Major Permit to Alter Case Report
HEARING DATE: JANUARY 18, 2017

Filing Date: July 27, 2015
Case No.: 2015-009899PTA
Project Address: 234 – 246 FIRST STREET
Conservation District: n/a
Building Category: Category I (Significant Building)
Zoning: C-3-O(SD) (Downtown Office [Special Development] District
200-S Height and Bulk District
Block/Lot: 3736 / 006
Applicant: John Sambuck, CIM Group
246 First Street Owner, LLC
6299 Hollywood Boulevard
Los Angeles, CA  90028
Staff Contact Jonathan Vimr - (415) 575-9109
jonathan.vimr@sfgov.org
Reviewed By Tim Frye – (415) 575-6822
tim.frye@sfgov.org

PROPERTY DESCRIPTION

The subject building is located at 234-246 First Street in Accessor’s Block 3736, Lot 006 on the southeast corner of First and Tehama streets. It is an individually designated Category I (Significant Building) located within the C-3-O(SD) (Downtown Office [Special Development] Zoning District, and 200-S Height and Bulk District.

Constructed in 1929 and historically known as the Phillips & Van Orden Building, 234-246 First Street is a five-story, rectangular in plan, stucco and cast concrete clad building with a flat roof. Metal casement and industrial sash windows separated by fluted pilasters define the bays of the two street-facing facades (four bays on First Street and nine bays on Tehama Street) and a frieze with recessed octagonal motifs delineates the parapet. The exterior of the building has experienced virtually no alterations and where such changes were made, such as bracing for the parapet, they are minimally or not visible from the public right-of-way.

The Historic Preservation Commission added the subject building to its Landmark Designation Work Program on May 12, 2012.
PROJECT DESCRIPTION

The proposed project is a seismic retrofitting and limited interior remodel of an existing five-story building. Replacement of the existing mezzanine with a new, partially recessed mezzanine will increase the building to six stories without any expansion of the building envelope. The proposed project is described in architectural plans prepared by Studio TMT, dated January 9, 2017. The scope of work subject to this Major Permit to Alter includes:

- Demolition of the existing, non-historic mezzanine and replacement with a new, partially recessed mezzanine;
- Installation of new openings and windows on the existing, blank south façade as part of a larger seismic upgrade (these windows will be the only visible element of seismic modifications);
- Removal of two louvered panels and an existing roll-up door on the north façade and replacement with new infill glazing;
- Replacement of the existing elevator penthouse with a new penthouse;
- Addition of a new roof deck; and
- Installation of new accessible restrooms, replacement of the two existing elevators with two new passenger elevators.

OTHER ACTIONS REQUIRED

Proposed work will require Building Permit(s). Per Section 128(c)(2) of the Planning Code, the transfer of TDR to the subject Significant building is allowable provided that “the Historic Preservation Commission finds that the additional space resulting from the transfer of TDR is essential to make economically feasible the reinforcement of a Significant or Contributory building to meet the standards for seismic loads and forces of the Building Code…” In order to eventually execute the transfer of TDR, the project sponsor will also need to complete a Certificate of Transfer application and Notice of Use application with the Zoning Administrator.

COMPLIANCE WITH THE PLANNING CODE PROVISIONS

The proposed project is in compliance with all other provisions of the Planning Code.

APPLICABLE PRESERVATION STANDARDS

ARTICLE 11

Pursuant to Section 1110 of the Planning Code, unless delegated to Planning Department Preservation staff through the Minor Permit to Alter process pursuant to Section 1111.1 of the Planning Code, the Historic Preservation Commission is required to review any applications for the construction, alteration, removal, or demolition for Significant buildings, Contributory buildings, or any building within a Conservation District. In evaluating a request for a Permit to Alter, the Historic Preservation Commission must find that the proposed work is in compliance with the Secretary of the Interior’s
Standards for the Treatment of Historic Properties, Section 1111.6 of the Planning Code, as well as the designating Ordinance and any applicable guidelines, local interpretations, bulletins, related appendices, or other policies.

ARTICLE 1
Section 128(c)(2) of the Planning Code allows for the transfer of TDR to a Significant or Contributory building provided that “the Historic Preservation Commission finds that the additional space resulting from the transfer of TDR is essential to make economically feasible the reinforcement of a Significant or Contributory building to meet the standards for seismic loads and forces of the Building Code…”

SECTION 1111.6 OF THE PLANNING CODE
Section 1111.6 of the Planning Code outline the specific standards and requirements the Historic Preservation Commission shall use when evaluating Permits to Alter. These standards, in relevant part(s), are listed below:

(a) The proposed alteration shall be consistent with and appropriate for the effectuation of the purposes of this Article 11.

The proposed project is consistent with Article 11.

(b) The proposed work shall comply with the Secretary of the Interior’s Standards for the Treatment of Historic Properties for significant and contributory buildings.

The proposed project for the subject significant building complies with the Secretary of the Interior’s Standards for the Treatment of Historic Properties.

(c) Proposed alterations of structural elements and exterior features shall be consistent with the architectural character of the building.

All alterations to exterior features are consistent with the architectural character of the building. In accordance with Section 1111.6(c)(6), the addition of new equipment on the existing roof will not exceed one story above the current height, will be compatible with the scale and character of the building, and will not cover more than 75 percent of the roof area.

THE SECRETARY OF THE INTERIOR’S STANDARDS
Rehabilitation is the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features that convey its historical, cultural, or architectural values. The Rehabilitation Standards provide, in relevant part(s):

Standard 1: A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

The project will facilitate continued office use of the historic office building. No distinctive materials, features, spaces, or spatial relationships of the property will be changed.
Standard 2: The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

The historic character of the property will be retained and preserved with no removal of historic materials or alterations of features and spaces that characterize the property.

Standard 3: Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

The project does not propose to add conjectural features or changes that create a false sense of historical development. All proposed new windows will be compatible; those proposed for installation at the existing, blank south façade will have a matching color and overall proportion to the existing steel sash windows, but will be sufficiently differentiated through the use of a distinct fenestration pattern on the façade, an aluminum composition, and divided lights with larger dimensions than found on the historic windows.

Standard 5: Distinctive features, finishes, and construction techniques or examples of fine craftsmanship that characterize a property will be preserved.

The proposed project will not alter any of the distinctive features, finishes, construction techniques or examples of fine craftsmanship that characterize the building.

Standard 9: New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

The proposed project will not destroy historic materials, features, or spatial relationships that characterize the building. New window openings will be located at the secondary façade, with the new windows themselves setback from the building face to achieve a similar placement within the opening as the existing, historic windows. These new windows at the secondary, south façade will be painted and have a compatible appearance and configuration with the historic windows. The new windows will be the only visible element of the seismic upgrades. The existing mezzanine is not original and its replacement will be setback from building walls in order to retain the historic entry configuration and to assure the new floor has little or no visibility from the public right-of-way. Glazed railings will be incorporated at the new mezzanine to allow for transparency and avoid any obscuring of historic material. The new elevator penthouse and roof deck will be minimally or not at all visible. The infill glazing system that will replace the existing loading dock is compatible with the configuration of existing window bays while having Mullions kept to a minimum in order to differentiate it from the historic bays. The two (2) new windows replacing the louvered panels above the loading dock will be completed in-kind with the adjacent, historic windows.

Standard 10: New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
If the proposed new windows, floor, and rooftop features were removed in the future, the essential form and integrity of the property and its environment would be unimpaired. New openings at the blank, south façade could be patched and that elevation does not contribute to the essential form and integrity of the historic property regardless. Rather, the existing condition of the south façade reflects the fact that the Phillips & Van Orden Building was constructed directly adjacent to another building that was demolished in the 1930s. As such, the secondary elevation does not possess any character-defining features associated with the property and the proposed alterations would not impair the essential form and integrity of the property.

PUBLIC/NEIGHBORHOOD INPUT

The Department has received no public input on the project at the date of this report.

ISSUES & OTHER CONSIDERATIONS

1) The subject building, 234-246 First Street is an 84,278 gross square foot office building designated a Category I (Significant) building. The project proposes to expand the existing second floor of the building to create 7,903 square feet of new office use located entirely within the existing envelope. The building is located within a C-3-O(SD) Zoning District, which allows a base floor to area ratio (FAR) of 6:1, i.e. 81,900 square feet at the property. Transferable development rights (TDR) may be transferred to buildings in this zoning district to increase base FAR up to 9:1. The existing building at 234-246 First Street already exceeds the allowable base FAR limit and the project proposes to increase this to a FAR of 6.75:1, therefore TDR are necessary in order to achieve the proposal. The increase in floor area is minor (less than 10% of the total existing floor area) and is entirely within the existing building envelope.

The Planning Code includes no specification that this allowance solely applies to buildings with severe structural deficiencies; rather it can be viewed as an incentive for owners of Article 11 properties to seismically strengthen historic buildings to provide greater protection in the event of an earthquake.

The structural engineering firm of Murphy Burr Curry, Inc. completed a structural analysis of the building and concluded that multiple upgrades to the building are necessary in order to bring it up to current seismic standards of the Building Code. Among these recommended upgrades are the strengthening of select columns and spandrels and modifying the southern shear wall for improved ductility to reduce damage to the wall in a seismic event. The seismic upgrade will result in meaningful improvements to the structural strength of the building and thereby provide greater protection of the historic building.

While the seismic upgrades are not required, the increased value of the building through renovation and expansion of the office floor area will allow the property owner to voluntarily upgrade the structure. Completing the upgrades will necessitate the removal of existing tenants to have a vacant space for several months. This inability to lease the building for several months will not be
economically feasible if the interior expansion and related renovations made possible by the transfer of TDR are not undertaken in conjunction with seismic upgrades.

In addition, and as a measure of the property owner’s commitment to the historic preservation of the property, the owner has agreed to hire a consultant to prepare the landmark designation report for the subject building in order to facilitate and aid in the designation of the property.

2) The Historic Preservation Commission added the subject building to its Landmark Designation Work Program on May 12, 2012.

**STAFF ANALYSIS**

Staff has determined that the proposed work will be in conformance with the requirements of Article 11 and the *Secretary of Interior’s Standards for Rehabilitation*. Proposed work will not damage or destroy distinguishing original qualities or character of the building. Staff finds that the historic character of the property will be retained and preserved.

**New Windows:** The project will add 28 new windows at the currently blank south façade, a secondary building elevation. New windows will be laminated clear glass, fixed aluminum sash with 2” mullions and true-divided lights arranged with a regular but not completely uniform fenestration pattern (six windows at the fifth and sixth stories and four windows at the other levels).

Rather than representing any specific design intent, the existing condition of the south façade as a blank wall reflects the fact that 234-246 First Street was built directly adjacent to another building prior to its demolition in the 1930s as part of the construction of the Bay Bridge. As such, the secondary elevation does not possess any character-defining features associated with the property and the proposed alterations will not affect the historic integrity of the building.

The new windows will have a matching color and overall proportion to the existing steel sash windows, but will be sufficiently differentiated through the use of a distinct fenestration pattern on the façade, an aluminum composition, and divided lights with larger dimensions than found on the historic windows. While this design appears to be compatible with the historic windows found at the other facades while also avoiding a false sense of history, a physical example of the new window would provide the best understanding. To address this, staff recommends the following condition:

**Condition of Approval:**

1. A full mockup or partial cut of the new windows proposed for installation at the south façade will be provided to Preservation staff for review and approval prior to issuance of the site permit or architectural addendum.

**Mezzanine Replacement:** The entire existing, wood framed mezzanine will be largely removed and replaced with a new, larger, recessed steel and concrete mezzanine. While the mezzanine itself is not original, the existing double-height space at the northeast-corner bay is representative of the historic configuration of this entry. This double-height space will be retained as the new floor will be recessed 19'9"-1/2" from the window line along First Street. Along Tehama Street the new slab of the second floor will be recessed 6'0" from the window line and glass railings. Recessing the new floor maintains the historic configuration of the entry while also sufficiently minimizing visibility of the new feature.
additionally encourages transparency and enhances the public experience when viewed from the exterior. As proposed, the replacement of the existing mezzanine appears compatible with the building in conformance with the Secretary’s Standards and with Article 11.

**Loading Dock:** The existing, non-historic roll-up door and louvered panels at the street level loading dock along Tehama Street will be removed and replaced with infill glazing. The two (2) louvered panels will be replaced with new fixed steel sash windows matching the existing, adjacent windows. The new, more prominent storefront replacing the roll-up door has a noticeably different profile from the historic bays while using matching finishes to assure compatibility. As proposed, the replacement of the existing roll-up door and louvered panels at the Tehama Street loading dock appears compatible with the building in conformance with the Secretary’s Standards and with Article 11.

As with the new windows proposed for installation at the south façade, a physical example of the matching steel sash windows proposed to replace the existing louvered panels would provide the best understanding. To address this, staff recommends the following condition:

**Condition of Approval:**

2. A full mockup or partial cut of the new windows proposed for replacement of the louvered panels above the north loading dock will be provided to Preservation staff for review and approval prior to issuance of the site permit or architectural addendum.

**Elevator Penthouse and Roof Deck:** The project proposes to demolish the existing elevator penthouse and replace it with a new, taller penthouse. The elevators and a new interior stair will provide access to the new roof deck. While project plans, specifically the roof section and sight line study (Sheets A11.00-A11.01), demonstrate that these elements will be minimally if at all visible from the public right-of-way, it is in keeping with the Secretary’s Standards and Article 11 to ensure that the exterior of the new penthouse will be compatible with the building and that a durable, high quality material is used. As the material for the penthouse has not yet been specified, staff recommends the following condition:

**Condition of Approval:**

3. A material sample for the exterior of the new elevator penthouse will be provided to Preservation staff for review and approval prior to issuance of the site permit or architectural addendum.

**Transferable Development Rights:** As detailed more fully above (see “Issues and Other Considerations”), the project proposes to employ TDR in order to increase the floor to area ratio (FAR) beyond the base allowable figure. The increase in floor area will be minor (less than 10% of the total existing floor area).

As proposed, the expansion of base floor area through the transfer of TDR will be entirely within the existing building envelope with the only visible element of seismic upgrades being the new windows at the south façade, a secondary elevation lacking any character-defining features associated with the property. Therefore these upgrades will protect the historic property from damage related to a seismic event and will do so without any diminishment of historic integrity.

While the seismic upgrades are not required, the increased value of the building through renovation and expansion of the office floor area will allow the property owner to voluntarily upgrade the structure. Completing the upgrades will necessitate the removal of existing tenants to have a vacant space for several months. This inability to lease the building for several months will not be economically feasible if
the interior expansion and related renovations made possible by the transfer of TDR are not undertaken in conjunction with seismic upgrades.

The project sponsor’s commitment to the preservation of the Phillips & Van Orden Building is further demonstrated through their agreement to hire a qualified consultant to prepare a landmark designation report for the subject property. As designed, Department Staff determines that seismic upgrades appear compatible with the building in conformance with the Secretary's Standards and with Article 11 and recommends the Commission find, per Section 128(c)(2) of the Planning Code, that the transfer of TDR is essential to makes this reinforcement of the Significant building economically feasible. In order to ensure the continued preservation of the historic property, staff recommends the following condition:

*Condition of Approval:*

4. The landmark designation report and associated documentation for the Phillips & Van Orden Building will be completed for hearing and action by the Historic Preservation Commission within 6 months of Planning Department Approval of the site permit or architectural addendum.

**ENVIRONMENTAL REVIEW STATUS**

The Planning Department has determined that the proposed project is exempt/excluded from environmental review, pursuant to CEQA Guideline Section 15301 (Class One-Minor Alteration of Existing facility) because the project is a minor alteration of an existing structure and meets the Secretary of the Interior’s Standards.

**PLANNING DEPARTMENT RECOMMENDATION**

Planning Department staff recommends APPROVAL WITH CONDITIONS of the proposed project as it appears to meet the provisions of Article 11 of the Planning Code regarding Major Alteration to a Category I (Significant) Property and the Secretary of the Interior Standards for Rehabilitation.

**ATTACHMENTS**

Draft Motion
Parcel Map
Sanborn Map
Aerial Photo
Zoning Map
Sponsor Packet (plans, site photos)

PL: G:\DOCUMENTS\246 First Street\246 First Street Permit to Alter Case Report.docx
ADOPTING FINDINGS FOR A PERMIT TO ALTER FOR MAJOR ALTERATIONS DETERMINED TO BE APPROPRIATE FOR AND CONSISTENT WITH THE PURPOSES OF ARTICLE 11, TO MEET THE SECRETARY OF THE INTERIOR’S STANDARDS FOR REHABILITATION, TO MAKE A FINDING PUSUANT TO SECTION 128(o)(2) OF THE PLANNING CODE FOR THE TRANSFER OF TRANSFERABLE DEVELOPMENT RIGHTS, FOR THE CATEGORY I (SIGNIFICANT) BUILDING LOCATED ON LOT 006 IN ASSESSOR’S BLOCK 3736. THE SUBJECT PROPERTY IS WITHIN A C-3-O(SD) (DOWNTOWN OFFICE [SPECIAL DEVELOPMENT]) ZONING DISTRICT AND A 200-S HEIGHT AND BULK DISTRICT.

PREAMBLE

WHEREAS, on July 27, 2015, property owner John Sambuck (“Applicant”) filed an application with the San Francisco Planning Department (“Department”) for a Permit to Alter to make interior and façade alterations and seismic upgrades on the subject building. The subject building is located on Lot 006 in Assessor’s block 3736, an individually designated Category I (Significant) building.

WHEREAS, the Project was determined by the Department to be categorically exempt from environmental review. The Historic Preservation Commission (“Commission”) has reviewed and concurs with said determination.
WHEREAS, on January 18, 2017, the Commission conducted a duly noticed public hearing on Permit to Alter application No. 2015-009899PTA (“Project”).

WHEREAS, in reviewing the application, the Commission has had available for its review and consideration case reports, plans, and other materials pertaining to the Project contained in the Department’s case files, and has reviewed and heard testimony and received materials from interested parties during the public hearing on the Project.

MOVED, that the Commission hereby APPROVES WITH CONDITIONS the Permit to Alter, in conformance with the submittal dated October 28, 2016 and labeled Exhibit A on file in the docket for Case No. 2015-009899PTA.

FINDINGS

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

1. The above recitals are accurate and also constitute findings of the Commission.

2. Findings pursuant to Article 11:

The Commission has determined that the proposed work is compatible with the character-defining features of the subject building and meets the requirements of Article 11 of the Planning Code:

- That the proposal is compatible in scale and design with the building.
- That the proposed façade is compatible with the massing and composition, scale, materials and colors, and detailing and ornamentation characteristics of the building.
- The proposed project meets the following Secretary of the Interior’s Standards for Rehabilitation:

**Standard 1.**

*A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.*

**Standard 2.**

*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*

**Standard 3.**

*Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.*
Standard 5.
Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

Standard 9.
New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

Standard 10.
New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

3. Findings pursuant to Section 128(c)(2):

The Commission has determined that the additional space at the subject property resulting from the transfer of TDR is essential to make economically feasible the reinforcement of the Significant building to meet the standards for seismic loads and forces of the Building Code.

4. General Plan Compliance. The proposed Permit to Alter is, on balance, consistent with the following Objectives and Policies of the General Plan:

I. URBAN DESIGN ELEMENT
THE URBAN DESIGN ELEMENT CONCERNS THE PHYSICAL CHARACTER AND ORDER OF THE CITY, AND THE RELATIONSHIP BETWEEN PEOPLE AND THEIR ENVIRONMENT.

GOALS
The Urban Design Element is concerned both with development and with preservation. It is a concerted effort to recognize the positive attributes of the city, to enhance and conserve those attributes, and to improve the living environment where it is less than satisfactory. The Plan is a definition of quality, a definition based upon human needs.

OBJECTIVE 1
EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.3
Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.
OBJECTIVE 2
CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.4
Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5
Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

POLICY 2.7
Recognize and protect outstanding and unique areas that contribute in an extraordinary degree to San Francisco’s visual form and character.

The goal of a Permit to Alter is to provide additional oversight for buildings and districts that are architecturally or culturally significant to the City in order to protect the qualities that are associated with that significance.

The proposed project qualifies for a Permit to Alter and therefore furthers these policies and objectives by maintaining and preserving the character-defining features of the subject property for the future enjoyment and education of San Francisco residents and visitors.

5. The proposed project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed project is for expanded office space and seismic stabilization; it will have no effect on existing neighborhood-serving retail uses.

B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed project will strengthen neighborhood character by respecting the character-defining features of the historic building in conformance with the Secretary of the Interior’s Standards.

C) The City’s supply of affordable housing will be preserved and enhanced:

The project will not affect the City’s affordable housing supply.
D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

*The proposed project will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.*

E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

*The proposed project will not change the use of the existing office building and will therefore not affect industrial and service sector jobs.*

F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*All construction will be executed in compliance with all applicable construction and safety measures.*

G) That landmark and historic buildings will be preserved:

*The proposed project is in conformance with Article 11 of the Planning Code and the Secretary of the Interior’s Standards.*

H) Parks and open space and their access to sunlight and vistas will be protected from development:

*The proposed project will not affect the access to sunlight or vistas for parks and open space.*

6. For these reasons, the proposal overall, is appropriate for and consistent with the purposes of Article 11, meets the standards of Article 1111.6 of the Planning Code and complies with the *Secretary of the Interior’s Standards for Rehabilitation*, General Plan and Prop M findings of the Planning Code.
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 GRANTS WITH CONDITIONS a Permit to Alter for the property located at Lot 006 in Assessor’s Block 3736 for proposed work in conformance with the submittal dated October 28, 2016 and labeled Exhibit A on file in the docket for Case No. 2015-009899PTA.

APPEAL AND EFFECTIVE DATE OF MOTION: The Commission's decision on a Permit to Alter shall be final unless appealed within thirty (30) days. Any appeal shall be made to the Board of Appeals, unless the proposed project requires Board of Supervisors approval or is appealed to the Board of Supervisors as a conditional use, in which case any appeal shall be made to the Board of Supervisors (see Charter Section 4.135). For further information, please contact the Board of Appeals in person at 1650 Mission Street, (Room 304) or call (415) 575-6880.

Duration of this Permit to Alter: This Permit to Alter is issued pursuant to Article 11 of the Planning Code and is valid for a period of three (3) years from the effective date of approval by the Historic Preservation Commission. The authorization and right vested by virtue of this action shall be deemed void and canceled if, within 3 years of the date of this Motion, a site permit or building permit for the Project has not been secured by Project Sponsor.

THIS IS NOT A PERMIT TO COMMENCE ANY WORK OR CHANGE OF OCCUPANCY UNLESS NO BUILDING PERMIT IS REQUIRED. PERMITS FROM THE DEPARTMENT OF BUILDING INSPECTION (and any other appropriate agencies) MUST BE SECURED BEFORE WORK IS STARTED OR OCCUPANCY IS CHANGED.

I hereby certify that the Historical Preservation Commission ADOPTED the foregoing Motion on January 18, 2017.

Jonas P. Ionin
Commission Secretary

AYES:
NAYS:
ABSENT:
ADOPTED: January 18, 2017
Parcel Map

SUBJECT PROPERTY

Permit to Alter Hearing
Case Number 2015-009899PTA
Phillips Building
234 – 246 First Street
*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.
Permit to Alter Hearing
Case Number 2015-009899PTA
Phillips Building
234 - 246 First Street
246 FIRST STREET FLOOR ADDITION AND BUILDING MODIFICATIONS

DRAWING INDEX

SCOPE OF WORK DESCRIPTION

THE PROJECT INCLUDES DEMOLITION OF THE EXISTING WOOD FRAME MEDIAN AND CONSTRUCTION OF A NEW STEEL AND CONCRETE SECOND FLOOR IN ITS PLACE. THE EXISTING FREIGHT AND PASSENGER ELEVATORS WILL BE DISASSEMBLED AND A PAIR OF NEW PASSENGER ELEVATORS WILL BE INSTALLED SERVING ALL FLOORS OF THE BUILDING. INCORPORATING BASEMENT AND FIRST FLOOR RECONFIGURATION, A 1,250 SQ FT OPEN SPACE WILL BE ADDED AT THE BASEMENT. THE PROPOSED FIRST FLOOR WILL BE ASSIGNED TO THE TENANT SPACE.

THE PROPOSED STRUCTURAL SCHEME INCLUDES ALTERATIONS TO IMPROVE THE PERFORMANCE OF THE BUILDING'S LATERAL FORCE RESISTING SYSTEM WHICH WILL BRING THE BUILDING IN COMPLIANCE WITH THE CURRENT EDITION OF THE SAN FRANCISCO BUILDING CODE'S SEISMIC REQUIREMENTS FOR EXISTING BUILDINGS.
PART OF 100 VARA, BLK. 348
LOT No. 46
BOOK 41, PP 9-13
A.P.N. LOT 6, BOOK 3736

A.P.N. 3736--207
OWNER: STATE PROPERTY/DEP. OF GENERAL SERVICES

A.P.N. 3736--007
OWNER: QUINTESSENTIAL/ DUFFY MARGARET

LOCATION BOUNDARY
(Area Construction)

246 FIRST STREET
SAN FRANCISCO, CA

Phillips Building
246 First Street
Addition

site studio
planning / architecture / interiors

4131 Los Altos Drive
Lafayette, CA 94549
Tel: 925.385.1950
Fax: 925.399.8821

Sheet Title:
SITE PLAN

Project No: 21,140,400
Scale: 1/96=1'-0"/1'-0"
Drawn: KAP
Checked: WCM
Sheet No: A00.01
Phillips Building
246 First Street
Addition

246 FIRST STREET
SAN FRANCISCO, CA

studio TMT
planning / architecture / interiors

415: 688 4th Ave
San Francisco, CA 94118
Tel: 415.285.1550
Fax: 415.289.8821

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Issue Date
PLANNING REVIEW 11.16.15
PLANNING REVIEW 12.06.15
PLANNING REVISION 03.24.16
PLANNING REVISION 04.14.16
PRESERVATION HEARING ISSUE 10.28.16

Sheet Title
PROPOSED NEW 5TH FLOOR/FORMER 4TH FLOOR PLAN

Project No: 01.1404.000
Scale: 1/8"=1'-0"
Drawn: RAP
Checked: WCM
Sheet No: A02.05
EXISTING EAST ELEVATION

PROPOSED EAST ELEVATION
Phillips Building
246 First Street
Addition

246 FIRST STREET
SAN FRANCISCO, CA

studio
TMT
planning / architecture / interiors

413: Los Altos Elfin
LaGrange, CA 94559
Tel: 925.385.1950
Fax: 925.299.8821

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Issue Date
PLANNING REVIEW 11/16/15
PLANNING REVIEW 12/03/15
PLANNING REVISION 03/24/16
PLANNING REVISION 06/14/16
PRELIMINARY HEARING ISSUE 10/28/16

Sheet Title
BUILDING SECTIONS

Project No. 01.1404.01
Scale AS NOTED
Sheet No. A09.06

PROPOSED BUILDING SECTION

ENLARGED BUILDING SECTION
### Window Types

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**System:**
- KAWNEER FG 507 MetriView Window Wall
- Laminated Clear Glass 8"x6"x3"x2"x1"

**Scale:**
- 6"=1'-0"
ENLARGED SECTION THROUGH ROOF DECK
January 10, 2017

Delivered via Email

President Andrew Wolfram
San Francisco Historic Preservation Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 246 First Street - Major Permit to Alter
Planning Department Case No. 2015-009899PTA
Hearing Date: January 18, 2017
Our File No.: 7832.05

Dear President Wolfram and Commissioners:

Our office represents CIM Group ("Project Sponsor"), owner of the existing five-story plus mezzanine office building located at 246 First Street ("Property"), also known as the Phillips Building. The Project Sponsor currently proposes a renovation of the building that includes some work to the exterior of the building ("Project").

Project Description

The existing building at the Property is 83 feet, 4 inches tall, and includes five full stories with a mezzanine between the first and second story as well as a basement level. It consists of 84,278 square feet of office use. The building is designated as a Category I - Significant Building pursuant to Article 11 of the Planning Code.

The Project proposes a renovation to the building, making it safer and more useful to future tenants. The proposed renovation includes:

- Seismic upgrade to the current seismic standards of the Historic Building Code;
- Incorporation of a system of windows on the currently-blank south facade;
- Installation of two new elevators serving all floors and the roof;
• Construction of a new roof deck with elevator penthouse;

• Expansion of existing mezzanine by 7,903 square feet.

Several measures have been taken to ensure the proposed modifications do not have a negative impact on the existing historic resource:

• Roof penthouse. The roof penthouse and elevators have been situated and sized to ensure they cannot be seen from the ground. In order to see the penthouse from the ground, one would have to stand across the freeway onramp, 123 feet away from the Property, and even this view will be blocked once Parcel F is developed on the opposite side of the onramp.

• Mezzanine. The expanded mezzanine level has been held back 20 feet from the First Street façade and 6 feet from the Tehama Street facade to maintain the double-story ground floor character at the street.

• New windows and materials. Staff has included a condition of approval to the Project that would ensure they have final review and approval authority over the new windows and the materials on the roof penthouse.

Floor Area Increase

At the Property, the Planning Code allows for a maximum gross floor area of 81,900 square feet (6 to 1 floor-area-ratio), and the existing building is already at 84,274 square feet. Since it is already a designated Significant Building per Article 11, the Planning Code typically does not allow for a floor area above 81,900 square feet, even with the purchase of Transferable Development Rights ("TDR"). However, this gross floor area may be exceeded “[i]f the Historic Preservation Commission finds that the additional space resulting from the transfer of TDR is essential to make economically feasible the reinforcement of a Significant or Contributory building to meet the standards for seismic loads and forces of the Building Code…” (Planning Code Section 128(c)(2).) This incentive is in place to encourage owners of Article 11-rated buildings to seismically strengthen their buildings to ensure the greatest protection in the event of an earthquake.

As discussed above, the Project's proposed structural improvements will bring the building up to the current seismic standards of the California Historic Building Code. These include strengthening columns and spandrels in certain areas of the building as well as significantly modifying the southern shear wall for improved ductility thereby reducing damage during a seismic event. These upgrades will result in real, significant improvements
to the structural strength of the building and will provide greater protection of this historic resource at the next, inevitable seismic event in San Francisco. The cost of implementing these seismic upgrades will be over $1M, and such work would not be feasible without the additional renovations proposed at the Property.

The proposed increase in gross floor area amounts to less than 10% of the existing floor area, and will be created fully within the existing envelope of the building. The increase in floor area will have no impact on the building's historic character.

**Establishing Landmark Status**

Further demonstrating their dedication to the maintenance and preservation of this historic structure, the project sponsor is currently pursuing the designation of the building as an Article 10 city landmark. This will provide additional regulatory protection of the building moving forward, and will ensure it is preserved and maintained long into the future.

The Project significantly improves the Phillips Building by bringing it up to current seismic standards while modernizing its operation to ensure its use and maintenance in the future. We look forward to presenting the Project to the Commission on January 18.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP

John Kevlin

cc:    Vice President Aaron Jon Hyland  
Commissioner Karl Hasz  
Commissioner Ellen Johnck  
Commissioner Richard Johns  
Commissioner Diane Matsuda  
Commissioner Jonathan Pearlman  
CIM Group – Project Sponsor