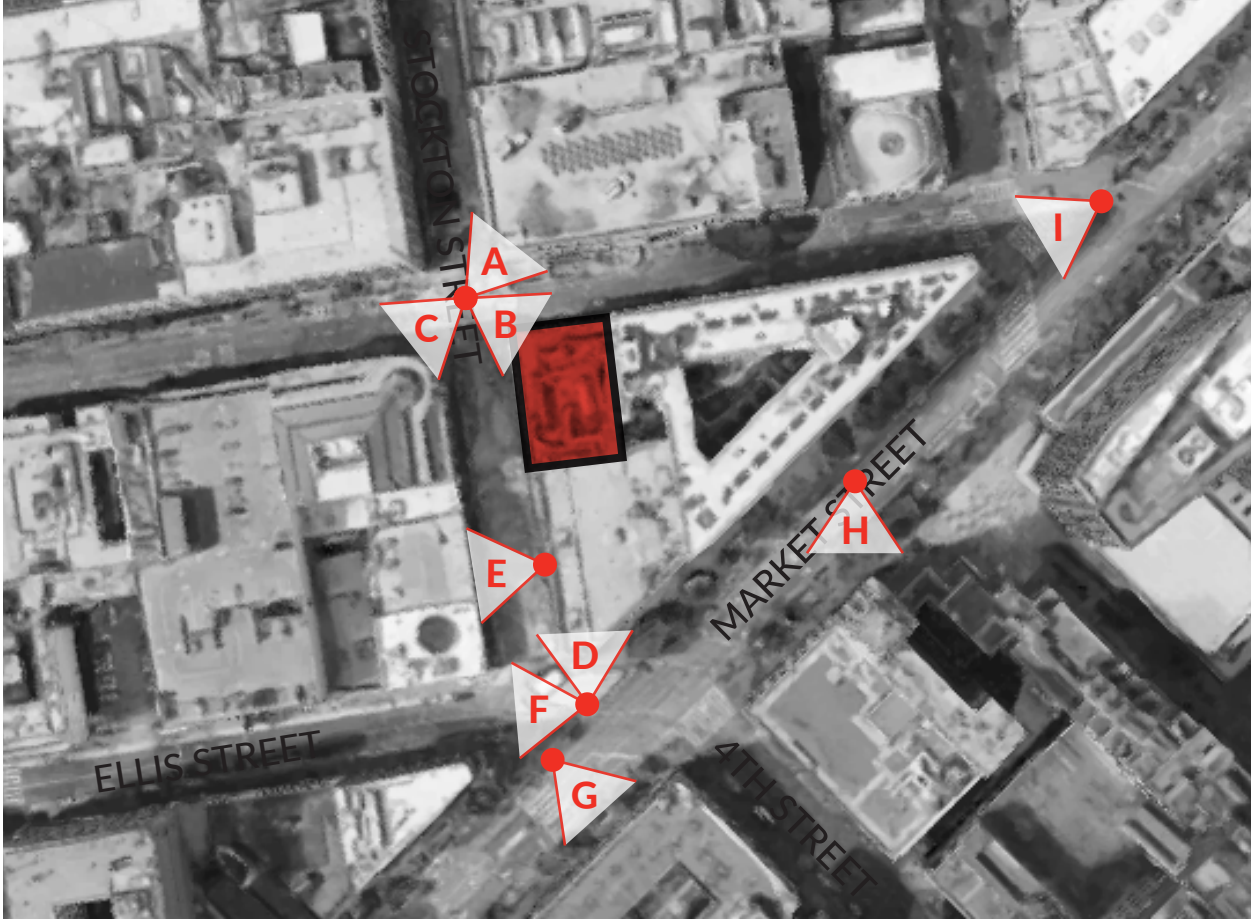
PROJECT BLOCK & LOT NUMBERS	0328/003 & 004
ZONING DISTRICT	C-3-R
HEIGHT AND BULK DISTRICT	80-130-F
PROPOSED BUILDING HEIGHT	98’-5 1/2” (NO CHANGE)
EXISTING USES	RETAIL
PROPOSED USES	RETAIL & OFFICE

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BUILDING HISTORY

The building at 48 Stockton Street fills two parcels (block and lot 0328/003 and 0328/004) at the southeast corner of Stockton and O'Farrell streets in Downtown San Francisco. This six-story stucco-clad commercial building was constructed in 1909 as the Newman & Levinson building and was designed by Lansburgh & Joseph. Lansburgh & Joseph were known for their highly ornamental designs, such as that for the Orpheum Theater (completed 1909, demolished 1938), and completed several downtown commercial buildings during the reconstruction following the 1906 earthquake and fires.

48 Stockton Street follows the popular tri-partite design of early 20th century commercial buildings, with a clearly articulated base (floors one and two), shaft (floors three through five), and capital (floor six). Today the upper stories retain their grouped windows, strong vertical elements marked by pilasters, and decorative spandrel panels. The top floor, or capital, is highly decorative and retains its arcaded arched windows that are set within an unusual cross-vaulted cornice over a denticulated bandcourse with oversized modillion brackets at the corners of each façade.

The building has been used as a department store since its construction in 1909, and was home to the Joseph Magnin flagship store from the 1920s until the company closed in 1984. While serving as the Joseph Magnin store, the first two stories of the building were remodeled twice, each time reducing the high proportion of glazing from the original 1909 design (please refer to the *Construction Chronology*). Today, the building features a replacement storefront system along the first and second stories that is compatible to storefront designs of the building's period of construction, but is not original. The upper stories remain highly intact and demonstrate the character-defining features of the original 1909 Lansburgh & Joseph design.

Building Overview:
History, Character-Defining Features, and Historic Materials

48 STOCKTON STREET, SAN FRANCISCO

HISTORIC STATUS

According to Article 11 of the San Francisco Planning Code, 48 Stockton Street is a Category 1 building and is a contributor to the Kearny-Market-Mason-Sutter Conservation District. The building's commercial architectural style is consistent with its historical use. The building's design, scale, and street presence contribute to the commercial landscape of Union Square in San Francisco. Although the base of the building has been altered over time, the shaft and capital are largely unaltered and make up the character-defining features of the building.

CHARACTER-DEFINING FEATURES

Character-defining features of the building include:

- Scale and massing;
- Tripartite organization with a clear base, shaft, and capital;
- Vertical pilasters that stretch from the base to the capital of the building;
- Regular fenestration pattern that consists of sets of wood windows that span from between the pilasters;
- Decorative horizontal spandrels between the windows;
- Decorative capital that features an ornate cross-vault detail above a series of arched windows;
- Ornate modillion brackets at each corner of the building.

HISTORIC MATERIAL



As illustrated above, the ground floor does not contain any historic material (illustrated by the red overlay), while the upper stories are largely intact, retain their historic material, and convey the significance of the historic building.

Image Reference
Image courtesy of Google Maps, submitted by Google user Shailesh Desai, November 2017.

P&T

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1909 to circa 1945

When originally constructed in 1909 as the Newman & Levinson Building, designed by G. Albert Lansburgh & Bernard J. Joseph, the mezzanine level was fully glazed with no visible piers along its exterior skin.



Circa 1945 to circa 1970

Prior to 1945, 48 Stockton Street was altered along the ground floor and mezzanine levels in a Streamline Moderne style with rectilinear portal entrances and decorative horizontal banding. The previous expansive glazing at the mezzanine was reduced to groupings of three divided-lite casement and fixed sash, with horizontal banding between windows. The original belt cornice was retained. Storefront systems also appear to have reduced the amount of glazing from the original design, and vitrolite was added along the bulkheads.

By 1960, the mezzanine windows had been painted (see images 3 and 5).

Image 5 shows a portion of the O'Farrell Street facade. Note the stepped opening at the far left of the building.



1970s to circa 1989

By the 1970s another renovation to the ground floor and mezzanine level had occurred at the subject building. The belt cornice was removed and covered with a horizontal sign board, all glazing along the mezzanine was removed and replaced with a flat surface (likely stucco), and the presence of storefront piers was evoked through the vertical incised marking of the base in line with the structural elements of the upper stories.

Circa 1989 to present

The existing ground floor and mezzanine system has been in place since circa 1989. The existing design features a replacement belt cornice and storefront piers that mimic the rhythm of the upper stories and are compatible to historic storefront systems of the period of this building's construction, but do not appear to be based on archival records of the original design.

Image References

Image 1. O'Farrell and Stockton streets, looking east along O'Farrell Street, circa 1910-1913. San Francisco Public Library Digital Collection (SFPL), AAB-4824

Image 2. O'Farrell and Stockton streets, looking south along Stockton Street, 1945. SFPL, AAB-5356

Image 3. Stockton Street facade, looking east, showing Joseph Magnin Department Store window display for Muni's 50th Anniversary, October 1962. SFMTA Photography Department and Archive, X7525

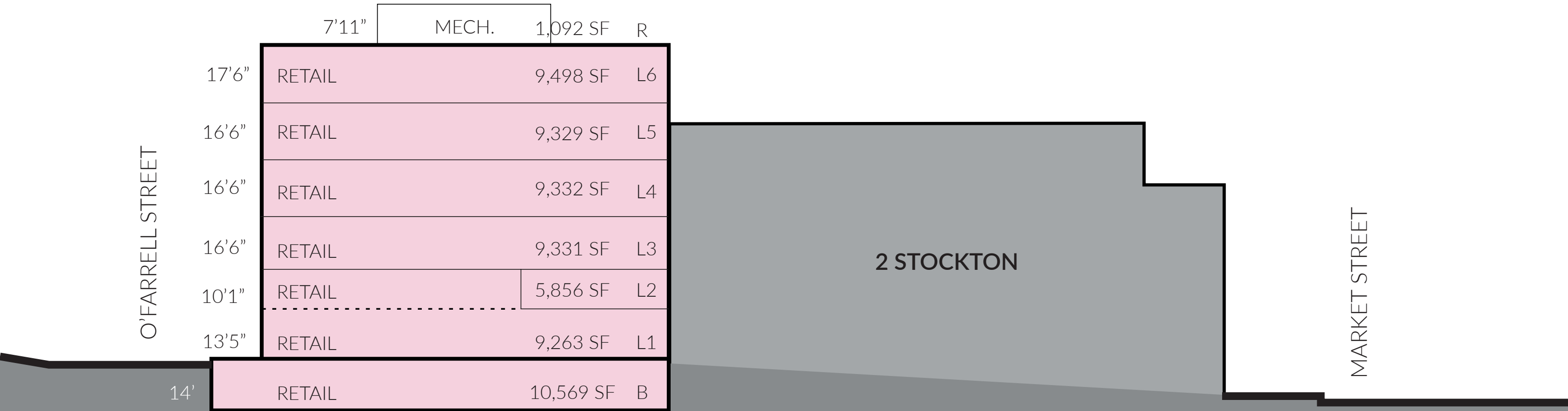
Image 4. Stockton Street facade, looking slightly northeast, January 1951. Open SF History, wnp14.4707

Image 5. O'Farrell Street facade at right, looking east, July 1960. Open SF History, wnp27.5131

Image 6. O'Farrell and Stockton streets, looking southeast, circa 1970s. *Splendid Survivors: San Francisco's Downtown Architectural Heritage*, p. 165

EXISTING CONDITIONS

- BUILT: 1909
- LOT SIZE: 9,468 SF
- GFA: 64,270 SF
- 6 LEVELS ABOVE GRADE + BASEMENT
- LOCATED IN KMMS CONSERVATION DISTRICT
- HISTORIC RESOURCE: ARTICLE 11, CATEGORY 1: SIGNIFICANT BUILDING

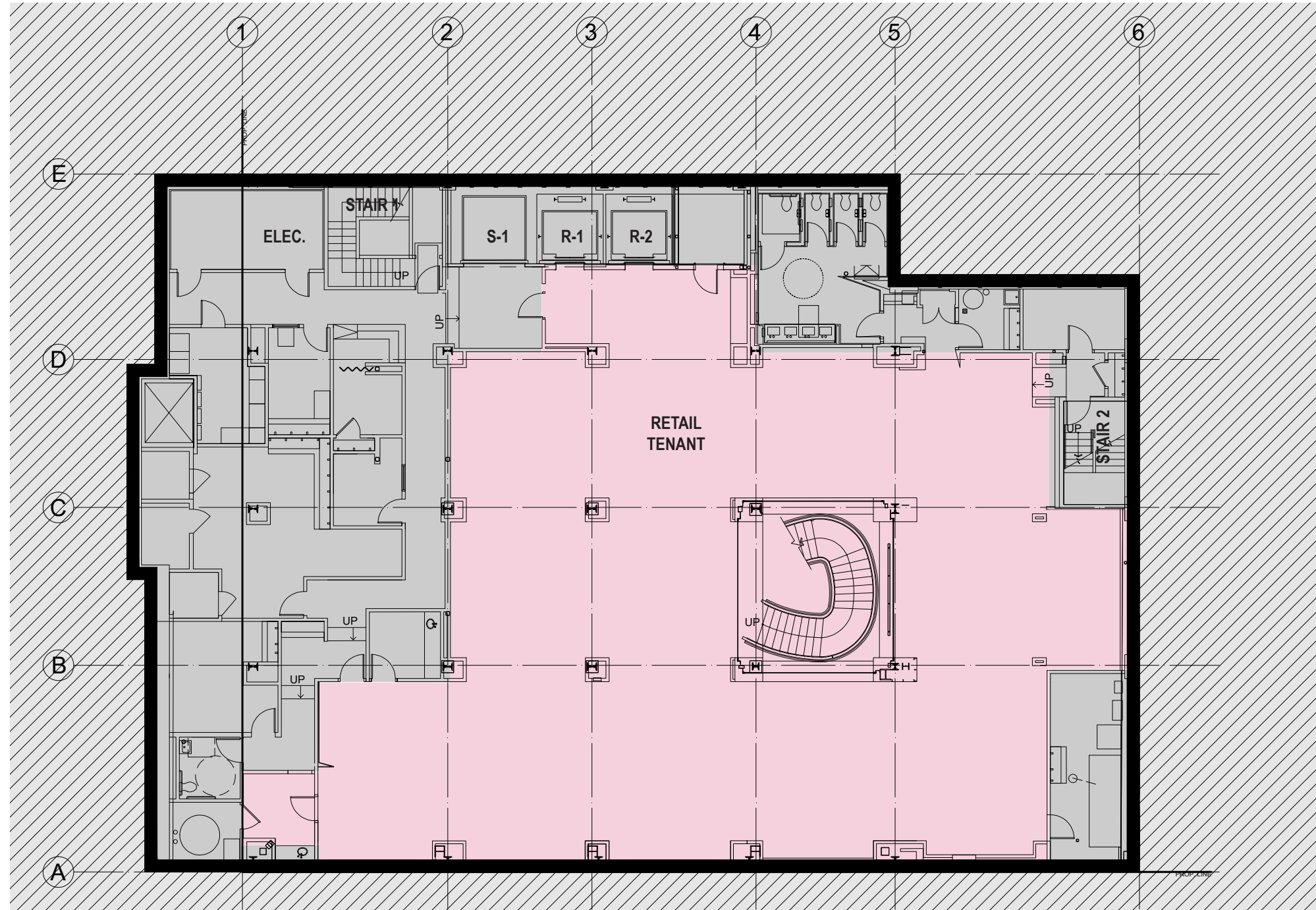




SCALE: 1/16" = 1' - 0"

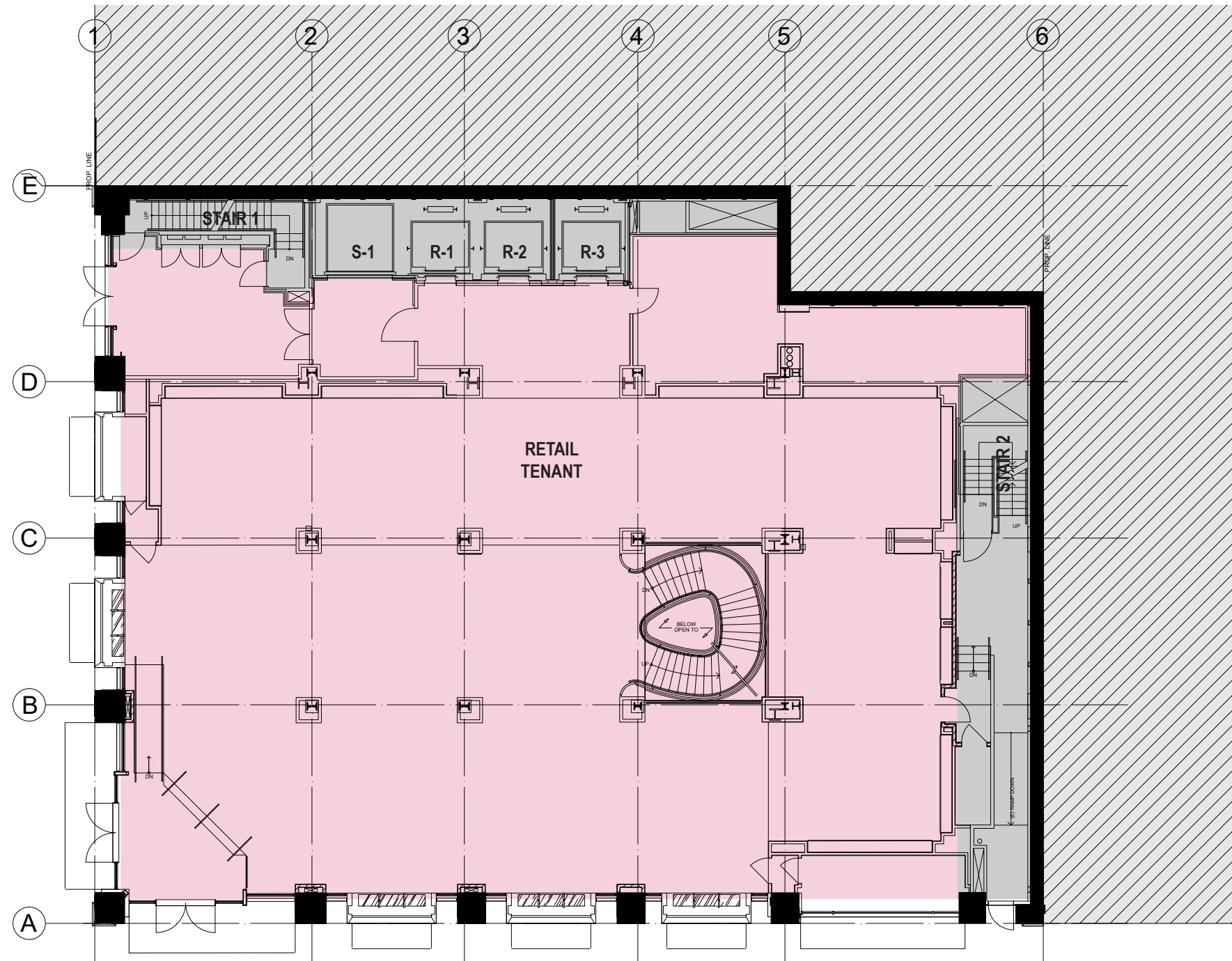
EXISTING CONDITIONS: STOCKTON ELEVATION





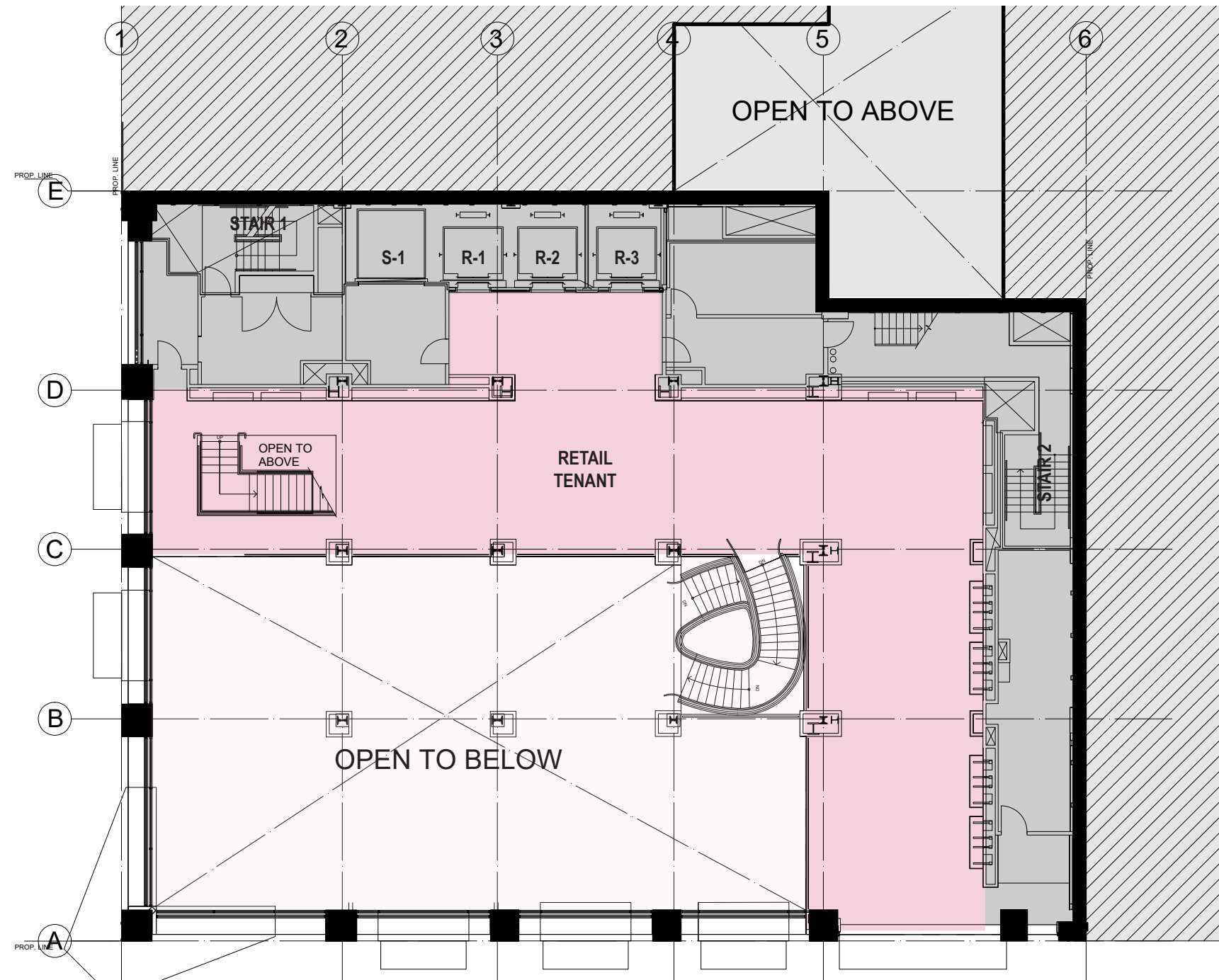
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EXISTING CONDITIONS: BASEMENT PLAN



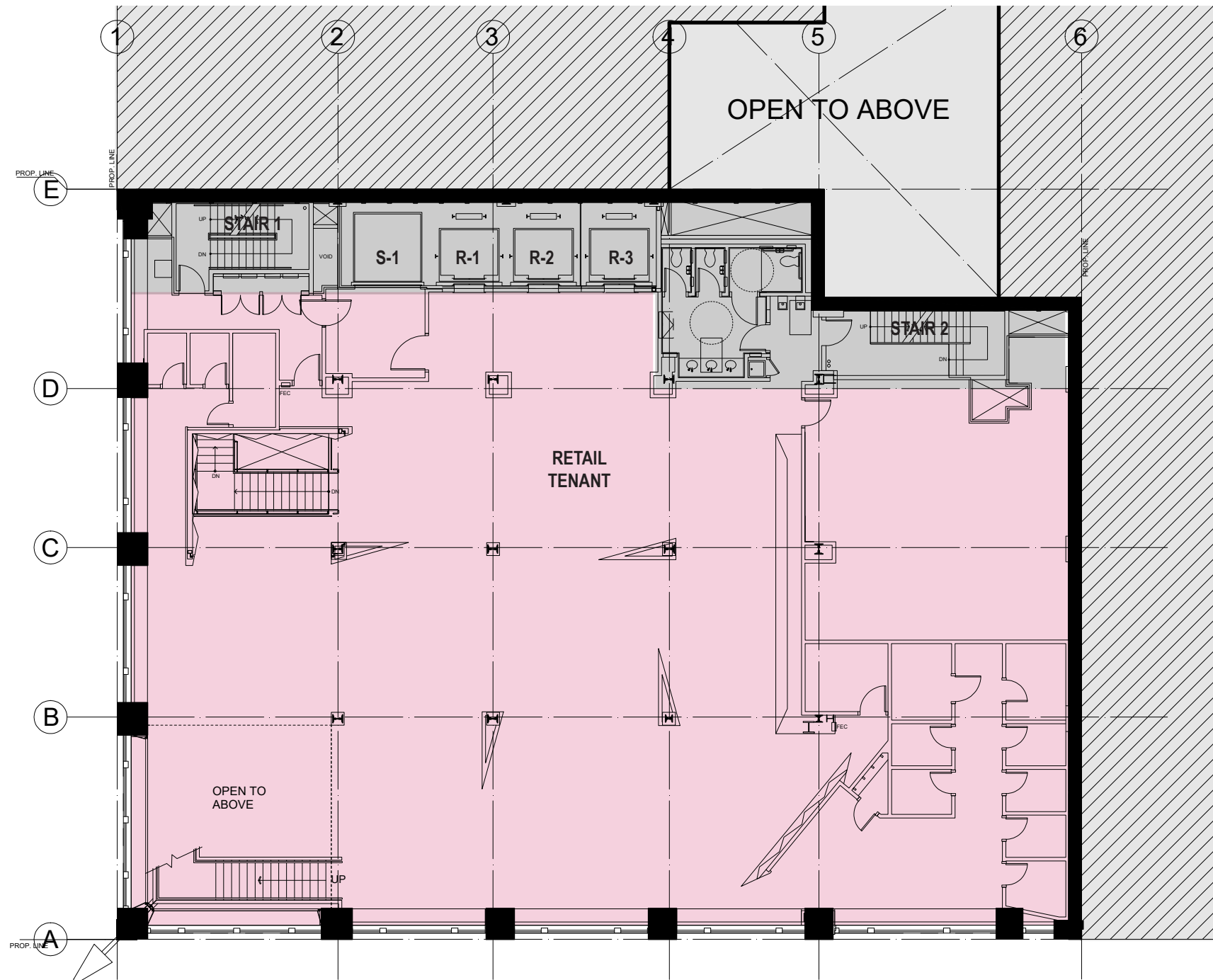
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EXISTING CONDITIONS: LEVEL 1 PLAN



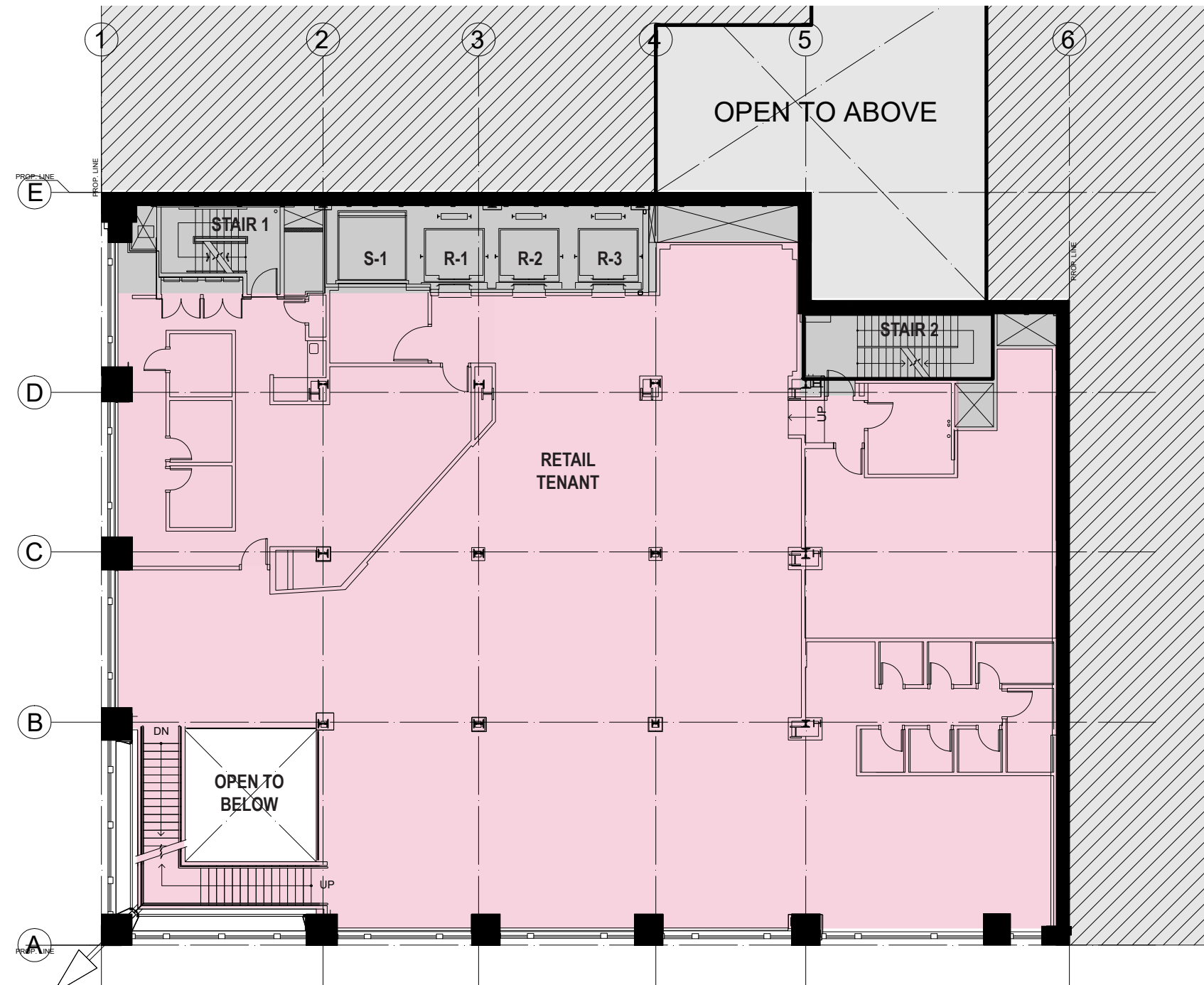
SCALE: 1/16" = 1' - 0"

EXISTING CONDITIONS: LEVEL 2 PLAN



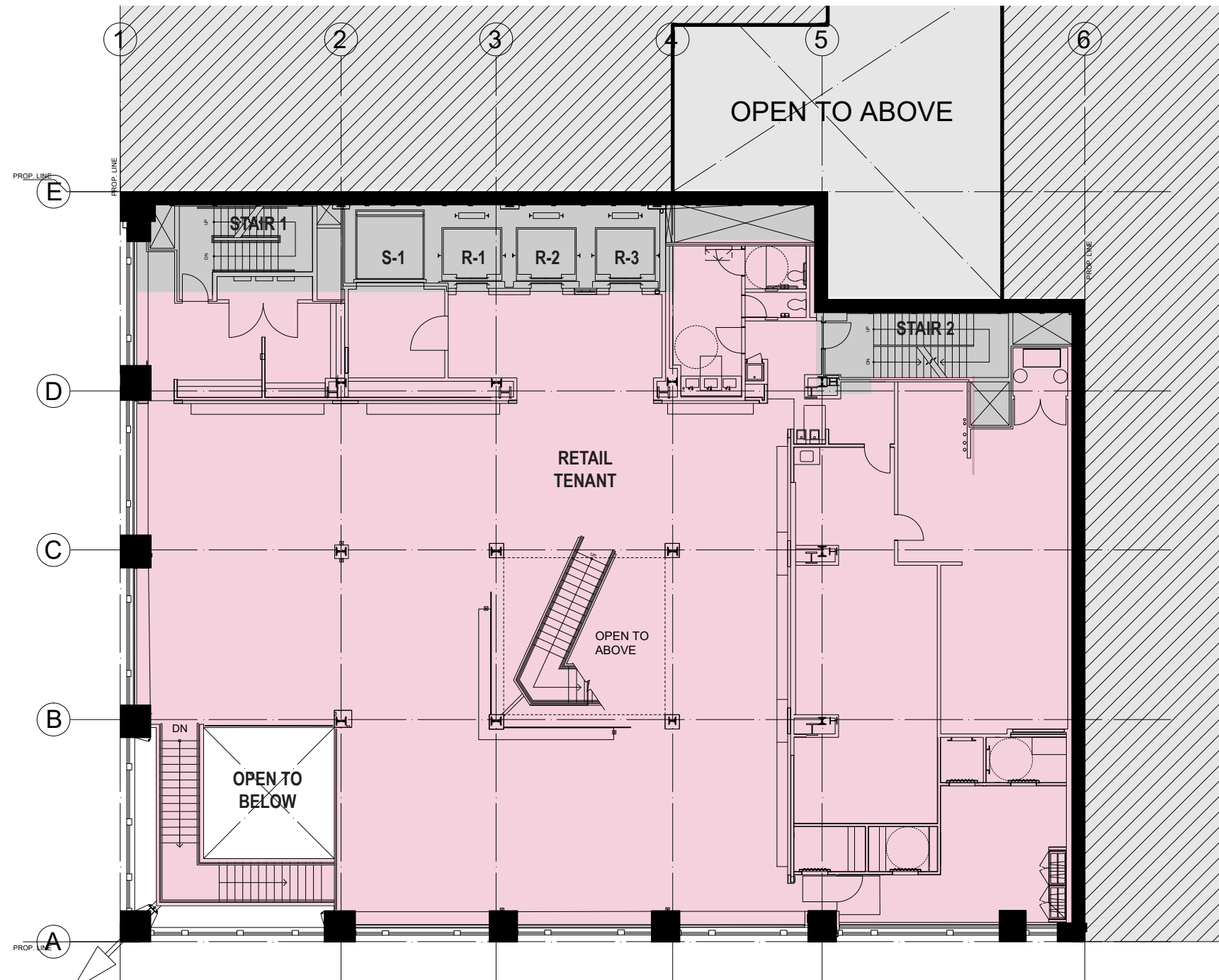
SCALE: 1/16" = 1' - 0"

EXISTING CONDITIONS: LEVEL 3 PLAN



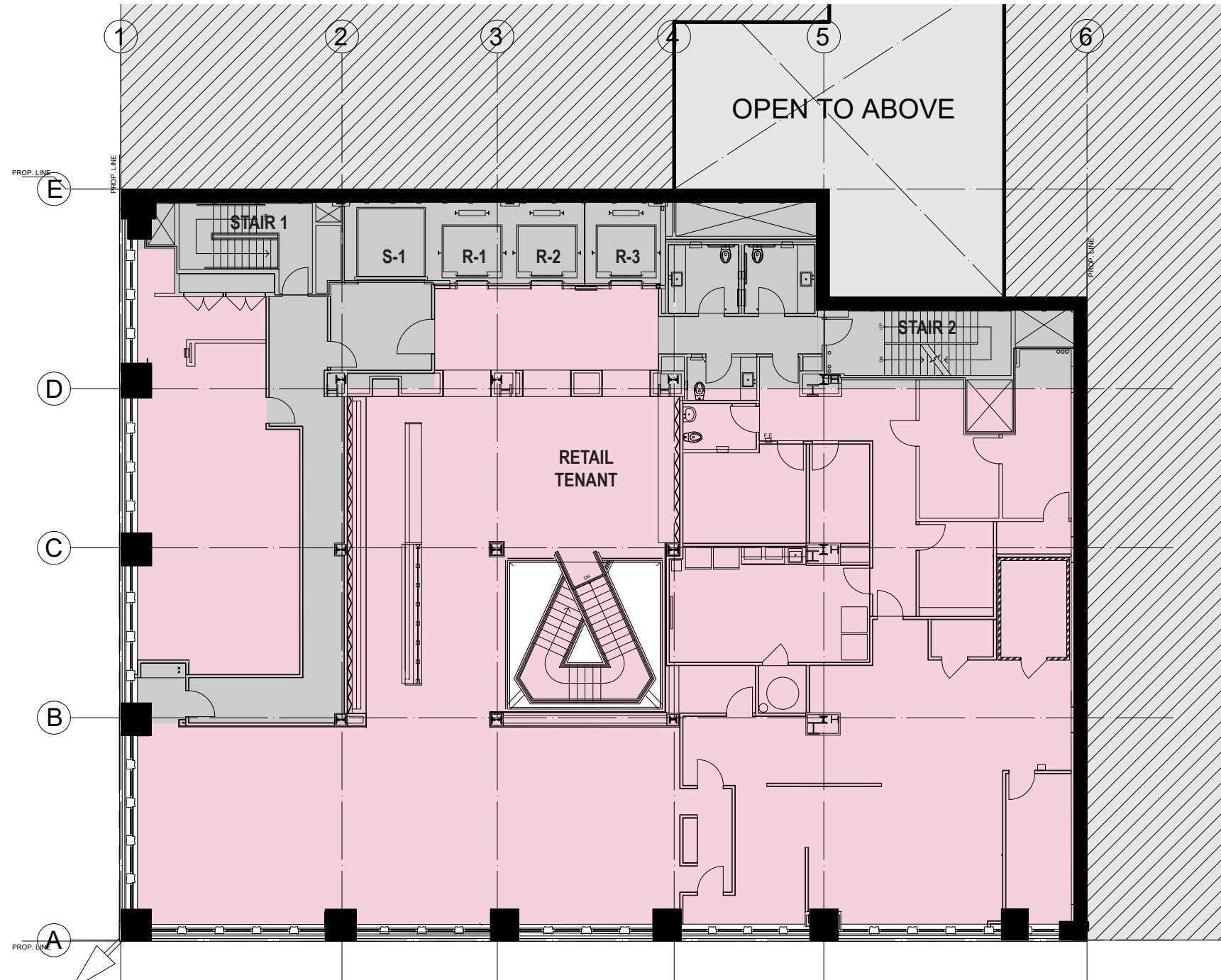
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EXISTING CONDITIONS: LEVEL 4 PLAN



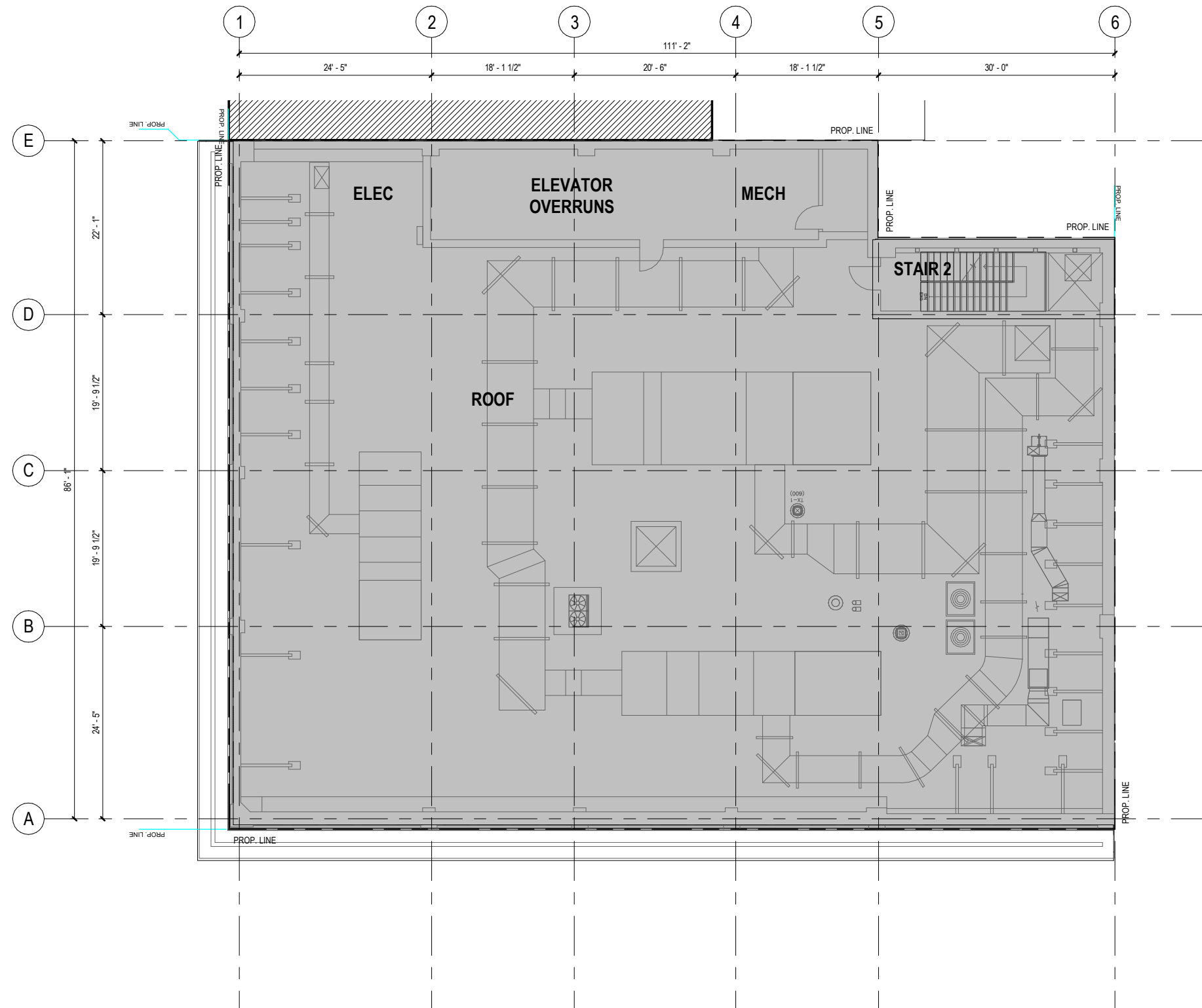
SCALE: 1/16" = 1' - 0"

EXISTING CONDITIONS: LEVEL 5 PLAN



SCALE: 1/16" = 1' - 0"

EXISTING CONDITIONS: LEVEL 6 PLAN



SCALE: 1/16" = 1' - 0"

EXISTING CONDITIONS: ROOF PLAN

PROPOSED DESIGN

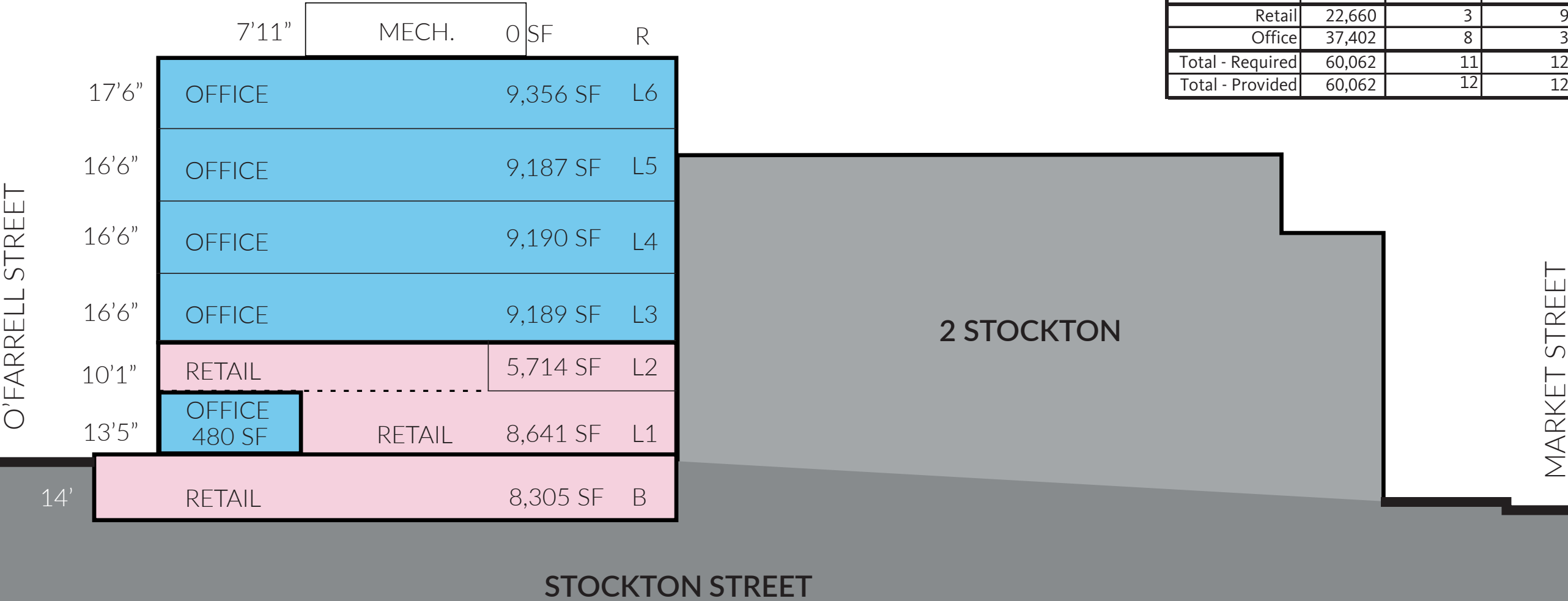
TOTAL: 64,270 SF
GSF: 60,062 SF MEASURED PER SF
PLANNING CODE SEC. 102

OFFICE: 37,402 SF
RETAIL: 22,660 SF

Floor	Gross Area (Exterior Envelope)	Rooftop: Elevator, Stair, MEP Penthouse Sec. 102.(b)(3)	Basement Sec. 102. (b)(1)	Mechanical, Ops/Maintenance Sec. 102.(b)(4)	Bicycle Parking Sec 102.(b)(8)	Gross Floor Area as defined by SF Planning Code Section 102.
Roof	1,092	1,092	-	-	-	0
6	9,498	-	-	142	-	9,356
5	9,329	-	-	142	-	9,187
4	9,332	-	-	142	-	9,190
3	9,331	-	-	142	-	9,189
2	5,856	-	-	142	-	5,714
1	9,263	-	-	142	-	9,121
B	10,569	-	864	-	1,400	8,305
Total	64,270	1,092	864	852	1,400	60,062

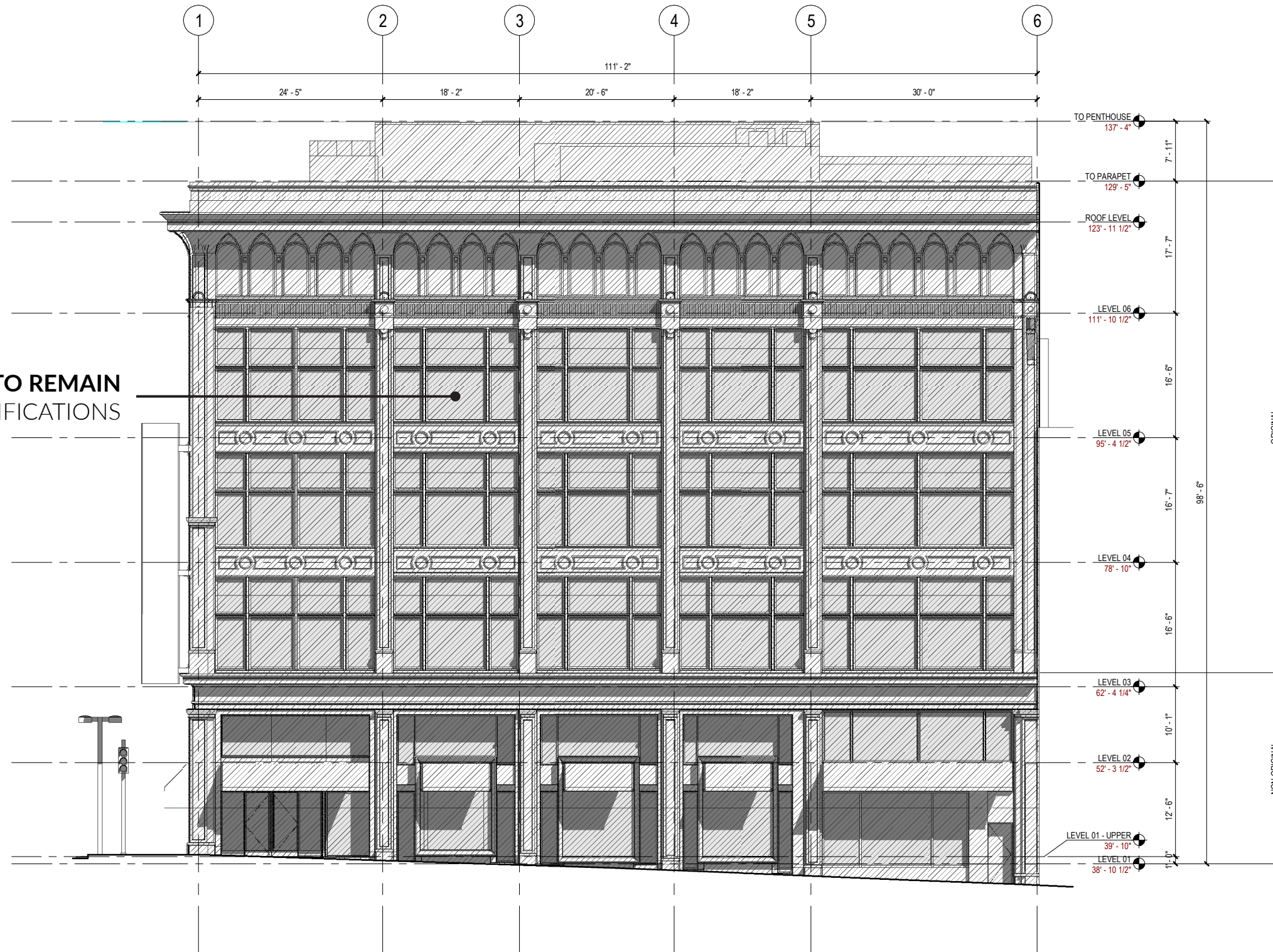
Bicycle Parking, Showers and Clothing Lockers

Use	Sq. Ft.	Class 1 (table 155.2)	Class 2 (table 155.2)	Showers (Sec 155.4)	Clothing Lockers (Sec 155.4)
Retail	22,660	3	9	1	6
Office	37,402	8	3	2	12
Total - Required	60,062	11	12	3	18
Total - Provided	60,062	12	12	3	18



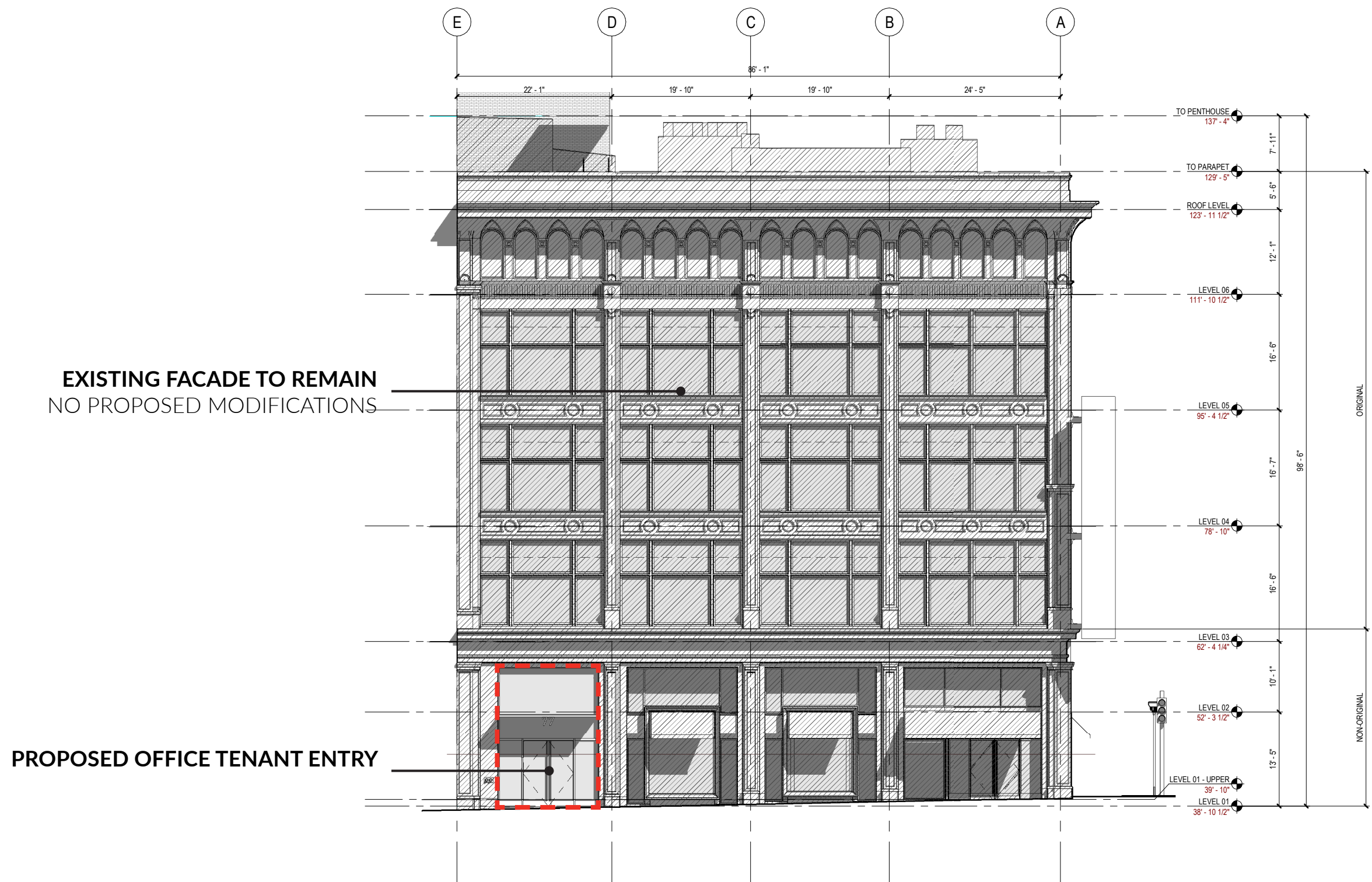
PROPOSED: USE SECTION DIAGRAM

EXISTING FACADE TO REMAIN
NO PROPOSED MODIFICATIONS



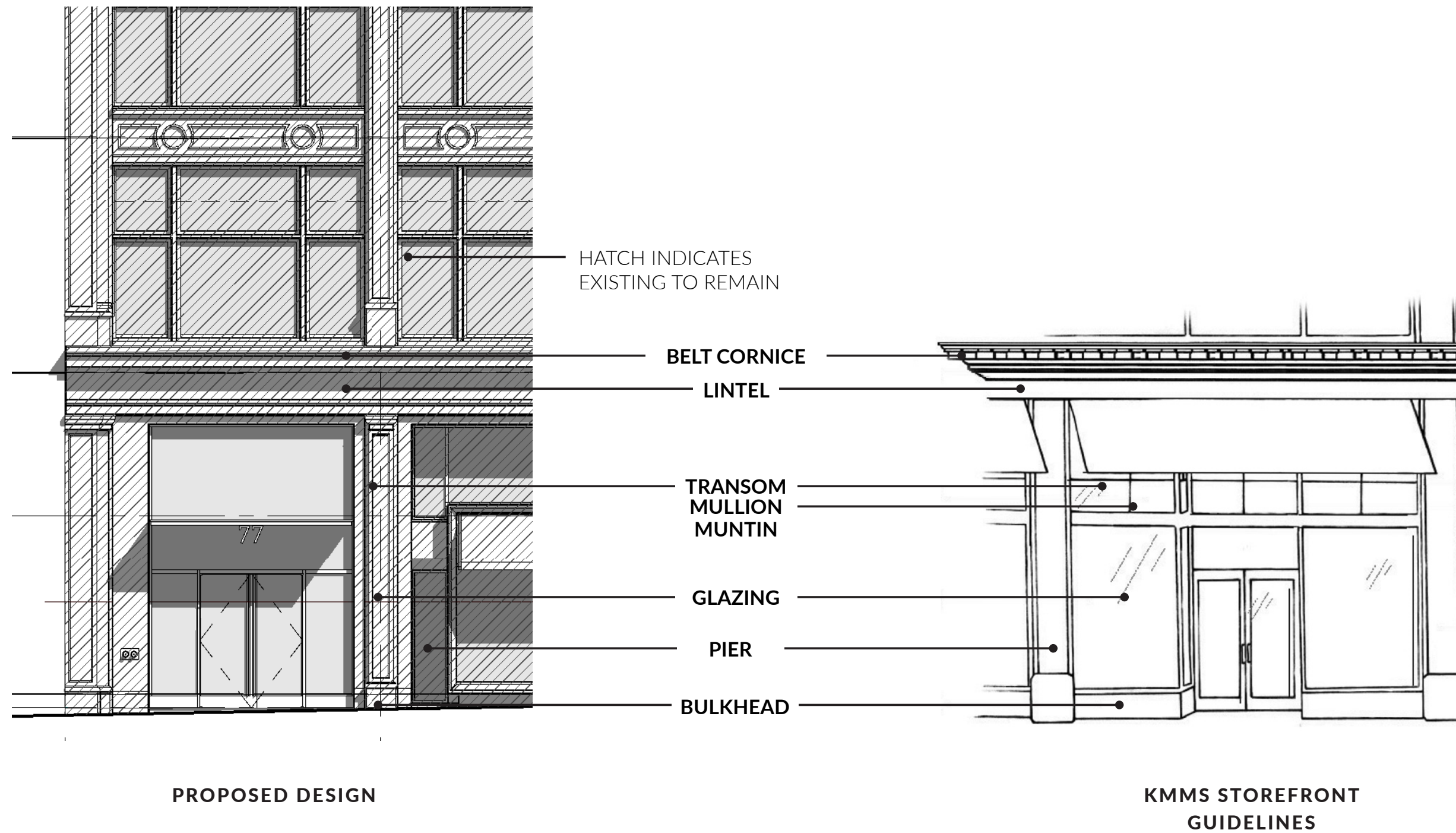
SCALE: 1/16" = 1' - 0"

PROPOSED: WEST "STOCKTON" ELEVATION



SCALE: 1/16" = 1' - 0"

PROPOSED: NORTH "O'FARRELL" ELEVATION



SCALE: 1/8" = 1' - 0"

DARK PAINTED
MULLION

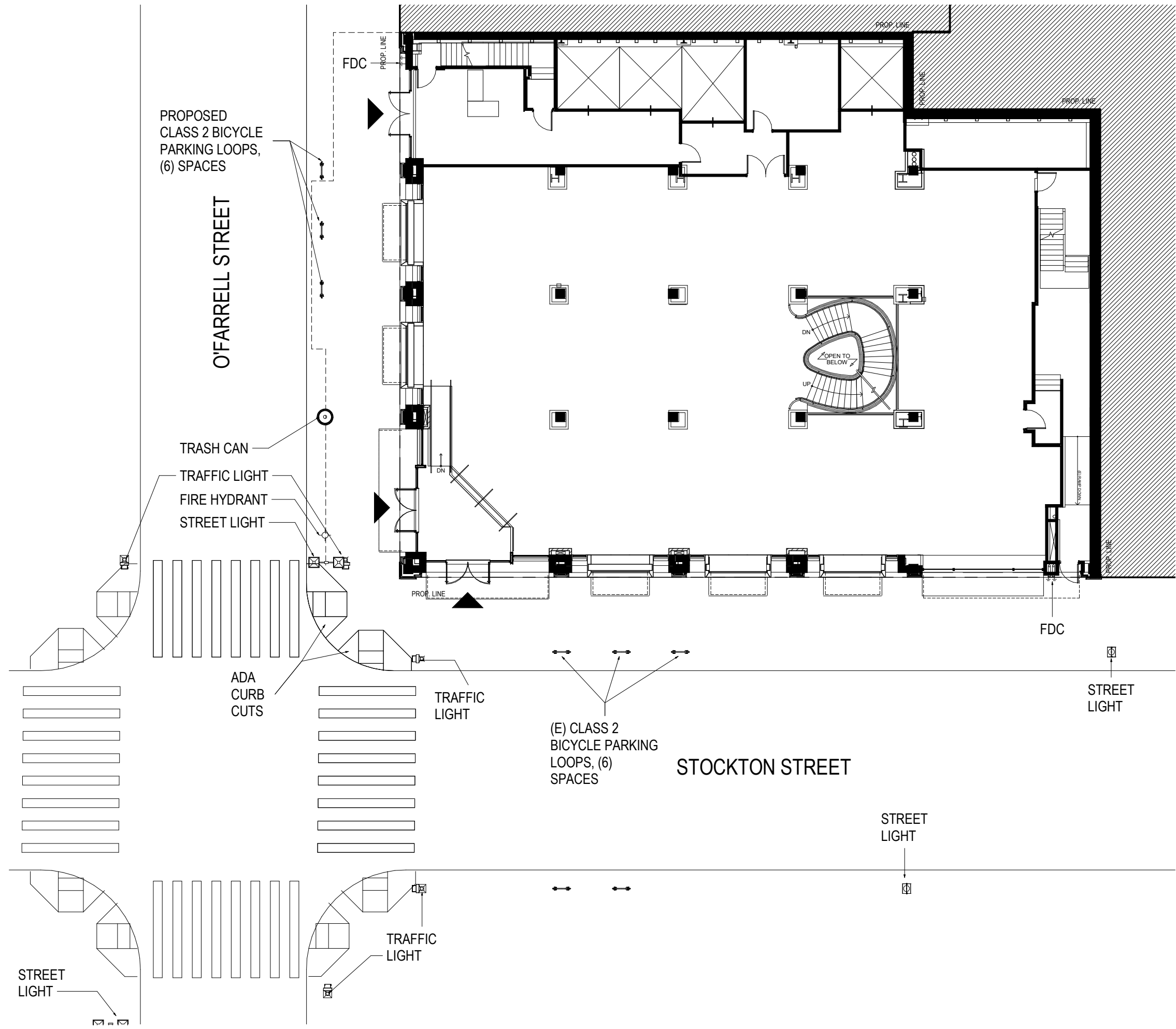
DARK PAINTED
METAL

INSULATED
GLASS UNIT

DARK STONE

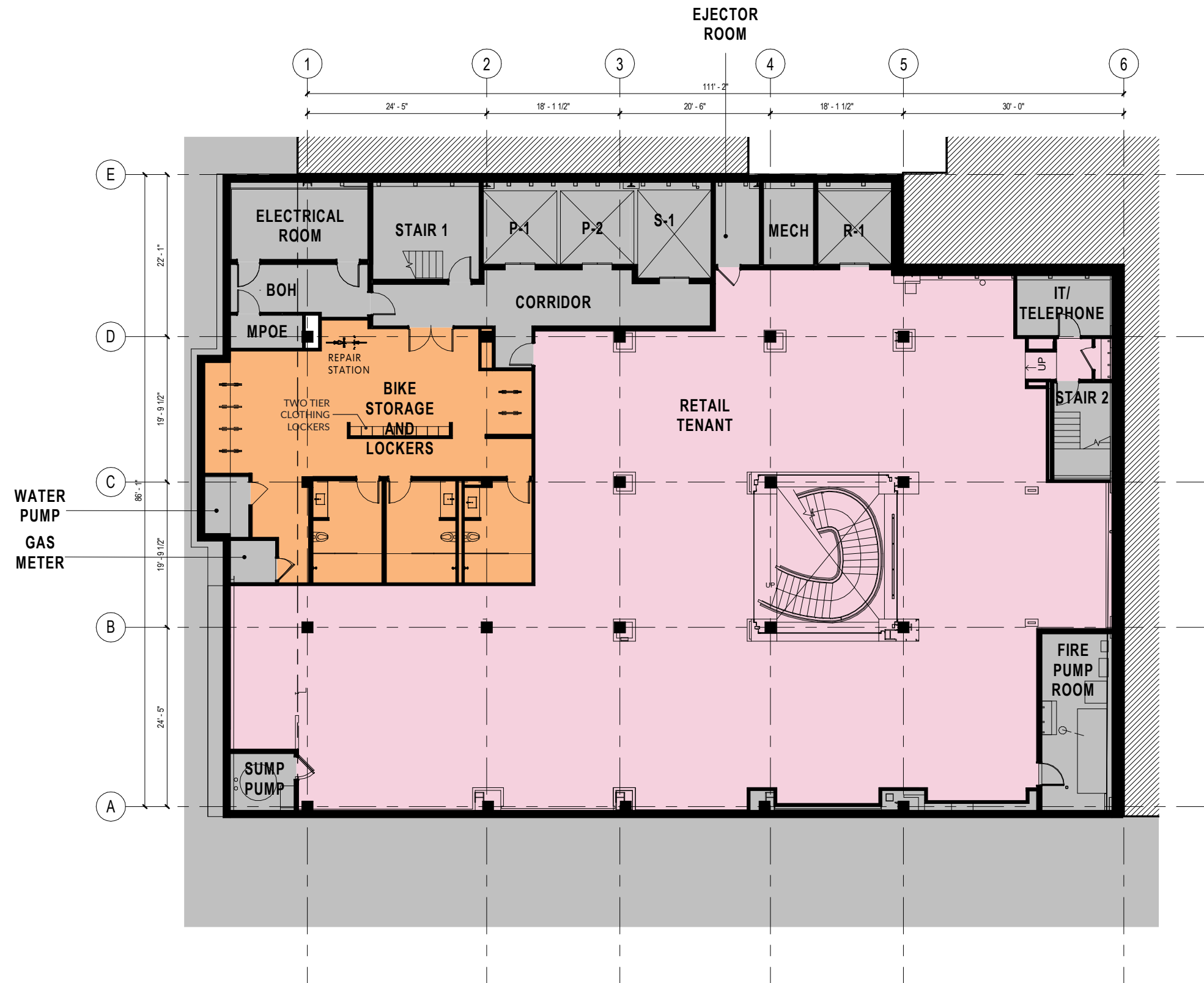






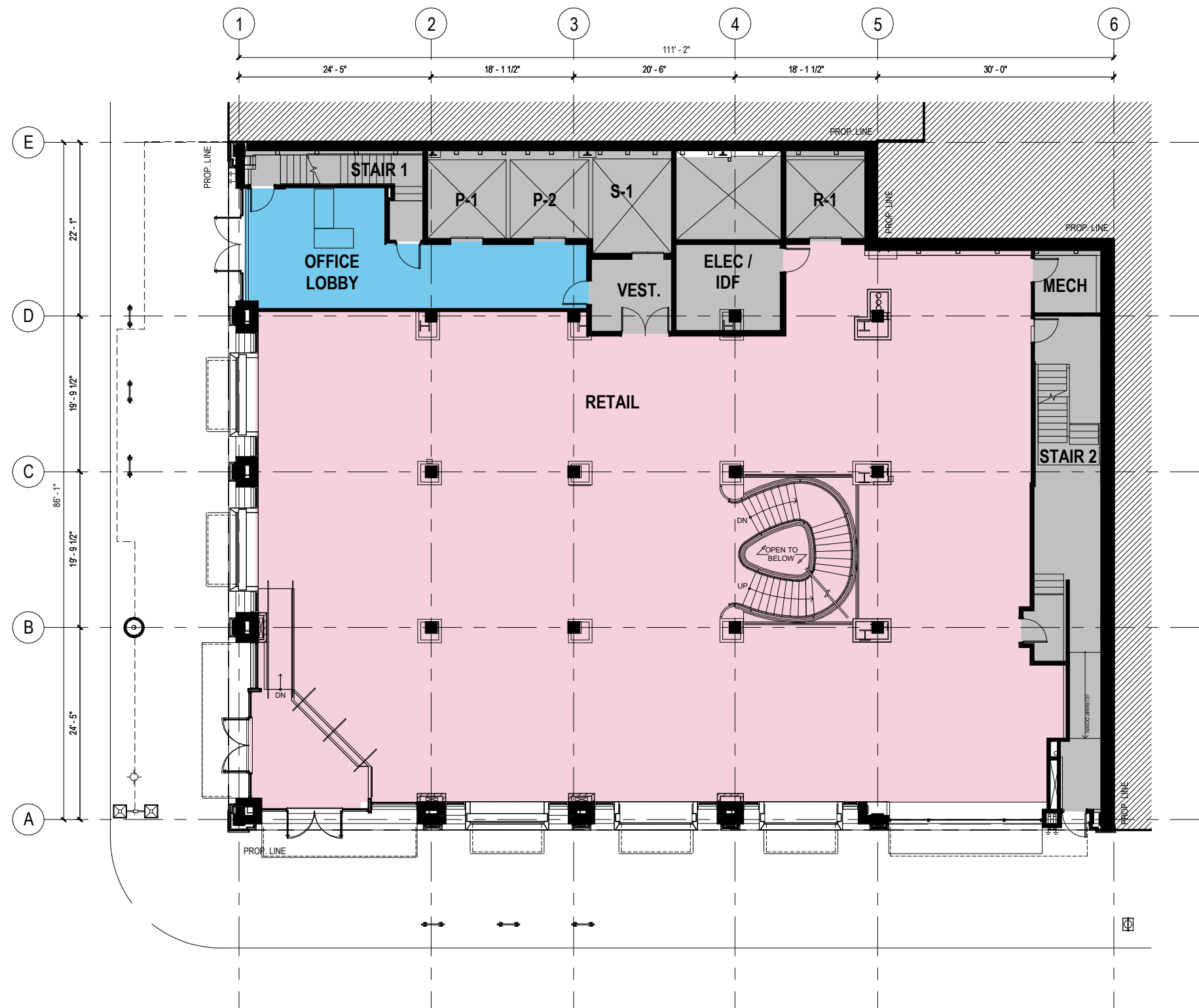
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PROPOSED: STREETScape PLAN



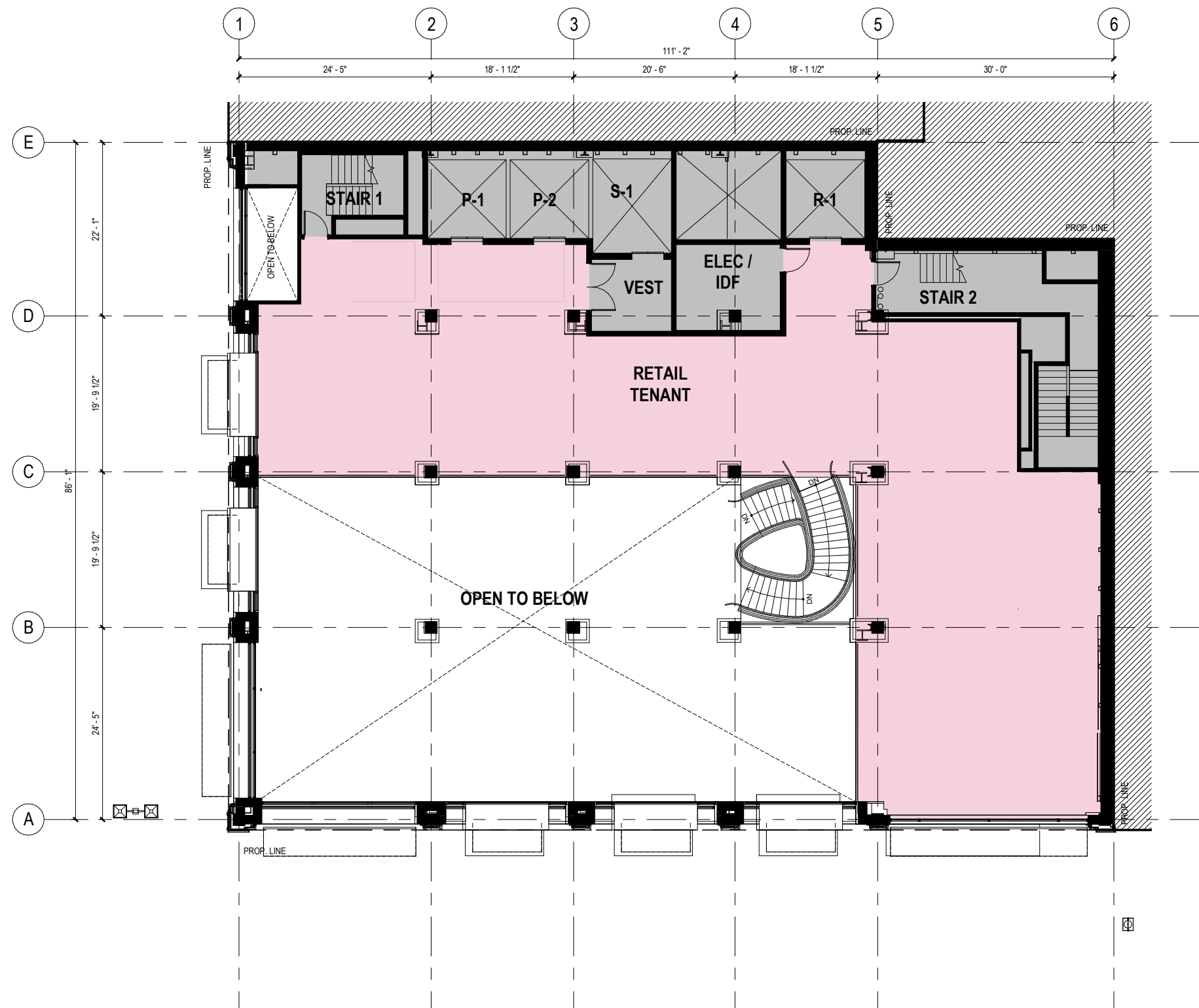
SCALE: 1/16" = 1' - 0"

PROPOSED: BASEMENT PLAN



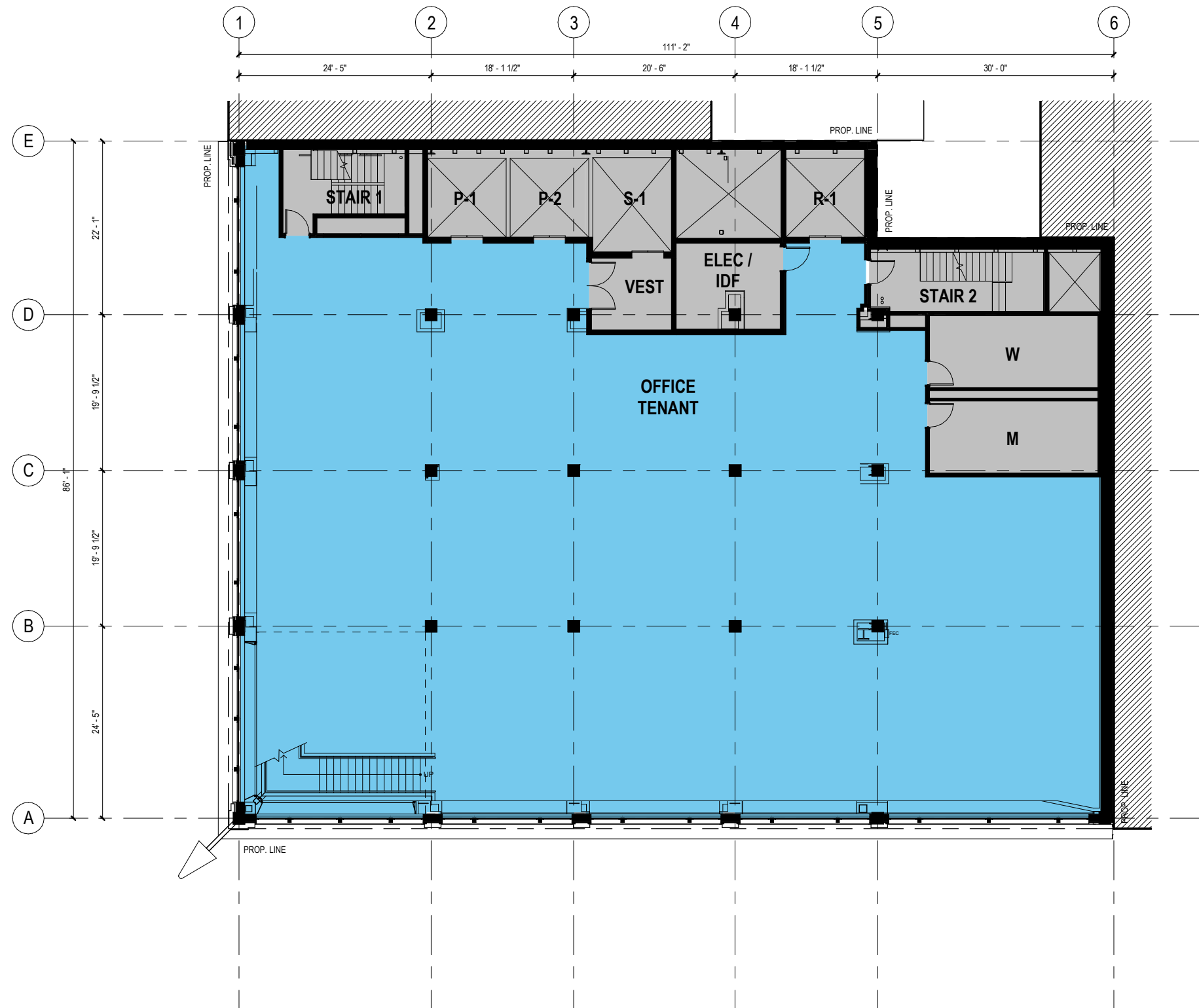
SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 1 PLAN



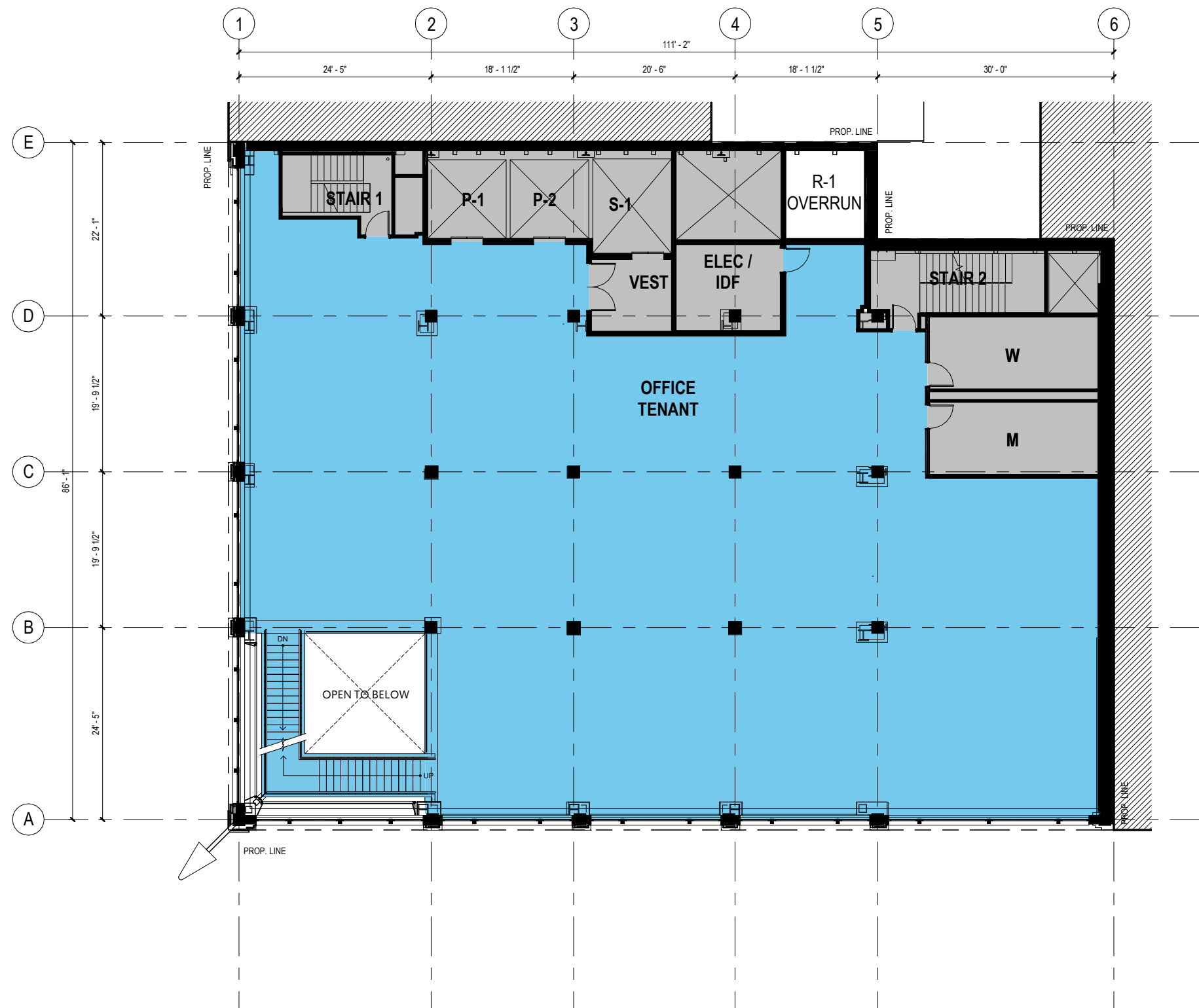
SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 2 PLAN



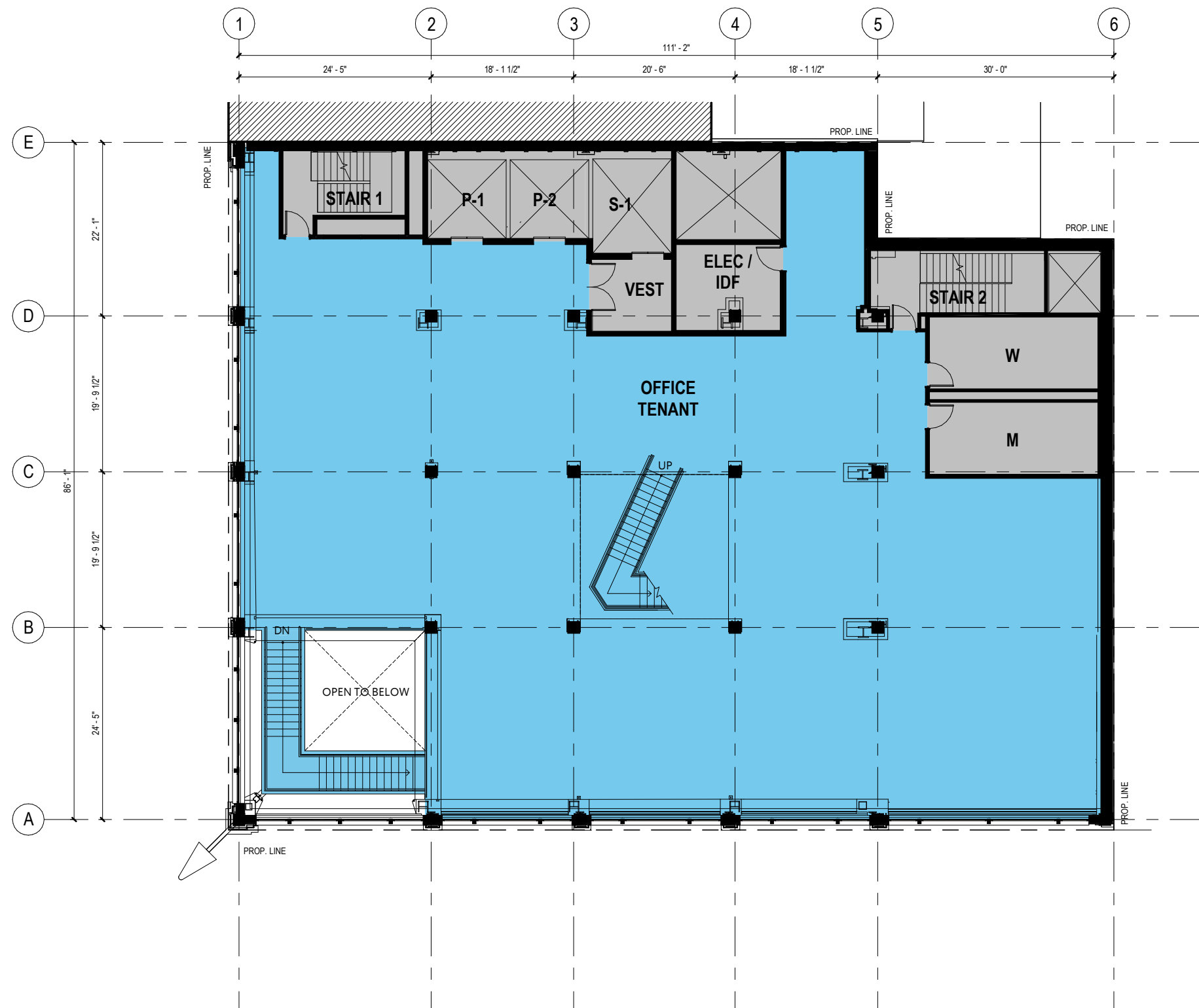
SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 3 PLAN



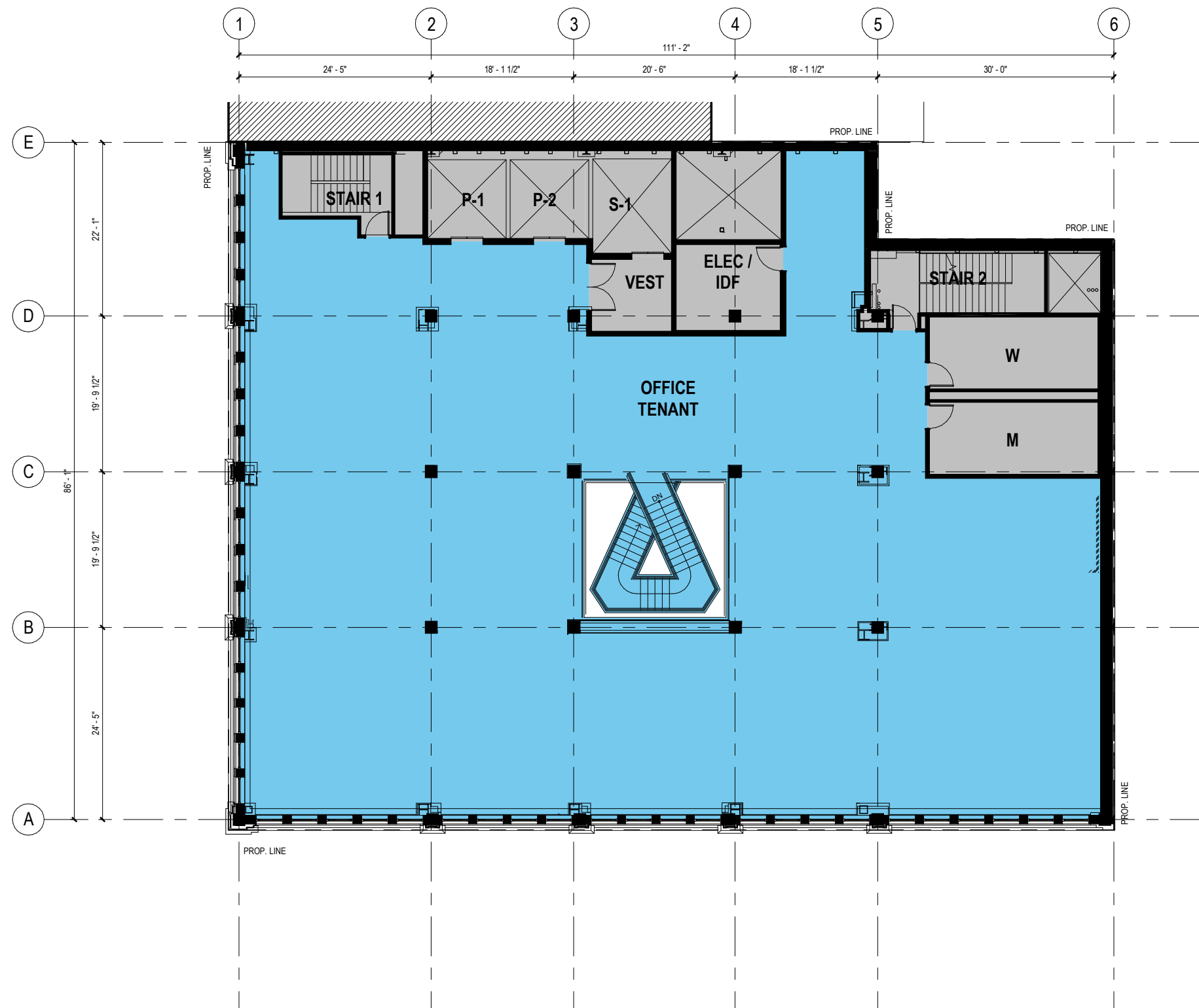
SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 4 PLAN



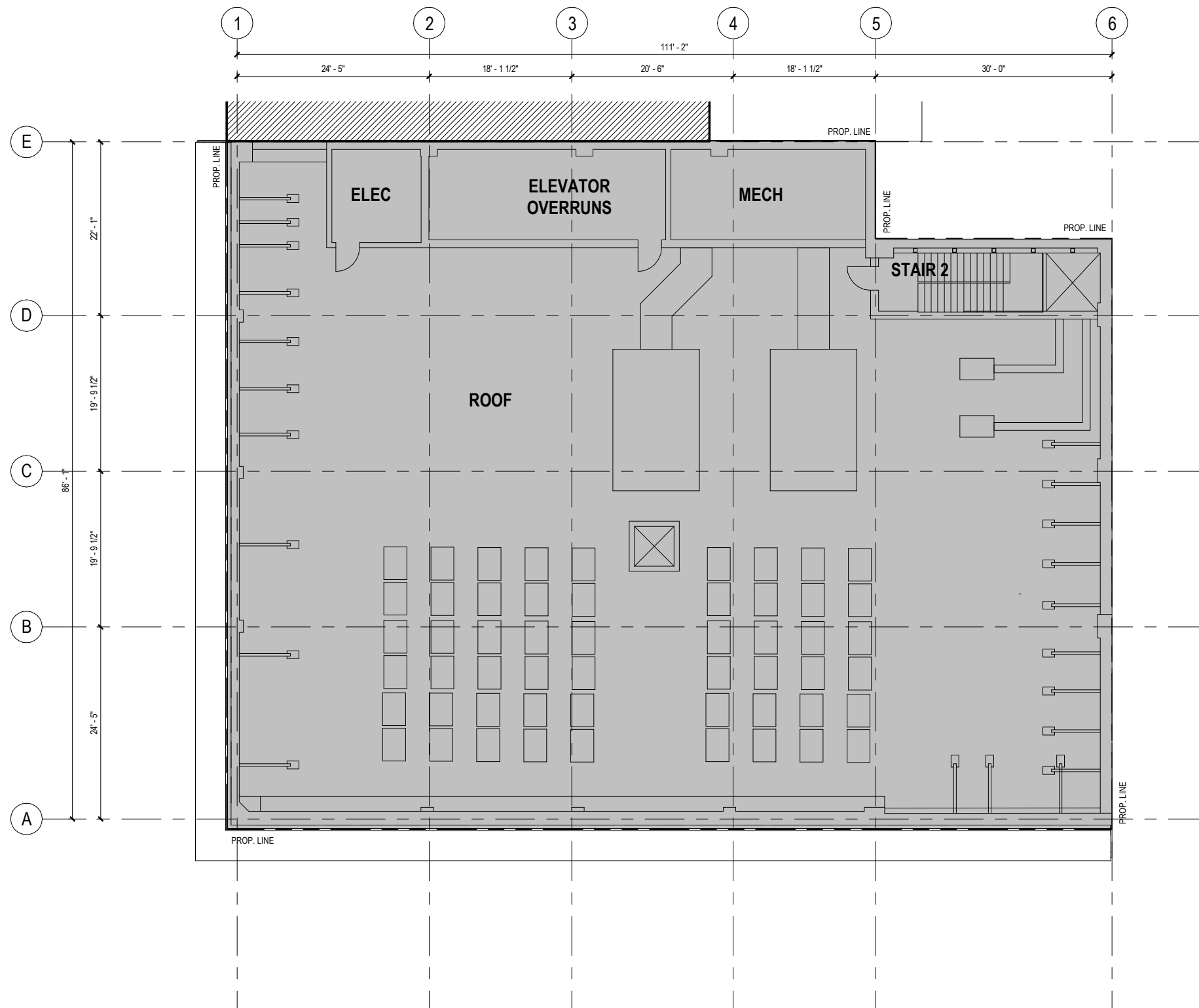
SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 5 PLAN



SCALE: 1/16" = 1' - 0"

PROPOSED: LEVEL 6 PLAN



SCALE: 1/16" = 1' - 0"

PROPOSED: ROOF PLAN



CEQA Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
48 STOCKTON ST		0328003, 0328004
Case No.		Permit No.
2020-007798ENV		
<input checked="" type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRE for Category B Building)	<input type="checkbox"/> New Construction
Project description for Planning Department approval. The project sponsor proposes a change of use of the upper four levels (3-6) from retail to office use; a total of 37,402 square feet subject to Prop M allocation from the small cap allocation pool. The project includes incorporation of a basement level bicycle commuter facility, with a service elevator to the basement level. This facility would support 12 class 1 bicycle parking spaces, 18 clothing lockers and three showers. In addition, the six existing class 2 bicycle parking spaces located on Stockton Street would be supplemented by an additional six class 2 bicycle parking spaces along O'Farrell Street.		

STEP 1: EXEMPTION TYPE

The project has been determined to be exempt under the California Environmental Quality Act (CEQA).	
<input checked="" type="checkbox"/>	Class 1 - Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/>	Class 3 - New Construction. Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/>	Class 32 - In-Fill Development. New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. (b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses. (c) The project site has no value as habitat for endangered rare or threatened species. (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. (e) The site can be adequately served by all required utilities and public services. FOR ENVIRONMENTAL PLANNING USE ONLY
<input type="checkbox"/>	Other ____
<input type="checkbox"/>	Common Sense Exemption (CEQA Guidelines section 15061(b)(3)). It can be seen with certainty that there is no possibility of a significant effect on the environment. FOR ENVIRONMENTAL PLANNING USE ONLY

STEP 2: ENVIRONMENTAL SCREENING ASSESSMENT

TO BE COMPLETED BY PROJECT PLANNER

<input type="checkbox"/>	Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g. use of diesel construction equipment, backup diesel generators, heavy industry, diesel trucks, etc.)? <i>(refer to The Environmental Information tab on the San Francisco Property Information Map)</i>
<input type="checkbox"/>	Hazardous Materials: If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance - or a change of use from industrial to residential? Note that a categorical exemption shall not be issued for a project located on the Cortese List if box is checked, note below whether the applicant has enrolled in or received a waiver from the San Francisco Department of Public Health (DPH) Maher program, or if Environmental Planning staff has determined that hazardous material effects would be less than significant. (refer to The Environmental Information tab on the San Francisco Property Information Map)
<input type="checkbox"/>	Transportation: Does the project involve a child care facility or school with 30 or more students, or a location 1,500 sq. ft. or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?
<input checked="" type="checkbox"/>	Archeological Resources: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? If yes, archeology review is required.
<input type="checkbox"/>	Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? <i>(refer to The Environmental Information tab on the San Francisco Property Information Map)</i> If box is checked, Environmental Planning must issue the exemption.
<input type="checkbox"/>	Average Slope of Parcel = or > 25%, or site is in Edgehill Slope Protection Area or Northwest Mt. Sutro Slope Protection Area: Does the project involve any of the following: (1) New building construction, except one-story storage or utility occupancy, (2) horizontal additions, if the footprint area increases more than 50%, or (3) horizontal and vertical additions increase more than 500 square feet of new projected roof area? <i>(refer to The Environmental Planning tab on the San Francisco Property Information Map)</i> If box is checked, a geotechnical report is likely required and Environmental Planning must issue the exemption.
<input type="checkbox"/>	Seismic Hazard: <input type="checkbox"/> Landslide or <input type="checkbox"/> Liquefaction Hazard Zone: Does the project involve any of the following: (1) New building construction, except one-story storage or utility occupancy, (2) horizontal additions, if the footprint area increases more than 50%, (3) horizontal and vertical additions increase more than 500 square feet of new projected roof area, or (4) grading performed at a site in the landslide hazard zone? <i>(refer to The Environmental tab on the San Francisco Property Information Map)</i> If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.
Comments and Planner Signature (optional): Don Lewis Planning department staff archeologist cleared the project on 12/08/2020. The occupancy of the proposed change of use would not exceed the equivalent occupancy of the former use plus an addition to the former use, as exempted under Class 1(e).	

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

PROPERTY IS ONE OF THE FOLLOWING: <i>(refer to Property Information Map)</i>	
<input checked="" type="checkbox"/>	Category A: Known Historical Resource. GO TO STEP 5.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 45 years of age). GO TO STEP 4.
<input type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age). GO TO STEP 6.

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

Check all that apply to the project.	
<input checked="" type="checkbox"/>	1. Change of use and new construction. Tenant improvements not included.
<input type="checkbox"/>	2. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	3. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	4. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	5. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	6. Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	7. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	8. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. GO TO STEP 5.
<input type="checkbox"/>	Project does not conform to the scopes of work. GO TO STEP 5.
<input type="checkbox"/>	Project involves four or more work descriptions. GO TO STEP 5.
<input checked="" type="checkbox"/>	Project involves less than four work descriptions. GO TO STEP 6.

STEP 5: ADVANCED HISTORICAL REVIEW
TO BE COMPLETED BY PRESERVATION PLANNER

Check all that apply to the project.	
<input type="checkbox"/>	1. Reclassification of property status. <i>(Attach HRER Part I)</i> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> Reclassify to Category A a. Per HRER b. Other <i>(specify)</i>: </div> <div style="width: 45%;"> <input type="checkbox"/> Reclassify to Category C <i>(No further historic review)</i> </div> </div>
<input checked="" type="checkbox"/>	2. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	3. Interior alterations to publicly accessible spaces that do not remove, alter, or obscure character defining features.
<input type="checkbox"/>	4. Window replacement of original/historic windows that are not "in-kind" but are consistent with existing historic character.
<input type="checkbox"/>	5. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.

<input type="checkbox"/>	6. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	7. Restoration based upon documented evidence of a building's historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
<input type="checkbox"/>	8. Work consistent with the <i>Secretary of the Interior Standards for the Treatment of Historic Properties</i> (Analysis required):
<input type="checkbox"/>	9. Work compatible with a historic district (Analysis required):
<input type="checkbox"/>	10. Work that would not materially impair a historic resource (Attach HRER Part II).
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST sign below.	
<input checked="" type="checkbox"/>	Project can proceed with exemption review. The project has been reviewed by the Preservation Planner and can proceed with exemption review. GO TO STEP 6.
Comments (optional):	
Preservation Planner Signature: Rebecca Salgado	

STEP 6: EXEMPTION DETERMINATION
TO BE COMPLETED BY PROJECT PLANNER

<input checked="" type="checkbox"/>	No further environmental review is required. The project is exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.	
	Project Approval Action:	Signature:
	Planning Commission Hearing	Don Lewis
		02/23/2021
<p>Once signed or stamped and dated, this document constitutes an exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.</p> <p>In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination to the Board of Supervisors can only be filed within 30 days of the project receiving the approval action.</p> <p>Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.</p>		

STEP 7: MODIFICATION OF A CEQA EXEMPT PROJECT

TO BE COMPLETED BY PROJECT PLANNER

In accordance with Chapter 31 of the San Francisco Administrative Code, when a California Environmental Quality Act (CEQA) exempt project changes after the Approval Action and requires a subsequent approval, the Environmental Review Officer (or his or her designee) must determine whether the proposed change constitutes a substantial modification of that project. This checklist shall be used to determine whether the proposed changes to the approved project would constitute a “substantial modification” and, therefore, be subject to additional environmental review pursuant to CEQA.

MODIFIED PROJECT DESCRIPTION

Modified Project Description:

DETERMINATION IF PROJECT CONSTITUTES SUBSTANTIAL MODIFICATION

Compared to the approved project, would the modified project:

- | | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Result in expansion of the building envelope, as defined in the Planning Code; |
| <input type="checkbox"/> | Result in the change of use that would require public notice under Planning Code Sections 311 or 312; |
| <input type="checkbox"/> | Result in demolition as defined under Planning Code Section 317 or 19005(f)? |
| <input type="checkbox"/> | Is any information being presented that was not known and could not have been known at the time of the original determination, that shows the originally approved project may no longer qualify for the exemption? |

If at least one of the above boxes is checked, further environmental review is required.

DETERMINATION OF NO SUBSTANTIAL MODIFICATION

- | | |
|--------------------------|-------------------------------------------------------------------------|
| <input type="checkbox"/> | The proposed modification would not result in any of the above changes. |
|--------------------------|-------------------------------------------------------------------------|

If this box is checked, the proposed modifications are exempt under CEQA, in accordance with prior project approval and no additional environmental review is required. This determination shall be posted on the Planning Department website and office and mailed to the applicant, City approving entities, and anyone requesting written notice. In accordance with Chapter 31, Sec 31.08j of the San Francisco Administrative Code, an appeal of this determination can be filed to the Environmental Review Officer within 10 days of posting of this determination.

Planner Name:

Date:



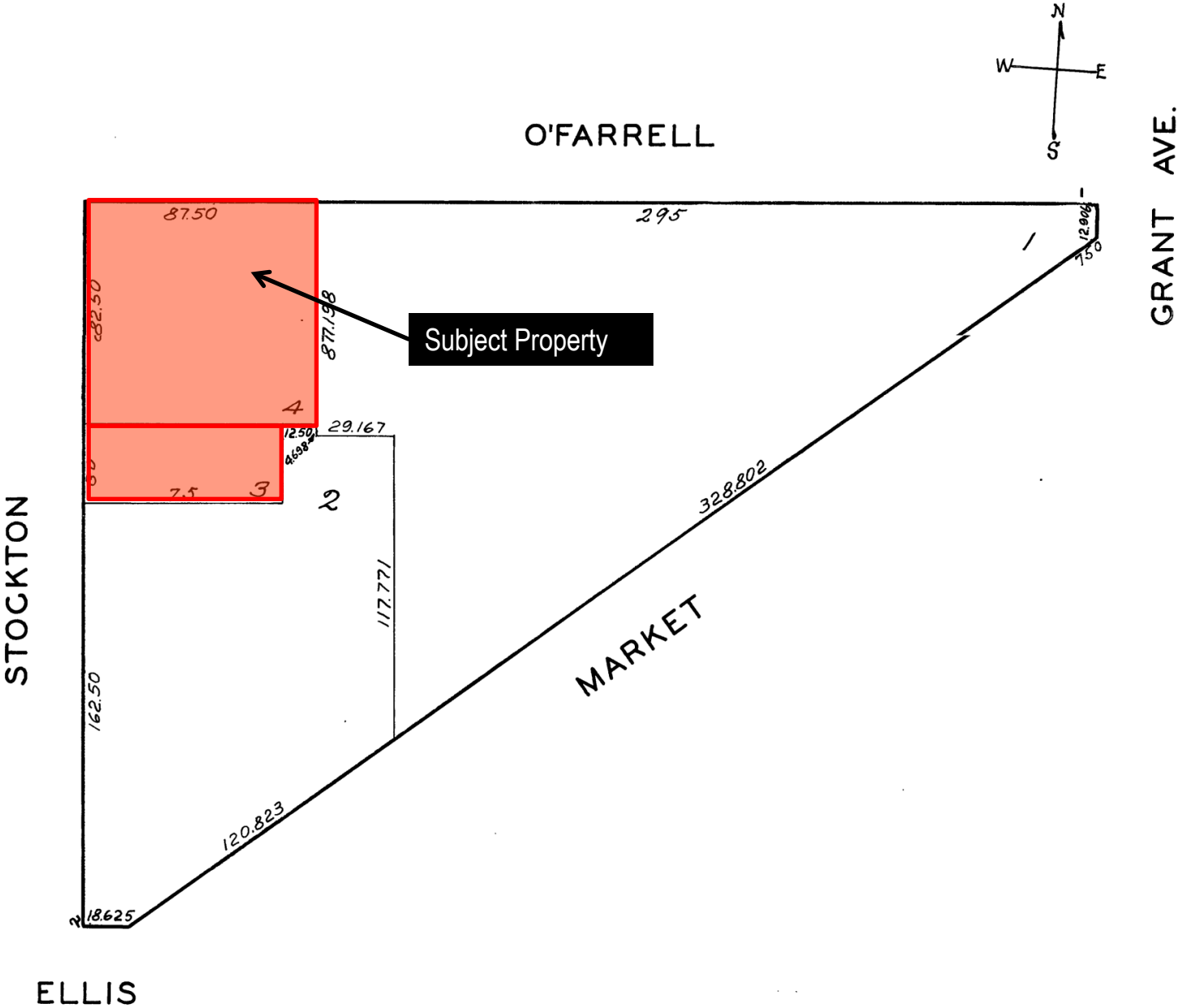
LAND USE INFORMATION

PROJECT ADDRESS: 48 STOCKTON ST
RECORD NO.: 2020-007798OFA

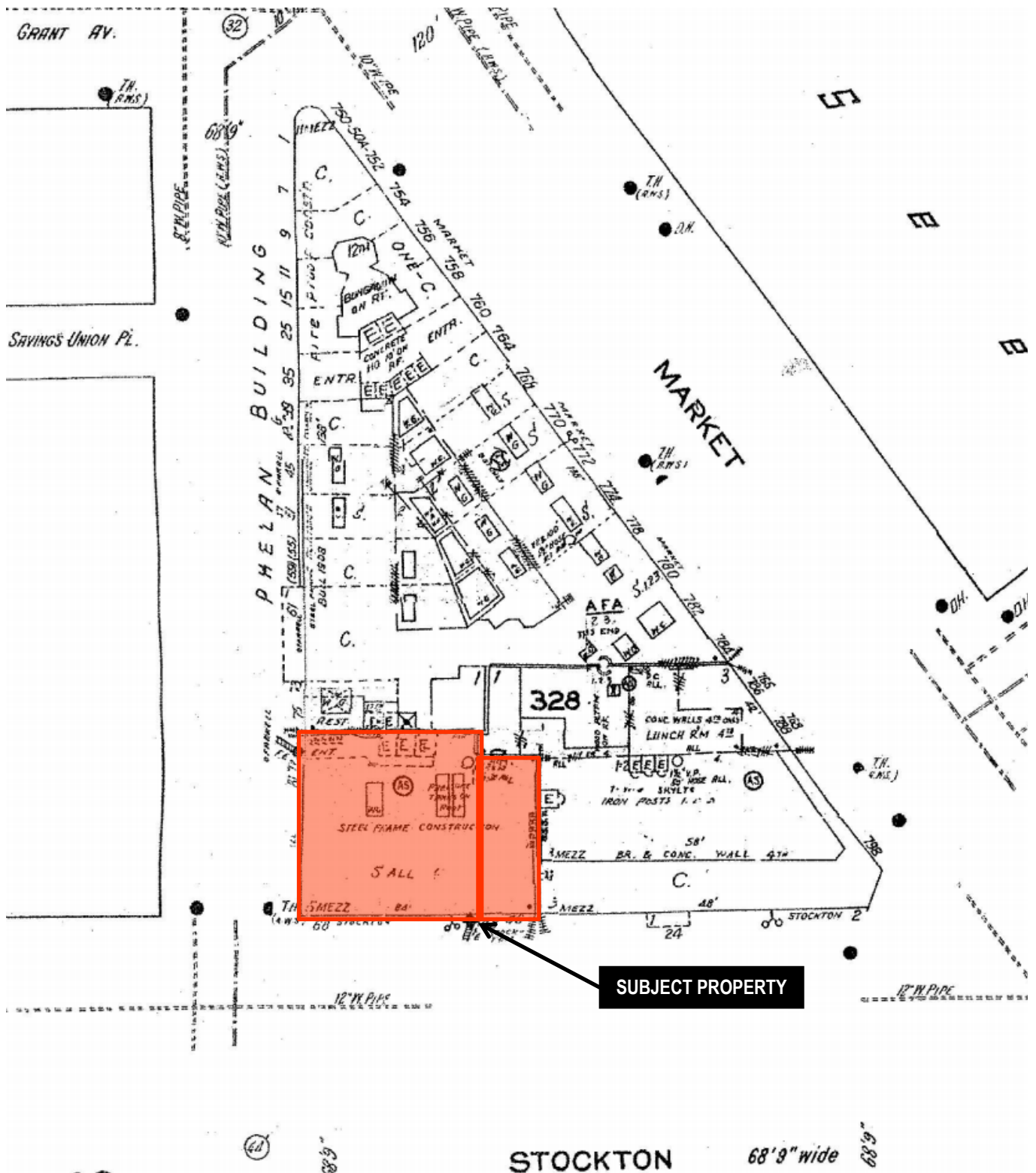
	EXISTING	PROPOSED	NET NEW
GROSS SQUARE FOOTAGE (GSF)			
Parking GSF	0	0	0
Residential GSF	0	0	0
Retail/Commercial GSF	60,602	22,660	-37,402
Office GSF	0	37,402	37,402
Industrial/PDR GSF <i>Production, Distribution, & Repair</i>	0	0	0
Medical GSF	0	0	0
Visitor GSF	0	0	0
CIE GSF	0	0	0
Usable Open Space	0	0	0
Public Open Space	0	0	0
Other ()			
TOTAL GSF	60,602	60,602	0
	EXISTING	NET NEW	TOTALS
PROJECT FEATURES (Units or Amounts)			
Dwelling Units - Affordable	0	0	0
Dwelling Units - Market Rate	0	0	0
Dwelling Units - Total	0	0	0
Hotel Rooms	0	0	0
Number of Buildings	1	0	1
Number of Stories	6 over bsmt	0	6 over bsmt
Parking Spaces	0	0	0
Loading Spaces	0	0	0
Bicycle Spaces	0 Class 1/6 Class 2	12 Class 1/12 Class 2	12 Class 1/6 Class 2
Car Share Spaces	0	0	0
Other ()			

Block Book Map

EXHIBIT
E



Sanborn Map*

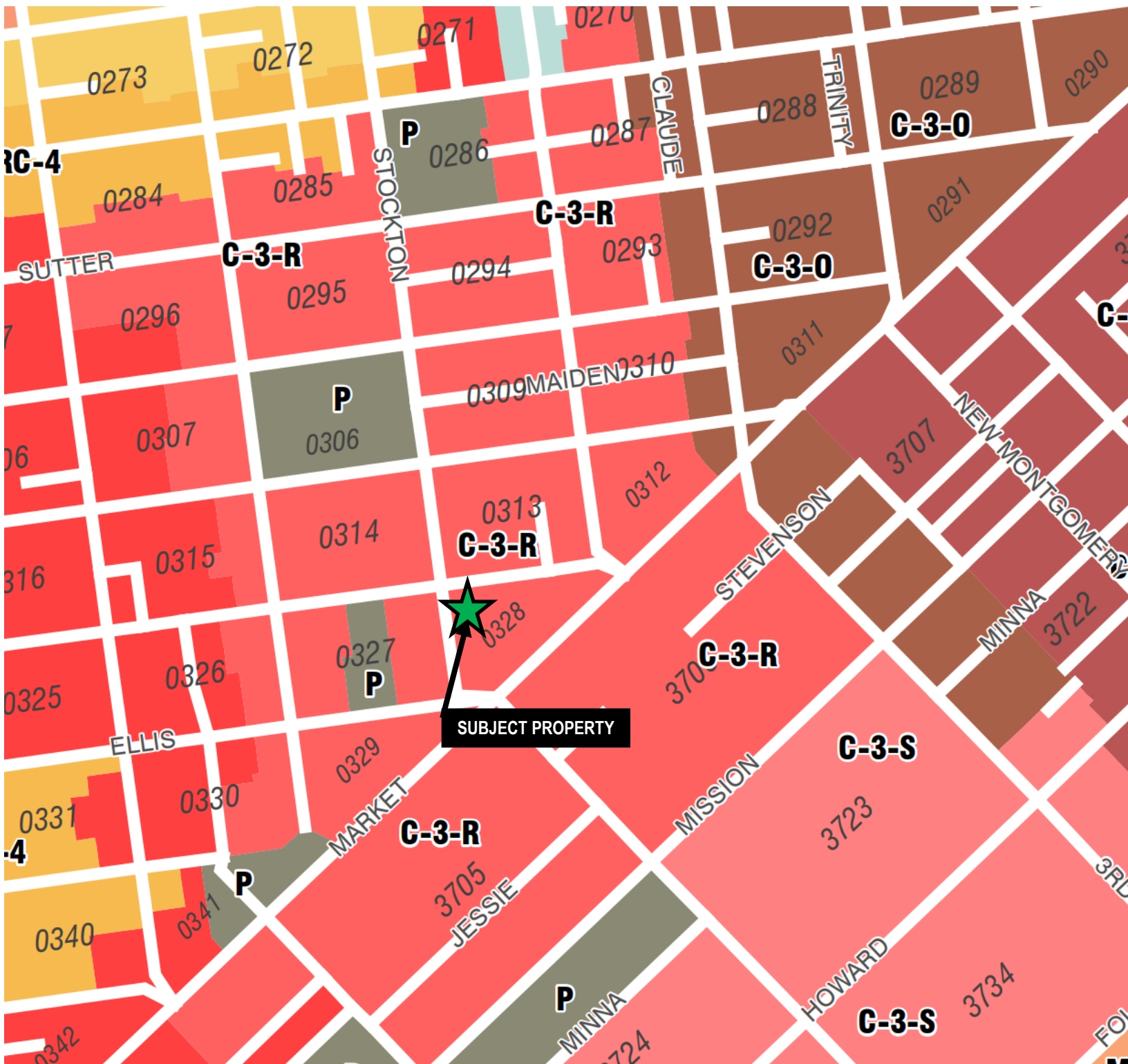


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

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Zoning Map

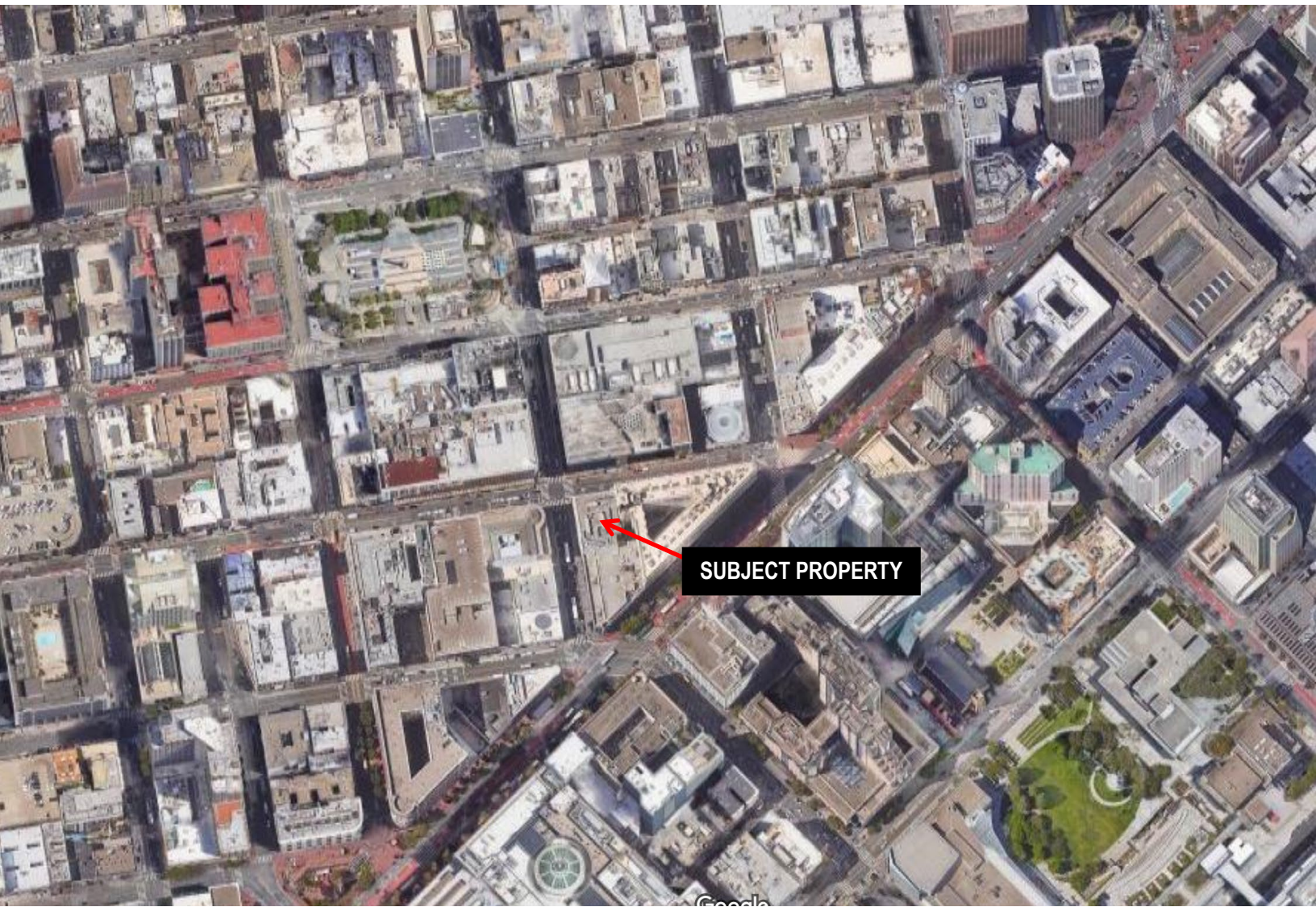


Height and Bulk Map



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Aerial Photo



SUBJECT PROPERTY



Aerial Photo



SUBJECT PROPERTY



Site Photos

SUBJECT PROPERTY @ STOCKTON AND O'FARRELL STREETS



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Site Photos

SUBJECT PROPERTY FROM O'FARRELL STREET



Office Development Authorization
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Context Photo

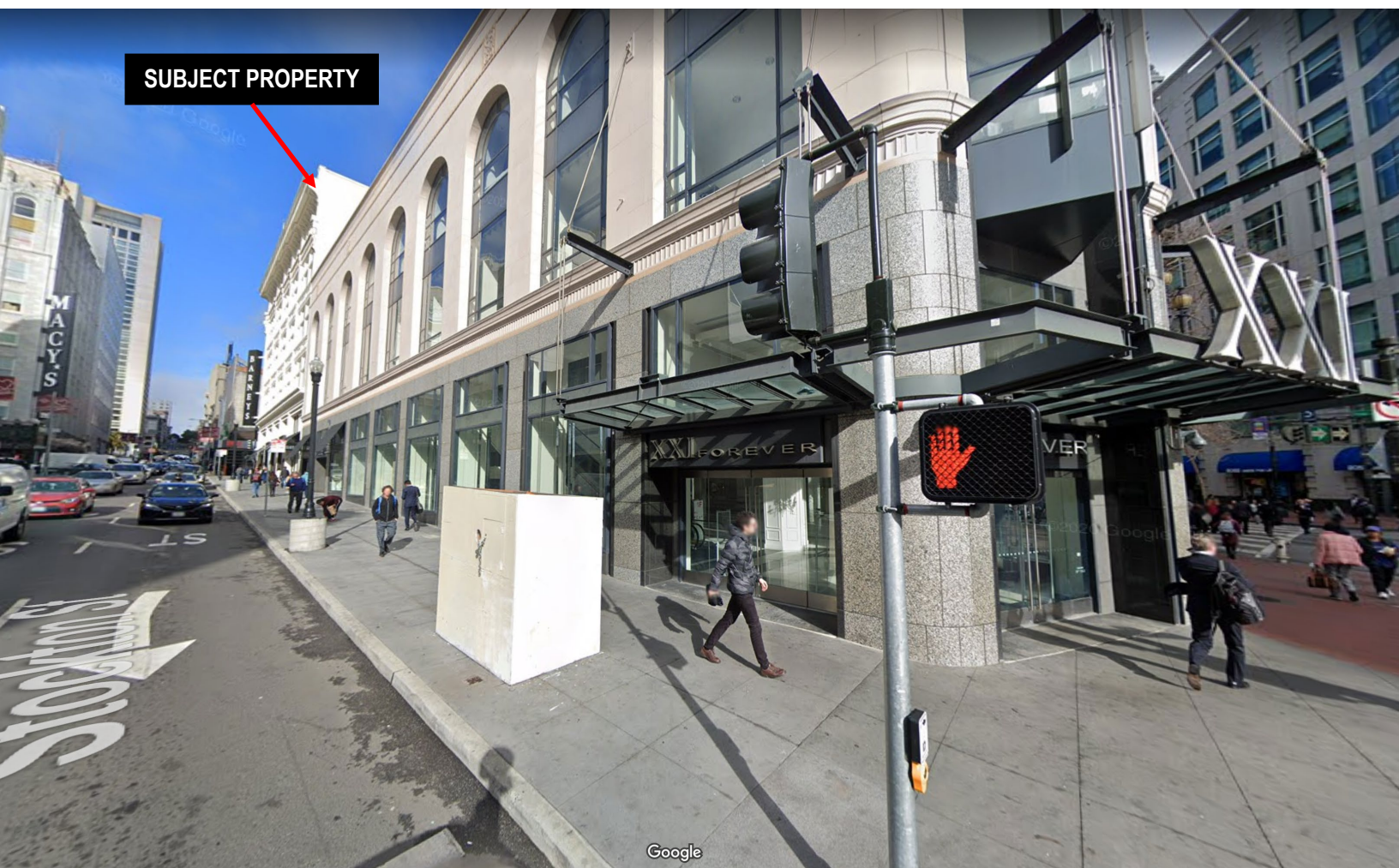
SUBJECT BLOCK FROM OFARRELL AND GRANT STREETS



Office Development Authorization
Case Number 2020-007798OFA
48 Stockton Street

Context Photo

SUBJECT BLOCK FROM STOCKTON AND MARKET STREETS



Office Development Authorization
Case Number 2020-007798OFA
48 Stockton Street

Context Photo

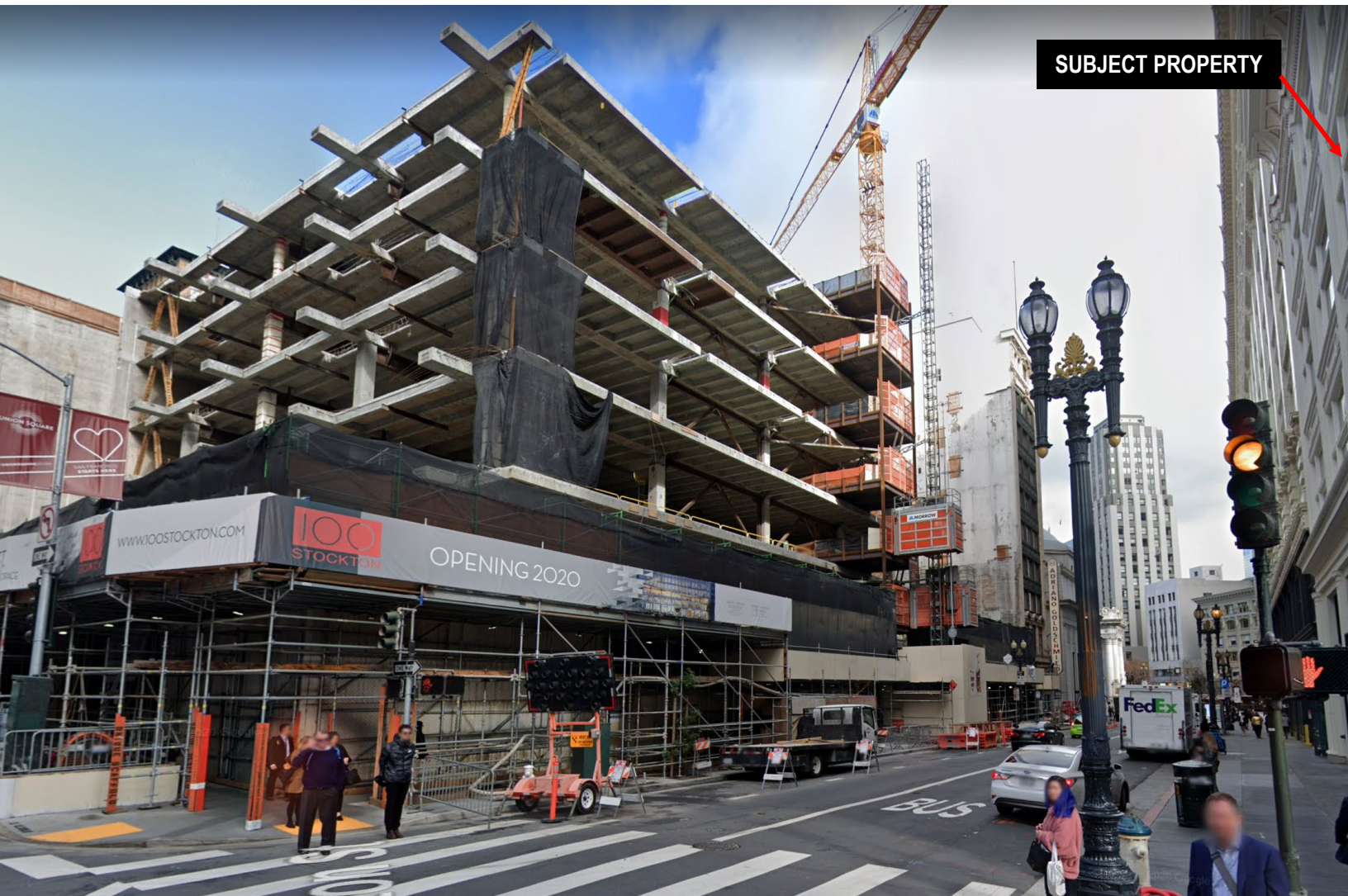
OPPOSITE SIDE OF SUBJECT BLOCK ON STOCKTON STREET



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48 Stockton Street

Context Photo

OPPOSITE SIDE OF SUBJECT BLOCK @ STOCKTON AND
O'FARRELL STREETS



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48 Stockton Street

REUBEN, JUNIUS & ROSE, LLP

April 7, 2021

Delivered Via Email

Mr. Joel Koppel, President
San Francisco Planning Commission
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Re: 48 Stockton Street

Dear President Koppel and Commissioners,

Strada Investment Group is proposing to restore the historic building at 48 Stockton Street and modify its uses and interior in order to continue supporting the Union Square district for many years into the future. Barneys had previously occupied the entirety of the 60,000 square foot, six-story retail building, and vacated in 2020. The restoration of the exterior of the 1909 building, as well as the replacement of the existing storefronts, is being reviewed and approved by Planning Department staff as a Minor Permit to Alter. The proposal before the Planning Commission is the conversion of the third, fourth, fifth and sixth floors (37,402 square feet) from retail to office use. This requires both Small Cap Office Allocation and a Conditional Use Authorization.

Both the cost of restoring the historic building, along with the difficulties of leasing retail space on the third floor and above, underscore the need for the property to have flexibility in its allowable uses as the tenant market ramps up in the coming year.

Retail Demand for Third Floor and Above is Minimal At Best

Overall retail demand in Union Square for third floor retail has declined over the years. Multi-level vertical retail for non-department store uses is challenging, decreasing demand for 30,000-square-foot-plus retail spaces, and demand for standalone third floor retail is minimal. Retail users typically will not consider the 3rd floor even for significantly discounted rents.

Other Uses Have Been Considered

The unviability of retail on the third floor and above having been pretty conclusively determined in recent years, other permitted uses have been considered for the upper floors of the building. Residential use is not a good fit here as the building only has windows on two exposures, requiring either: (1) a major carve-out of the historic building to create an interior lightwell to allow necessary light and air for reasonable-sized units (albeit inferior units as the only outside light and air for multiple units would come from the lightwell), or (2) designing a handful of large, high-end units on each floor, with the only light and air coming from the street frontage. Additionally, the building does not provide any on-site parking creating further challenge for residential use.

The C-3-R zoning allows for a wide variety of other commercial uses at the property. All of these uses continue to be on the table when seeking new tenants. The proposed office use would simply add another (and the potentially most in-demand) use of the building. Significant impact fees would accompany the establishment of office use on the upper floors, so such use would only be established if an actual office tenant were to lease the space. This ensures that the approval of office space would not prevent other uses from being established, rather it would simply provide additional flexibility in leasing the upper floors of the building.

Third Floor Remains Potential for Use as Retail

The proposal has been designed to maintain the ability to use the third floor as retail. Currently, the third floor is an open floor plate, and the proposal is to maintain this character. The building's retail elevator will continue to serve the third floor, maintaining the ability of a single retail tenant to occupy the lower three floors. The view of the third floor from the exterior will be unchanged. Should a retail tenant desire to occupy the lower three floors, the building will be able to accommodate this after the current project is built out.

Office Use Provides Best Chance to Support Retail In Union Square

It has often been cited that upper story office uses in Union Square will bring new workers that will shop at the retail stores in the area. The conversion of the upper floors of the building provides an additional potential to boost the retail in the district. The building was formerly a single-tenant flagship store for Barneys at one of the main entries to Union Square. It is therefore well-suited to attract a major retailer who could open a large footprint store on the lower floors and also occupy the building's upper floors as its corporate headquarters.

In conclusion, approval of the project would result in the restoration of the historic building and provide greater flexibility in leasing its upper floors. A major retail presence will be maintained at the first and second floors. In the event an office use is established in the upper floors, it will result in significant fees put towards affordable housing and Union Square. We respectfully request your support for the project.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP

A handwritten signature in blue ink, appearing to read "John Kevlin", is written over the printed name.

John Kevlin