

# Wilson Building: Mills Act Application

973 Market Street, San Francisco, California



## **Applicant**

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May 31, 2017



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**1A. MILLS ACT APPLICATION**

# APPLICATION FOR Mills Act Historical Property Contract

Applications must be submitted in both hard copy and digital copy form to the Planning Department at 1650 Mission St., Suite 400 by May 1st in order to comply with the timelines established in the Application Guide. Please submit only the Application and required documents.

## 1. Owner/Applicant Information (If more than three owners, attach additional sheets as necessary.)

PROPERTY OWNER 1 NAME: <b>RAINTREE 973 MARKET NEWCO LLC</b>	TELEPHONE: <b>(949) 365-5653</b>
PROPERTY OWNER 1 ADDRESS: <b>28202 Cabot Road, Ste. 300, Laguna Niguel, CA, 92677</b>	EMAIL: <b>jcheck@raintreepartners.com</b>

PROPERTY OWNER 2 NAME:	TELEPHONE: ( )
PROPERTY OWNER 2 ADDRESS:	EMAIL:



PROPERTY OWNER 3 NAME:	TELEPHONE: ( )
PROPERTY OWNER 3 ADDRESS:	EMAIL:

## 2. Subject Property Information

PROPERTY ADDRESS: <b>973 Market Street, San Francisco, CA</b>	ZIP CODE: <b>94103</b>
PROPERTY PURCHASE DATE: <b>5/11/2012</b>	ASSESSOR BLOCK/LOT(S): <b>Block 3704/ Lot 069</b>
MOST RECENT ASSESSED VALUE: <b>\$32,658,439</b>	ZONING DISTRICT: <b>C-3-G</b>

Are taxes on all property owned within the City and County of San Francisco paid to date?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Is the entire property owner-occupied? If No, please provide an approximate square footage for owner-occupied areas vs. rental income (non-owner-occupied areas) on a separate sheet of paper.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Do you own other property in the City and County of San Francisco? If Yes, please list the addresses for all other property owned within the City of San Francisco on a separate sheet of paper.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Are there any outstanding enforcement cases on the property from the San Francisco Planning Department or the Department of Building Inspection? If Yes, all outstanding enforcement cases must be abated and closed for eligibility for the Mills Act.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

I/we am/are the present owner(s) of the property described above and hereby apply for an historical property contract. By signing below, I affirm that all information provided in this application is true and correct. I further swear and affirm that false information will be subject to penalty and revocation of the Mills Act Contract.

Owner Signature:   
 Owner Signature:   
 Owner Signature: \_\_\_\_\_

Date: 04/24/17  
 Date: 4/24/17  
 Date: \_\_\_\_\_

3. Property Value Eligibility:

Choose one of the following options:

The property is a Residential Building valued at less than \$3,000,000. YES  NO

The property is a Commercial/Industrial Building valued at less than \$5,000,000. YES  NO

\*If the property value exceeds these options, please complete the following: Application of Exemption.

Application for Exemption from Property Tax Valuation

If answered "no" to either question above please explain on a separate sheet of paper, how the property meets the following two criteria and why it should be exempt from the property tax valuations. See attached.

1. The site, building, or object, or structure is a particularly significant resource and represents an exceptional example of an architectural style, the work of a master, or is associated with the lives of significant persons or events important to local or natural history; or
2. Granting the exemption will assist in the preservation of a site, building, or object, or structure that would otherwise be in danger of demolition, substantial alteration, or disrepair. (A Historic Structures Report, completed by a qualified historic preservation consultant, must be submitted in order to meet this requirement.)

4. Property Tax Bill

All property owners are required to attach a copy of their recent property tax bill.

PROPERTY OWNER NAMES: Raintree Partners c/o (RAINTREE 973 MARKET NEWCO LLC)
MOST RECENT ASSESSED PROPERTY VALUE: \$32,658,439.00
PROPERTY ADDRESS: 973 Market Street, San Francisco, CA 94103

5. Other Information

All property owners are required to attach a copy of all other information as outlined in the checklist on page 7 of this application.

By signing below, I/we acknowledge that I/we are the owner(s) of the structure referenced above and by applying for exemption from the limitations certify, under the penalty of perjury, that the information attached and provided is accurate.

Owner Signature: Judy Sun Date: 04/24/17  
Owner Signature: [Signature] Date: 4/24/17  
Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

5. Rehabilitation/Restoration & Maintenance Plan

A 10 Year Rehabilitation/Restoration Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A 10 Year Maintenance Plan has been submitted detailing work to be performed on the subject property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Proposed work will meet the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties</i> and/or the California Historic Building Code.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Property owner will ensure that a portion of the Mills Act tax savings will be used to finance the preservation, rehabilitation, and maintenance of the property	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
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Use this form to outline your rehabilitation/restoration plan. Copy this page as necessary to include all items that apply to your property. Begin by listing recently completed rehabilitation work (if applicable) and continue with work you propose to complete within the next ten years, followed by your proposed maintenance work. Arranging all scopes of work in order of priority.

Please note that *all applicable Codes and Guidelines apply to all work*, including the Planning Code and Building Code. If components of the proposed Plan require approvals by the Historic Preservation Commission, Planning Commission, Zoning Administrator, or any other government body, these approvals must be secured prior to applying for a Mills Act Historical Property Contract. This plan will be included along with any other supporting documents as part of the Mills Act Historical Property contract.

# _____ (Provide a scope number)	BUILDING FEATURE:			
Rehab/Restoration <input type="checkbox"/>	Maintenance <input type="checkbox"/>	Completed <input type="checkbox"/>	Proposed <input type="checkbox"/>	
CONTRACT YEAR FOR WORK COMPLETION:				
TOTAL COST (rounded to nearest dollar):				
DESCRIPTION OF WORK:  See attached.				

## **1B. OTHER PROPERTY OWNED WITHIN THE CITY OF SAN FRANCISCO**

Raintree 973 Market Newco LLC (dba. Raintree Partners) owns one other property in the City of San Francisco. That property is located at 2051 Third Street, San Francisco. This property is on Block 3994, Lot 084.

## 2. HIGH PROPERTY VALUE EXEMPTION FORM & HISTORIC STRUCTURES REPORT

The Wilson Building is a Commercial/Industrial Building valued at more than \$5,000,000. The building is a particularly significance resource and represents an example of an architectural style and is associated with significant events in San Francisco's history. The Wilson Building has been identified as a contributing resource within the Market Street Theatre and Loft District.

The Historic Structures report was completed by Heritage Consulting Group. Based in Portland, Heritage is a national leader in the historic preservation field. Since forming in 1982, the company has completed over 350 National Register nominations and completed historic tax credit projects totaling more than \$3 billion in construction. Current projects include Macy's Herald Square Store in Manhattan, the IBM Building in Chicago, and Union Station in Denver. The firm has been involved in several rehabilitation projects in the Bay Areas and in San Francisco, including the Haslett Warehouse.

### DESCRIPTION OF THE BUILDING

The Wilson Building is located on Lot 069 of Block 3704 in the City of San Francisco, San Francisco County, California. Market Street is the primary arterial through downtown San Francisco, running diagonally along a SW-NE axis with two lanes of traffic that also accommodates bus and trolley service. Market Street separates the SoMa neighborhood, where blocks and streets run parallel and perpendicular to Market from Downtown San Francisco, where blocks and streets have a truer north orientation. The property is more or less centered in the City Center on Market; Powell Street is located two blocks to the northeast; Civic Center/UN Plaza is located to two blocks to the southwest.





Setting: The building is located on an interior parcel in a highly urbanized setting. The building sits on the southeast side of Market Street and on the north side of block 3704. That block is bounded by Market Street on the northwest and Stevenson Street on the southeast; Fifth Street on the northeast and Sixth Street on the southwest. While Market, Fifth and Sixth are major traffic streets, Stevenson is a secondary, almost alley-like street that runs only from Fifth Street to the mid-block of Seventh Street. Block 3704 is more or less rectangular and measures 170 feet at the NW-SE axis and 825 feet on the NE-SW axis.

Parcels on Block 3704 are run the length from Market to Stevenson with the façade on Market serving as the “front door” and the façade on Stevenson as the “rear” or “service” side. Buildings are built to the lot lines without landscape features. The street wall along Market is irregular but features a typical commercial form with ground floor retail spaces. At the corner of Fifth and Market, to the northeast, is the six -story, 200,000 square foot, 1912 Hale Brothers Department Store (NR). At the opposite southwest corner of the block, at Sixth and Market, is the sixteen-story Hewes Building, built in 1908 and reclad in 1963. Adjacent to that and adjacent to the Wilson Building is the earlier 1900 seven-story Hales Brothers Department Store. At the center of the street wall, beginning northeast of the Wilson Building, however, are roughly a dozen low-rise buildings of varying heights. Apart from the three buildings mentioned here, the street is marked by vacant and boarded-up buildings. By way of reference, the northeast boundary of the National Register district is the northeast party wall of the Wilson Building.

Site: The site is 8,372 square feet. It is rectangular in form, running 170 feet NW-SE and 49.3 feet NE-SW.

Structure: As originally built, the Wilson Building was seven-story structure with vaulted basement and a partial mezzanine. Although the original structure is unknown, it likely was an unreinforced masonry structure. When rebuilt in 1906, the new structural system was reinforced concrete with concrete columns and decks. The perimeter walls are masonry. The columns divide the floor plate into a grid of three bays SW-NE and ten bays SE-NW. The three bays are 14.5 feet at the center and 17.5 feet flanking. The SE-NW bays are evenly spaced at 17 feet. Floor heights are 18.5 feet at the first floor, 13.5 feet at the second floor, 12 feet at floors three-six, and 16.25 feet at the seventh floor. In 1983, the building was seismically upgraded with the addition of shear walls. In the most recent abandoned attempt to adapt the building into condominiums, a nearly full mezzanine was inserted above the 7<sup>th</sup> floor; it is held back one bay off the two street facades. Additionally, a full height light well, two bays deep and two bays across, was inserted at the center southwest, while the mezzanine at the first floor was reconfigured. Finally, the entire building upgraded structurally with new shear walls and steel bracing to meet current seismic codes.

Exterior: The building has a single primary façade facing northwest onto Market Street. It has a secondary façade facing southeast onto Stevenson Street. The southwest wall is a masonry party wall. The northeast wall is also a masonry party wall but exposed above the two-story adjacent building.

*Market Street Façade:* The most compelling feature of the Wilson Building is the Market Street façade. It is clad entirely and elaborately in terra cotta. Vertically, the façade is divided into three equal bays. Horizontally, it is organized into multiple elements:

The ground floor originally featured traditional three storefronts with plate glass over wood bulkhead. The bay structure was expressed at the street with the use of heavy fluted columns. Above the storefront was large transom, likely of leaded prism glass. When first built, the storefront level featured a central entry with flanking show windows and a secondary entry at the northeast. At some point, likely in the early 1920s when the Eilar Music House moved, the storefronts were modernized to accommodate multiple retail tenants. A 1944 photograph of the building shows a storefront level that has been modernized and reorganized in a rather chaotic fashion with two full-bay storefronts at the southwest and the remaining bay divided into a building entry and another smaller retail entry. At this point, the transom was either removed or covered as was the terra cotta below the belt course. Each storefront appears to have its own design with its own materials. In the 1990s, the ground floor was modernized with the removal of all elements other than the two central columns. A modern commercial grade anodized aluminum storefront system was then installed recessed behind the street face. During the most recent project, these storefronts were removed and presently the openings are voids.

Above the storefront level, the terra cotta decoration defined several additional elements. At the second floor, each bay has a tripartite window surmounted by a pediment, separated and framed decorative pilasters with lion heads atop brackets; at the outside, these are paired. Floors three-six are grouped with the use of a complex terra cotta frame. Finally, the seventh floor is an attic story with each bay featuring a group of three windows separated by columns. At the roof line is an elaborate terra cotta cornice. Terra cotta panels and belt courses further define floors. In general terms, the decoration tends toward the geometric and is Byzantine in style, balanced by large window openings that emphasize the building's skeleton. All windows have been replaced with wood clad, but many window openings are simply open.

*Stevenson Street Façade:* The Stevenson Street façade is a secondary façade facing southeast. It is built of utilitarian red brick in natural gray mortar. Vertically, it is divided into three equal bays. The two bays to the south are identical with large window openings featuring tripartite windows. The bay to the north is of similar size but has paired windows separated by a brick pilaster. Horizontally, fenestration divides the façade into seven floors, of which the upper six floors are essentially identical. Each bay on the ground floor has a large single opening; these have been covered with painted plywood. Windows here are replacement wood clad, though many window openings are simply open.

*Northeast Party Wall:* The northeast party wall is a blank wall built of common red brick with natural gray mortar.

Interior: In general terms, the building is void of interior elements. In the mid-2000s, the building was being adapted for condominiums. This included a seismic upgrade, removal of most interior features and the insertion of a light well at the center. It also included reconfiguring the mezzanine and inserting a floor above the seventh. Floors are concrete; perimeter walls are exposed brick and in many instances retain scarring from the 1906

Earthquake and Fire. In the 1906, the building was built as a reinforced concrete system with distinctive floor pans and column supports. Most of these elements are still visible. Additionally, at the northeast corner is a full height concrete stair with wood and decorative iron railings. This element is also intact.

#### Alterations:

The Wilson Building underwent a rehabilitation using Federal Historic Tax Credits and work completed is in conformance with the *Secretary of the Interior's Standards for Rehabilitation*. In the mid-2000s, the previous owners embarked on a plan to adapt the building for condominiums. This work involved a seismic upgrade, removal of the storefront, replacement of the windows, painting the terra cotta, inserting a light well, removing interior partitions and initiating an interior build-out for residential use. In 2010, that project was abandoned and in 2012, the property was acquired by the current owners.

#### Character Defining Features:

As identified in the Market Street Theater and Loft District National Register District, "The Wilson Building is an eight-story loft building described in *Splendid Survivors* as 'a handsome skeletal design with extremely rich decorative terra cotta panels. A three-part vertical composition with Sullivanesque/Byzantine ornamentation.'" The most prominent character defining feature is the terra cotta on the north elevation. The north elevation also includes a clearly defined fenestration pattern typical of early steel constructed buildings. This window pattern is also on the south elevation.

#### Conditions Assessment:

At the time the property was purchased by Raintree the building was gutted by the previous owner. On the exterior, the storefronts were removed and the street level area was boarded up. The terra cotta was in good condition. The previous owner removed and replaced the windows with tripartite, Chicago-style window with transoms. When Raintree acquired the building, the interior was largely vacant with exposed masonry walls at the perimeter, concrete floor, concrete ceiling, and concrete columns.

Today the building is in good condition overall. Both the exterior and interior are well maintained and subject to regular inspection (See Rehabilitation and Maintenance Plans).

#### Treatment Recommendations:

The building ownership understands that there is a necessary level of maintenance that is synonymous with owning a historic building. In addition to regular inspection and maintenance, the ownership will abide to the following guidelines: 1) know the building, 2) do no harm, 3) address problems early, and 4) prepare for disaster.

Know the building – It is essential to have a single person who understands and routinely inspects the buildings. This function is especially important given the substantive work completed on the building, including the new mechanical systems. New systems have a potential for failing, new uses create new stresses, new materials may change how the historic materials perform. While such circumstances are remote, it is important to that one single individual monitor the building's performances and come to understand its idiosyncrasies. Routine

inspections will build that knowledge and ensure the continued integrity of the building and its systems.

Do no harm – It is essential to establish protocols for cyclical maintenance of character defining features, materials and finishes. All too often, fundamental damage is done in the name of maintenance. Through the tax certification process, the historically important elements have been identified. It is equally important to be clear on how they are to be maintained.

Address problems early – It is essential to establish protocols for addressing problems early and effectively. The preservation and use of a building are inherently contradictory. Preservation often conflicts with hotel financial realities. Small problems have a tendency to either be telltales of larger problems or become larger problems themselves. Before problems relating to historic fabric arise, it is valuable to establish the protocols for crafting the solutions. Who needs to be involved in making the decisions? Who needs to be consulted? Who needs to be informed? And who makes the final decision?

Prepare for disaster – It is essential to establish protocols for those unfortunate but all too real situations when emergency repairs are needed. It is similar to the situation above, but time is of a greater ingredient. In responding to emergency situations and unplanned repairs: Who needs to be involved in making decisions? Who needs to be consulted? Who needs to be informed? And who makes the final decision?

#### Future Work:

Inevitably, occasions will arise for substantive work on the building. This work may be planned, perhaps prompted by the periodic inspections, or unplanned, the result of the emergency situations. Any such work must be planned following the *Secretary of Interior's Standards for Rehabilitation*. As the apartment units turn-over, each unit will be inspected, elements will be repaired as necessary and/or replaced in kind.

Within the scope of the next twenty years, the owners anticipate altering the windows and storefronts. The roof will need to be repaired and replaced. For more information see Maintenance Plan.

#### Bibliography:

- Bloomfield, Anna, "Market Street Theater and Loft District," *National Register of Historic Places*, April 10, 1986.
- H. S. Crocker Co, San Francisco City Directories, 1910-1920
- Preservation Brief #1, "Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings."
- Preservation Brief #2, "Repointing Mortar Joints in Historic Masonry Buildings."
- Preservation Brief #7, "The Preservation of Historic Glazed Architectural Terra Cotta."
- San Francisco's Architectural Heritage and Michael R. Corbett, *Splendid Survivors: San Francisco's Downtown Architectural Heritage*, San Francisco: A California Living Book, 1979.
- Sanborn Fire Insurance Maps, 1900, 1915, 1950
- R. L. Polk & Co., San Francisco City Directories, 1925-1980

## HISTORY OF THE BUILDING

The Wilson Building has been identified as a contributing resource within the Market Street Theatre and Loft District. The building was built in 1900 for Emily J. Wilson, wife of San Francisco attorney S. M. Wilson, who had died in 1892. Prior to construction, the site along Market was occupied by two three-story wood-framed buildings with ground floor storefronts and lodgings above, while at the opposite side of the parcel, along Stevenson, were two-story wood-framed lodging buildings. Excavation was announced on May 15, 1900 in *Edwards Abstract*. Two months later, on July 7<sup>th</sup>, a rendering by “G. W. Percy and Willis Polk, Architects” was published in the San Francisco Chronicle. On February 15, 1901, Edwards Abstract noted the building was complete. During construction, in September, Mrs. Wilson had died and the ownership was vested in the Wilson Estate Company. That company retained ownership of the building until 1975.

Although the specific designer is unknown, the architect of the Wilson Building was Percy & Polk, an architectural partnership comprised of George W. Percy and Willis J. Polk. Percy was the elder of the two. Born in Bath, Maine in 1847, Percy apprenticed under Francis H. Fasset in Portland, Maine from 1866 to 1870, after which he worked in Stockton, Chicago and Boston. He arrived in San Francisco in 1876 and subsequently established a partnership with F. F. Hamilton. For a quarter of a century, they developed a strong reputation for public buildings. Major works of Percy & Hamilton include the Academy of Science Building, First Unitarian Church and the Hayward Building, all in San Francisco. In December, 1899, Hamilton died at the age of 46. It was at that time that the 32-year-old Polk joined the 52-year-old Percy to form Percy & Polk.

Willis Jefferson Polk was born in Jacksonville, Illinois in 1867 and grew up in St. Louis, the son of an architect. At the age of 14, Polk apprenticed in the office of Jerome Legg. In the ensuing years, Willis Polk alternately worked for his father and brother Daniel at W. W. Polk and worked with various architects around the country. In 1881, his father moved the family and firm to San Francisco; and over the next decade, Willis continued his pattern of periodically working for his father and for architects across the United States. During this time, Polk designed a number of residences on Russian Hill and later in Presidio Heights. Polk's father retired from the firm in 1896; with Daniel Polk having departed to play banjo in vaudeville, Willis Polk was left heading the firm and struggling to survive. Eventually, he was forced to declare bankruptcy in 1897 and for the next couple of years; Polk worked out of his home.

The partnership of Percy & Polk was short-lived, barely the length of time it took to design and construct the Wilson Building. The firm likely formed after May, 1900, after excavation on the building had begun. But by July, the building's architects were identified as “Percy & Polk”. Yet, five months later and prior to completion of the Wilson Building, in December, 1900, Percy died. The following year, Polk left for Chicago to work for Daniel Burnham. At this point, the firm's work was taken over by Henry Meyers. In addition to the Wilson Building, the firm was completing the Hayward Building. Polk returned to San Francisco in 1903 and began to establish his reputation as one of the Bay area's dominant architects until his death in 1924.

The initial tenant for the Wilson Building was the John Breuner Furniture Company. The company was founded by Breuner, a German cabinetmaker, who immigrated to California as a gold prospector but shortly after, gained employment with the Whitney & Company furniture dealer. In 1852, he started his own firm in Sacramento with his brother David. As the business

prospered, Breuner was awarded the contract to furnish legislative desks for the state capital. He also secured a subcontract for design and construction of desks for J. B. Luchsinger of San Francisco. Reportedly the firm manufactured about 15% of its furniture and imported the remaining 85%, focusing more on the finishing and upholstery of frames. By the 1870s, the firm had inventory of \$40-50,000. With extensive contacts in the Bay area, the company expanded to the Wilson Building at the turn of the century. It was the sole occupant of the building with display rooms on the lower floors, storage and manufacturing on the upper.

The 1906 San Francisco Earthquake and Fire however gutted the Wilson Building, leaving only the front façade and shell. The Wilson Estate rebuilt the building for \$12,000. They hired architect Henry Schulze as architect and relied on engineer John B. Leonard to transform it into a reinforced concrete structure. Schulze, who was then 49-years-old, was the son of noted Boston architect Paul Schulze and had begun working in the Bay area architectural field in the mid-1870s. For the most part, he operated a singular practice and while prolific few of his works have survived. One of the largest of his surviving works is the Folger Coffee Company Building, finished in 1905. Leonard was trained as an engineer at Michigan State and the University of Michigan, whereupon he settled in San Francisco and generally operated out of his own civil engineering office. A frequent contributor to *Architect and Engineer of California*, Leonard was an early advocate of concrete construction.

Upon completion, the Wilson Estate leased the entire building to the Eilers Music House. The Eilers Music House, also known as the Eilers Piano Company, was established by Hy Eilers in 1899 in Portland, Oregon. Originally only a retailer, the firm began building good quality pianos, including upright, grand and baby grand, and player pianos with modest success into the 1910s. They also sold pianos and organs. Over time, the firm expanded throughout the west coast with stores in Oakland, Stockton, Reno, Seattle, Tacoma and Spokane. Eilers first opened in San Francisco in 1905 at 514 Market Street, then opening temporarily at 520 Haight Street before moving into the Wilson Building in 1906. As the firm expanded, it became highly leveraged and overextended. By the late 1910s, Eilers was facing financial problems and moved out of the Wilson Building. By 1921, Eilers faced bankruptcy, then embezzlement charges and by 1928 the company was closed entirely.

With the departure of Eilers, city directories suggest that the building was subdivided with multiple tenants with a high turn-over. In 1920, tenants included such diverse enterprises as music, paint, dressmaking and physical culture studios. Five years later, tenants were new; featuring hat manufacturing, theatrical agency, a dentist office and photograph finishing. Through the 1930s, tenants were few and varied. Into the 1940s and beyond, the tenant mix included booking agents, drug distributors, a dentist office, and schools for accounting, chiropractic, and business. Again, tenants appear to only remain for a few years and without much in the way of a cohesive industry cluster. For the most part, the ground floor tenant was not known, but by 1990, the ground floor was occupied by Taco Bell. At that time, a new modern storefront system of anodized aluminum and glass was installed.

By the mid-2000s, new owners embarked on a plan to adapt the building for condominiums. This work involved a seismic upgrade, removal of the storefront, replacement of the windows, painting the terra cotta, inserting a light well, removing interior partitions and initiating an

interior build-out for residential use. In 2010, that project was abandoned and in 2012, the property was acquired by the current owners.

### STATEMENT OF SIGNIFICANCE

The Wilson Building is located in the Market Street Theatre and Loft District. The district was listed on the National Register of Historic Places on April 10, 1986 under Criterion C for Architecture and Criterion A for Events. At the time of listing, the Wilson Building was included in the district as a contributing resource. The Wilson Building is significant primarily under Criterion C for its highly decorative, Sullivanesque/Byzantine inspired, terra cotta façade.<sup>1</sup>

The district is located in central San Francisco along Market Street approximately between Sixth and Seventh Streets. On the southwest, the boundary is the Odd Fellows Hall at 6-26 Seventh Street. The southeast boundary runs along Stevenson Street. The northwest boundary is irregular, extending to include portions of McAllister Street, Jones Street, Golden Gate Avenue and Taylor Street. In total, the district includes thirty buildings, of which twenty are contributing.

The inspiration of the district and the basis of the nomination lie with the book, *Splendid Survivors*, published in 1979 under the auspices of the Foundation for San Francisco's Architectural Heritage. That survey researched and evaluated 790 buildings within the city's downtown core. Through an elaborate evaluation process, that survey then identified 102 buildings of "highest importance" and 170 buildings of "major importance"; all of these 272 buildings were considered as being individually eligible for the National Register. The Wilson Building is identified as a member of the first group, "highest" importance, described as "a handsome skeletal design with extremely rich decorative terra cotta panels." It further describes the building as a "three part vertical composition with Sullivanesque/Byzantine ornamentation.

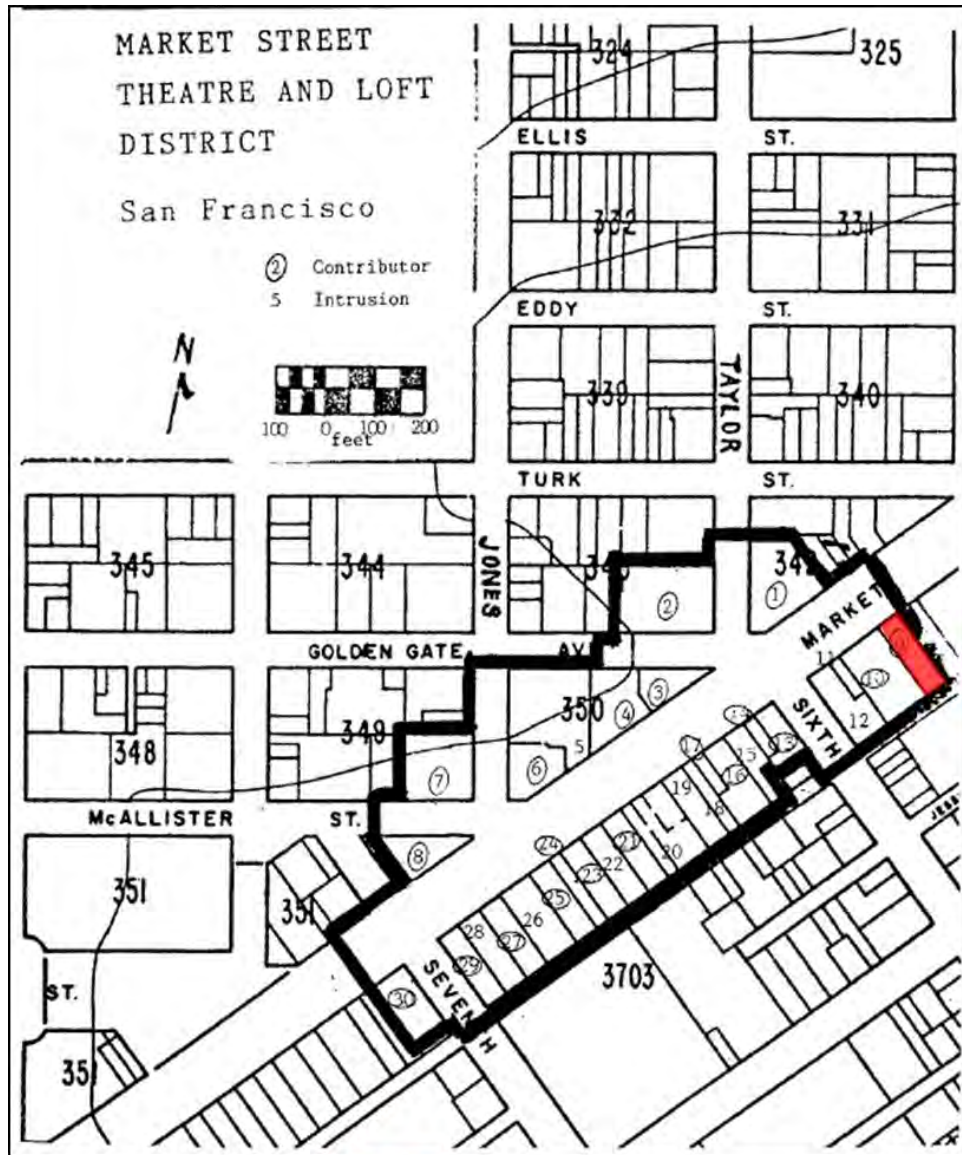
The survey also identified eight potential National Register districts. These included the Powell Street Corridor, Retail-Shopping District, Kearny Street District, Financial District, Commercial-Upper Montgomery Street, New Montgomery and Market Street District, Emporium Market Street Block and the Market Street Loft/Theater District. Of these, only the Market Street Loft/Theater District was prepared, submitted and listed on the National Register.

The authors of *Splendid Survivors* described the Market Street Loft/Theater District as "an imposing but unfortunately rundown District that includes three major elements: a group of loft structures on the south side of Market, a collection of theaters, and two fine intersections on the north side of Market." Particular to the Wilson Building, the book notes the simplicity of the skeletal design: "They are among the few downtown San Francisco buildings that reflect the early Modernist ideals of straightforward structural and functional expressiveness." The district boundaries were pushed eastward to mid-block specifically to include the Wilson Building, noting the building's added importance as a pre-earthquake survivor.

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<sup>1</sup> Market Street Theater and Loft District National Register District.

National Register Market Street Theatre and Loft District Boundaries



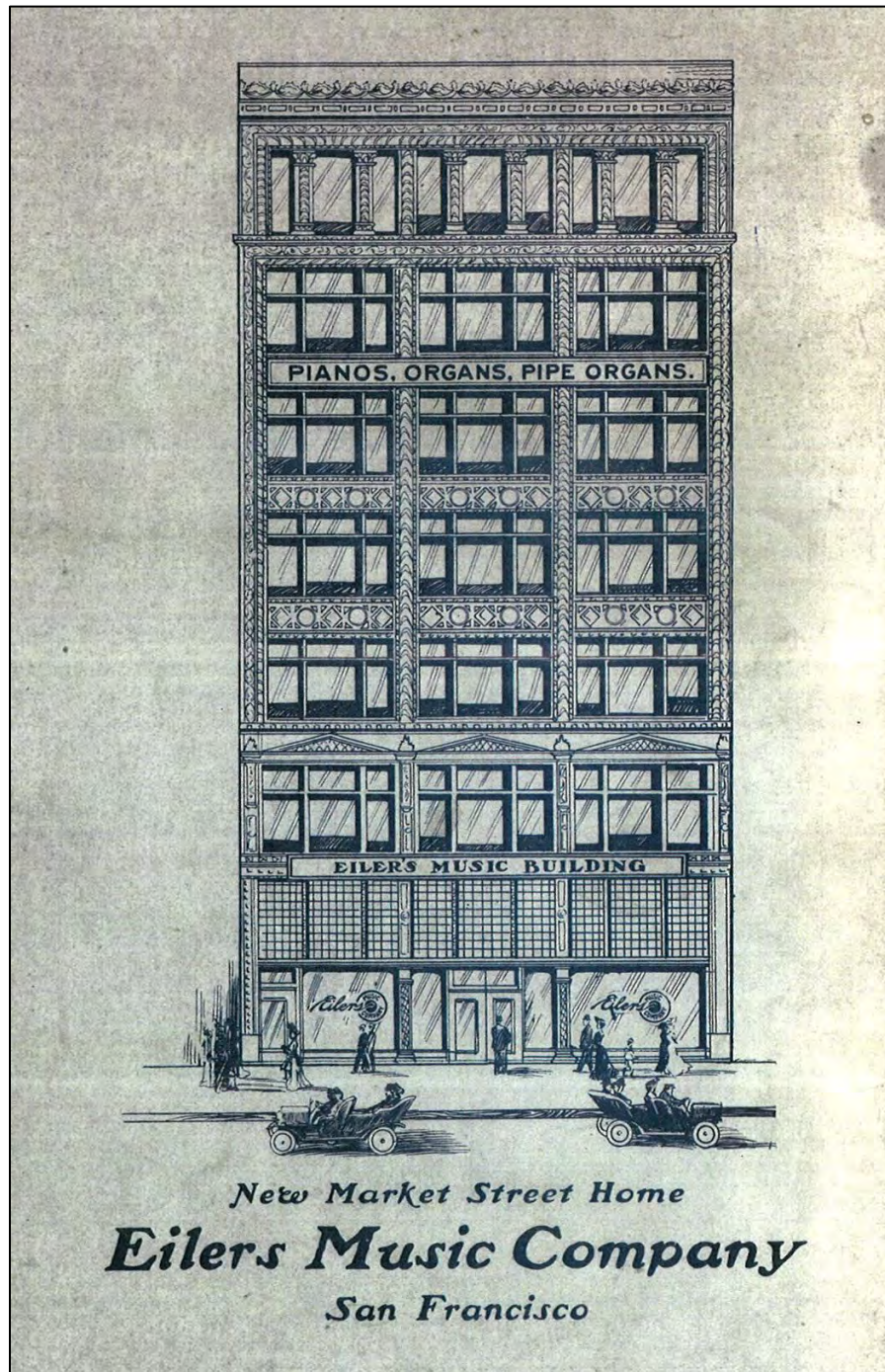


Market and 6<sup>th</sup> Street, Looking E, October 15, 1905 (The Wilson Building is at the far left)



Market and 6<sup>th</sup> Street, Looking E, c. April 1906 (The Wilson Building is at the far left)





Eilers Music House, c. 1910



Wilson Building, May, 1944



## 6. Draft Mills Act Historical Property Agreement

Please complete the following Draft Mills Act Historical Property Agreement and submit with your application. A final Mills Act Historical Property Agreement will be issued by the City Attorney once the Board of Supervisors approves the contract. The contract is not in effect until it is fully executed and recorded with the Office of the Assessor-Recorder.

Any modifications made to this standard City contract by the applicant or if an independently-prepared contract is used, it shall be subject to approval by the City Attorney prior to consideration by the Historic Preservation Commission and the Board of Supervisors. This will result in additional application processing time and the timeline provided in the application will be nullified.

Recording Requested by,  
and when recorded, send notice to:  
Director of Planning  
1650 Mission Street  
San Francisco, California 94103-2414

California Mills Act Historical Property Agreement

Wilson Building  
PROPERTY NAME (IF ANY)

973 Market Street, San Francisco, CA 94103  
PROPERTY ADDRESS  
San Francisco, California

THIS AGREEMENT is entered into by and between the City and County of San Francisco, a California municipal corporation ("City") and Raintree Partners ("Owner/s").

RECITALS

Owners are the owners of the property located at 973 Market Street, in San Francisco, California  
PROPERTY ADDRESS  
3704 / 069. The building located at 973 Market Street  
BLOCK NUMBER LOT NUMBER PROPERTY ADDRESS

is designated as a Contributing Building in the Market Street Theatre and Loft National Register District (e.g. "a City Landmark pursuant to Article 10 of the Planning Code") and is also known as the Wilson Building.  
HISTORIC NAME OF PROPERTY (IF ANY)

Owners desire to execute a rehabilitation and ongoing maintenance project for the Historic Property. Owners' application calls for the rehabilitation and restoration of the Historic Property according to established preservation standards, which it estimates will cost approximately Seventeen million three hundred and six thousand (\$17,306,000). See Rehabilitation Plan, Exhibit A.  
AMOUNT IN WORD FORMAT AMOUNT IN NUMERICAL FORMAT

Owners' application calls for the maintenance of the Historic Property according to established preservation standards, which is estimated will cost approximately Nine hundred sixty-four thousand two hundred (\$964,200) annually. See Maintenance Plan, Exhibit B.  
AMOUNT IN WORD FORMAT AMOUNT IN NUMERICAL FORMAT

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

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

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

Mills Act Application

SAN FRANCISCO PLANNING DEPARTMENT V 06 10.5311

#### 1. Application of Mills Act.

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

#### 2. Rehabilitation of the Historic Property.

Owners shall undertake and complete the work set forth in Exhibit A ("Rehabilitation Plan") attached hereto according to certain standards and requirements. Such standards and requirements shall include, but not be limited to: the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary's Standards"); the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation ("OHP Rules and Regulations"); the State Historical Building Code as determined applicable by the City; all applicable building safety standards; and the requirements of the Historic Preservation Commission, the Planning Commission, and the Board of Supervisors, including but not limited to any Certificates of Appropriateness approved under Planning Code Article 10. The Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than six (6) months after recordation of this Agreement, shall commence the work within six (6) months of receipt of necessary permits, and shall complete the work within three (3) years from the date of receipt of permits. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. Work shall be deemed complete when the Director of Planning determines that the Historic Property has been rehabilitated in accordance with the standards set forth in this Paragraph. Failure to timely complete the work shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein.

#### 3. Maintenance.

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

#### 4. Damage.

Should the Historic Property incur damage from any cause whatsoever, which damages fifty percent (50%) or less of the Historic Property, Owners shall replace and repair the damaged area(s) of the Historic Property. For repairs that do not require a permit, Owners shall commence the repair work within thirty (30) days of incurring the damage and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Where specialized services are required due to the nature of the work and the historic character of the features damaged, "commence the repair work" within the meaning of this paragraph may include contracting for repair services. For repairs that require a permit(s), Owners shall proceed diligently in applying for any necessary permits for the work and shall apply for such permits not less than sixty (60) days after the damage has been incurred, commence the repair work within one hundred twenty (120) days of receipt of the required permit(s), and shall diligently prosecute the repair to completion within a reasonable period of time, as determined by the City. Upon written request by the Owners, the Zoning Administrator, at his or her discretion, may grant an extension of the time periods set forth in this paragraph. Owners may apply for an extension by a letter to the Zoning Administrator, and the Zoning Administrator may grant the extension by letter without a hearing. All repair work shall comply with the design and standards established for the Historic Property in Exhibits A and B attached hereto and Paragraph 3 herein. In the case of damage to twenty percent (20%) or more of the Historic Property due to a catastrophic event, such as an earthquake, or in the case of damage from any cause whatsoever that destroys more than fifty percent (50%) of the Historic Property, the City and Owners may mutually agree to terminate this Agreement. Upon such termination, Owners shall not be obligated to pay the cancellation fee set forth in Paragraph 14 of this Agreement. Upon such termination, the City shall assess the full value of the Historic Property without regard to any restriction imposed upon the Historic Property by this Agreement and Owners shall pay property taxes to the City based upon the valuation of the Historic Property as of the date of termination.

#### 5. Insurance.

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

#### 6. Inspections.

Owners shall permit periodic examination of the exterior and interior of the Historic Property by representatives of the Historic Preservation Commission, the City's Assessor, the Department of Building Inspection, the Planning Department, the Office of Historic Preservation of the California Department of Parks and Recreation, and the State Board of Equalization, upon seventy-two (72) hours advance notice, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Historic Property demonstrating compliance with this Agreement as requested by any of the above-referenced representatives.

#### 7. Term.

This Agreement shall be effective upon the date of its recordation and shall be in effect for a term of ten years from such date ("Initial Term"). As provided in Government Code section 50282, one year shall be added automatically to the Initial Term, on each anniversary date of this Agreement, unless notice of nonrenewal is given as set forth in Paragraph 10 herein.

#### 8. Valuation.

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

#### 9. Termination.

In the event Owners terminates this Agreement during the Initial Term, Owners shall pay the Cancellation Fee as set forth in Paragraph 15 herein. In addition, the City Assessor-Recorder shall determine the fair market value of the Historic Property without regard to any restriction imposed on the Historic Property by this Agreement and shall reassess the property taxes payable for the fair market value of the Historic Property as of the date of Termination without regard to any restrictions imposed on the Historic Property by this Agreement. Such reassessment of the property taxes for the Historic Property shall be effective and payable six (6) months from the date of Termination.

#### 10. Notice of Nonrenewal.

If in any year after the Initial Term of this Agreement has expired either the Owners or the City desires not to renew this Agreement that party shall serve written notice on the other party in advance of the annual renewal date. Unless the Owners serves written notice to the City at least ninety (90) days prior to the date of renewal or the City serves written notice to the Owners sixty (60) days prior to the date of renewal, one year shall be automatically added to the term of the Agreement. The Board of Supervisors shall make the City's determination that this Agreement shall not be renewed and shall send a notice of nonrenewal to the Owners. Upon receipt by the Owners of a notice of nonrenewal from the City, Owners may make a written protest. At any time prior to the renewal date, City may withdraw its notice of nonrenewal. If in any year after the expiration of the Initial Term of the Agreement, either party serves notice of nonrenewal of this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the execution of the last renewal of the Agreement.

#### 11. Payment of Fees.

Within one month of the execution of this Agreement, City shall tender to Owners a written accounting of its reasonable costs related to the preparation and approval of the Agreement as provided for in Government Code Section 50281.1 and San Francisco Administrative Code Section 71.6. Owners shall promptly pay the requested amount within forty-five (45) days of receipt.

#### 12. Default.

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

- (a) Owners' failure to timely complete the rehabilitation work set forth in Exhibit A in accordance with the standards set forth in Paragraph 2 herein;
- (b) Owners' failure to maintain the Historic Property in accordance with the requirements of Paragraph 3 herein;
- (c) Owners' failure to repair any damage to the Historic Property in a timely manner as provided in Paragraph 4 herein;
- (d) Owners' failure to allow any inspections as provided in Paragraph 6 herein;
- (e) Owners' termination of this Agreement during the Initial Term;
- (f) Owners' failure to pay any fees requested by the City as provided in Paragraph 11 herein;
- (g) Owners' failure to maintain adequate insurance for the replacement cost of the Historic Property; or
- (h) Owners' failure to comply with any other provision of this Agreement.



An event of default shall result in cancellation of this Agreement as set forth in Paragraphs 13 and 14 herein and payment of the cancellation fee and all property taxes due upon the Assessor's determination of the full value of the Historic Property as set forth in Paragraph 14 herein. In order to determine whether an event of default has occurred, the Board of Supervisors shall conduct a public hearing as set forth in Paragraph 13 herein prior to cancellation of this Agreement.

#### 13. Cancellation.

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

#### 14. Cancellation Fee.

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

#### 15. Enforcement of Agreement.

In lieu of the above provision to cancel the Agreement, the City may bring an action to specifically enforce or to enjoin any breach of any condition or covenant of this Agreement. Should the City determine that the Owners has breached this Agreement, the City shall give the Owners written notice by registered or certified mail setting forth the grounds for the breach. If the Owners do not correct the breach, or if it does not undertake and diligently pursue corrective action, to the reasonable satisfaction of the City within thirty (30) days from the date of receipt of the notice, then the City may, without further notice, initiate default procedures under this Agreement as set forth in Paragraph 13 and bring any action necessary to enforce the obligations of the Owners set forth in this Agreement. The City does not waive any claim of default by the Owners if it does not enforce or cancel this Agreement.

#### 16. Indemnification.

The Owners shall indemnify, defend, and hold harmless the City and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the "City") from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Historic Property; (b) the use or occupancy of the Historic Property by the Owners, their Agents or Invitees; (c) the condition of the Historic Property; (d) any construction or other work undertaken by Owners on the Historic Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the City and all indemnified parties specified in this Paragraph and the City's cost of investigating any claim. In addition to Owners' obligation to indemnify City, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by City, and continues at all times thereafter. The Owners' obligations under this Paragraph shall survive termination of this Agreement.

#### 17. Eminent Domain.

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

#### 18. Binding on Successors and Assigns.

The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Owners.

19. Legal Fees.

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

20. Governing Law.

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

21. Recordation.

The contract will not be considered final until this agreement has been recorded with the Office of the Assessor-Recorder of the City and County of San Francisco.

22. Amendments.

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

23. No Implied Waiver.

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

24. Authority.

If the Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of the Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that the Owner has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Owners are authorized to do so.

25. Severability.

If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. Tropical Hardwood Ban.

The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

27. Charter Provisions.

This Agreement is governed by and subject to the provisions of the Charter of the City.

2B. Signatures

This Agreement may be signed and dated in parts

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows:

_____	_____	_____	_____
CARMEN CHU	Date	JOHN RAHAIM	Date
ASSESSOR-RECORDER		DIRECTOR OF PLANNING	
CITY & COUNTY OF SAN FRANCISCO		CITY & COUNTY OF SAN FRANCISCO	

_____	_____	_____	_____
APPROVED AS PER FORM:		Signature	Date
DENNIS HERRERA			
CITY ATTORNEY			
CITY & COUNTY OF SAN FRANCISCO			
		Print name	
		DEPUTY CITY ATTORNEY	

	<u>04.24.17</u>
Signature	Date
<u>JASON CHECK</u>	
Print name	
OWNER	

	<u>04.24.17</u>
Signature	Date
<u>JEFF ALLEN</u>	
Print name	
OWNER	

Owner/s' signatures must be notarized. Attach notary forms to the end of this agreement.  
(If more than one owner, add additional signature lines. All owners must sign this agreement.)

7. Notary Acknowledgment Form

The notarized signature of the majority representative owner or owners, as established by deed or contract, of the subject property or properties is required for the filing of this application. (Additional sheets may be attached.)

State of California

County of: ORANGE

On: APRIL 24, 2017 before me, MATTHEW NOVOBILSKI  
DATE INSERT NAME OF THE OFFICER

NOTARY PUBLIC personally appeared: JEFFREY B. ALLEN AND JASON CHECK  
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



SIGNATURE



(PLACE NOTARY SEAL ABOVE)

## **6. PHOTO DOCUMENTATION**



1. April 2012, Exterior View, North Elevation, Looking SE



2. April 2017, Exterior View, North Elevation, Looking SE



3. April 2012, Exterior Detail, North Elevation, Storefront at East, Looking S



4. April 2017, Exterior Detail, North Elevation, Storefront at East, Looking S



5. April 2012, Exterior Detail, North Elevation, Storefront at Center, Looking S



6. April 2017, Exterior Detail, North Elevation, Storefront at Center, Looking S





7. April 2012, Exterior Detail, North Elevation, Storefront at West, Looking S



8. April 2017, Exterior Detail, North Elevation, Storefront at West, Looking S



9. April 2012, Exterior Detail, North Elevation, Third Floor, Window at West, Looking S



10. April 2017, Exterior Detail, North Elevation, Third Floor, Window at West, Looking S



11. April 2012, Exterior Detail, North Elevation, Top Floor and Cornice at West, Looking S



12. April 2017, Exterior Detail, North Elevation, Top Floor and Cornice at West, Looking S



13. April 2012, Exterior View, East Elevation, Looking SW



14. April 2017, Exterior View, East Elevation, Looking SW



15. April 2012, Exterior View, South Elevation, Looking N



16. April 2017, Exterior View, South Elevation, Looking N



17. April 2012, Interior View, Ground Floor at Northwest, Looking N



18. April 2017, Interior View, Ground Floor at Northwest, Looking N



19. April 2012, Interior View, Ground Floor at Northeast, Looking N



20. April 2017, Interior View, Ground Floor at Northeast, Looking N



21. April 2012, Interior View, Ground Floor at North, Looking N



22. April 2017, Interior View, Ground Floor at North, Looking N





23. April 2014, Interior View, Eighth Floor at Lightwell, Looking SW, Typical



24. April 2017, Interior View, Seventh Floor at Lightwell, Unit 706, Looking NW, Typical



25. April 2012, Interior View, Eighth Floor at North, Looking W



26. April 2017, Interior View, Eighth Floor at North, Unit 801, Looking W



27. April 2012, Interior View, Fourth Floor, Stair at Center-East, Looking E, Typical



28. April 2017, Interior View, Fourth Floor, Stair at Center-East, Looking SE, Typical



29. April 2012, Exterior View, Roof at South, Looking N



30. April 2017, Exterior View, Roof at South, Looking N



31. April 2012, Lightwell at Center-West, Looking W



32. April 2017, Lightwell at Center-West, Looking SW



33. April 2017, Additional Photographs, Apartment Lobby, Looking N



34. April 2017, Additional Photographs, Apartment Lobby, Looking SE



35. April 2017, Additional Photographs, Tenant Space at Northwest, Looking S



36. April 2017, Additional Photographs, Tenant Space at Center-West, Looking SW



37. April 2017, Additional Photographs, Stair Landing



38. April 2017, Additional Photographs, Typical Corridor at East, Looking N



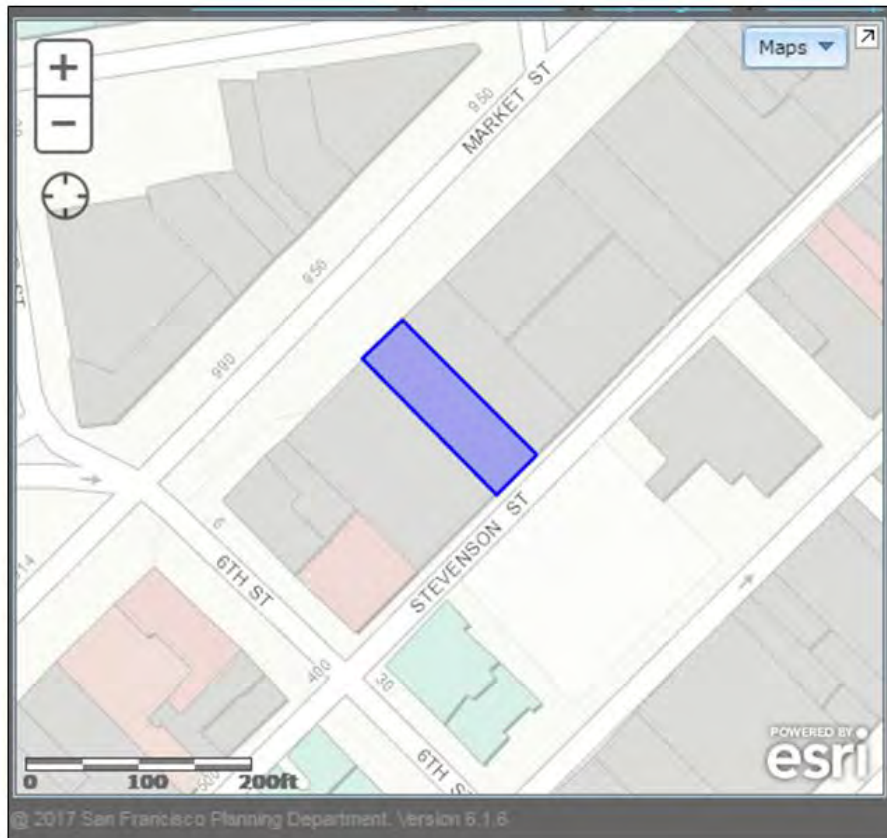


39. April 2017, Additional Photographs, Typical Studio Unit



40. April 2017, Additional Photographs, Typical Studio Unit

## 7. SITE PLAN



Wilson Building  
973 Market Street  
Block 3704  
Lot 069



**8. TAX BILL**



City & County of San Francisco  
 José Cisneros, Treasurer  
 David Augustine, Tax Collector  
 Secured Property Tax Bill

1 Dr. Carlton B. Goodlett Place  
 City Hall, Room 140  
 San Francisco, CA 94102  
 www.sftreasurer.org

For Fiscal Year July 1, 2016 through June 30, 2017

Vol	Block	Lot	Account Number	Tax Rate	Original Mail Date	Property Location
25	3704	069	370400690	1.1792%	October 14, 2016	973 MARKET ST

Assessed on January 1, 2016

To: RAINTREE 973 MARKET NEWCO LLC

RAINTREE 973 MARKET NEWCO L  
 RAINTREE PARTNERS-JEFFREY B  
 28202 CABOT RD #300  
 LAGUNA NIGUEL CA 92677

Assessed Value		
Description	Full Value	Tax Amount
Land	4,297,214	50,672.74
Structure	28,361,225	334,435.56
Fixtures		
Personal Property		
Gross Taxable Value	32,658,439	385,108.31
Less HO Exemption		
Less Other Exemption		
Net Taxable Value	32,658,439	\$385,108.31

Direct Charges and Special Assessments			
Code	Type	Telephone	Amount Due
66	CENTRAL MARKET CBD	(415) 957-5985	6,717.52
89	SFUSD FACILITY DIST	(415) 355-2203	1,208.68
91	SFCCD PARCEL TAX	(415) 487-2400	79.00
98	SF - TEACHER SUPPORT	(415) 355-2203	236.98
<b>Total Direct Charges and Special Assessments</b>			<b>\$8,242.18</b>

SEE SUPPLEMENTAL ROLL

<b>TOTAL DUE</b>		<b>\$393,350.48</b>
1st Installment	2nd Installment	
\$196,675.24	\$196,675.24	
Due: November 1, 2016	Due: February 1, 2017	
Delinquent after Dec 10, 2016	Delinquent after April 10, 2017	

010207

Pay online at [SFTREASURER.ORG](http://SFTREASURER.ORG)

Keep this portion for your records. See back of bill for payment options and additional information.



City & County of San Francisco  
 Secured Property Tax Bill  
 For Fiscal Year July 1, 2016 through June 30, 2017

Pay online at [SFTREASURER.ORG](http://SFTREASURER.ORG)

Vol	Block	Lot	Account Number	Tax Rate	Original Mail Date	Property Location
25	3704	069	370400690	1.1792%	October 14, 2016	973 MARKET ST

- Check if contribution to Arts Fund is enclosed.  
 For other donation opportunities go to [www.Give2SF.org](http://www.Give2SF.org)

Delinquent after April 10, 2017

Detach stub and return with your payment.  
 Write your block and lot on your check.  
 2nd Installment cannot be accepted unless 1st is paid

<b>2nd Installment Due</b>	
<b>\$196,675.24</b>	

San Francisco Tax Collector  
 Secured Property Tax  
 P.O. Box 7426  
 San Francisco, CA 94120-7426

If paid or postmarked after April 10, 2017 the amount due (includes delinquent penalty of 10% and other applicable fees) is: \$216,387.76

2537040006900 124474 000000000 000000000 0000 2003



City & County of San Francisco  
 Secured Property Tax Bill  
 For Fiscal Year July 1, 2016 through June 30, 2017

Pay online at [SFTREASURER.ORG](http://SFTREASURER.ORG)

Vol	Block	Lot	Account Number	Tax Rate	Original Mail Date	Property Location
25	3704	069	370400690	1.1792%	October 14, 2016	973 MARKET ST

- Check if contribution to Arts Fund is enclosed.  
 For other donation opportunities go to [www.Give2SF.org](http://www.Give2SF.org)

Delinquent after December 10, 2016

Detach stub and return with your payment.  
 Write your block and lot on your check.  
 If property has been sold, please forward bill to new owner.

<b>1st Installment Due</b>	
<b>\$196,675.24</b>	

San Francisco Tax Collector  
 Secured Property Tax  
 P.O. Box 7426  
 San Francisco, CA 94120-7426

If paid or postmarked after December 10, 2016 the amount due (includes delinquent penalty of 10% and other applicable fees) is: \$216,342.76

2537040006900 124474 000000000 000000000 0000 1003

## **9. RENTAL INCOME INFORMATION**

From March 2016 to February 2017, the twelve month, net operating income was \$1,415,009 before debt service . The total operating expense for the building in that twelve month period was \$1,028,212. The total property income was \$2,443,221.

# Actuals (Summary)

The Wilson Building, San Francisco, CA

For the 12 Months Ended February 28, 2017



Month	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	12 Month Total
<b>INCOME</b>													
Effective Rental Income	221,714	226,339	220,989	220,989	220,989	201,353	201,528	200,228	200,228	199,728	199,728	199,728	2,513,541
Gross Market Rent	(18,526)	(21,215)	(19,863)	(22,051)	(21,375)	(4,014)	(3,738)	(3,764)	(3,838)	(3,713)	(3,863)	(4,188)	(43,249)
Gain/Loss to Lease	203,188	205,124	201,026	199,938	199,614	197,339	197,789	196,464	196,390	196,015	195,865	195,540	2,331,292
Actual Potential Market Rent	(13,914)	(20,565)	(20,448)	(13,986)	(17,026)	(4,250)	(1,499)	(1,853)	(16,320)	(13,531)	(17,253)	(16,311)	(158,956)
Vacancy	-	-	(50)	(20,515)	(8,380)	(445)	-	-	(2,120)	(3,750)	(1,297)	-	(36,566)
Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Revenue Units	1,994	(763)	(2,392)	2,833	(1,345)	1,658	195	(1,556)	1,629	(390)	195	(3,184)	(1,311)
Bad Debt Loss (Net of Recoveries)	191,268	183,796	178,136	167,270	172,863	194,312	196,290	193,055	179,579	178,344	177,510	176,045	2,185,463
Total Effective Rental Income	12,177	24,097	13,313	15,211	12,709	13,127	11,869	11,619	19,492	13,711	10,135	10,348	167,907
Other Income	6,418	6,317	7,117	7,755	7,438	6,285	6,465	6,745	9,100	7,874	7,886	7,550	89,946
RUSS													
Total Property Income	209,863	214,210	198,566	190,236	193,008	213,723	214,623	211,419	208,170	199,929	195,531	193,942	2,445,221
<b>OPERATING EXPENSES</b>													
Personnel	12,962	13,100	18,627	19,554	13,550	17,172	16,543	16,427	13,222	14,113	11,700	11,906	178,677
Contract Services / Landscaping	7,883	6,687	8,136	6,667	7,523	8,243	6,329	6,667	6,690	8,449	8,503	6,703	88,469
Utilities	11,906	12,221	12,428	14,370	13,030	12,640	12,854	17,538	16,219	20,020	10,799	12,823	167,446
Make Ready	250	125	540	421	421	(26)	-	-	-	-	-	-	1,465
Maintenance	9,293	11,752	3,235	3,019	3,390	6,341	6,613	4,385	2,460	3,246	2,206	3,028	58,969
Marketing	2,214	1,797	4,229	4,866	2,694	1,947	1,640	1,505	2,264	1,505	1,049	1,071	27,591
Administrative	5,293	2,886	9,076	3,020	2,600	3,396	2,522	2,722	2,617	3,729	3,559	3,594	45,013
Insurance	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,799	2,799	34,801
Property Taxes	28,720	28,720	28,720	28,720	31,846	31,846	31,846	31,846	30,467	30,467	33,092	33,092	370,780
Property Mgmt. Fee	3,051	5,015	4,519	4,673	4,509	4,957	5,055	4,969	4,723	4,789	4,502	4,056	54,819
Total Operating Expenses	84,492	85,205	92,430	91,877	82,112	86,850	86,630	89,115	82,960	89,259	79,210	79,073	1,028,212
<b>NET OPERATING INCOME</b>	125,371	129,005	106,136	98,359	110,896	126,873	127,993	122,305	125,210	110,670	117,321	114,870	1,415,009
<b>CAPITAL EXPENDITURES</b>													
Lender/Deferred Maintenance	-	-	1,093	2,293	-	-	-	-	(4,805)	-	-	-	(1,420)
Rehab - Interiors	-	-	-	-	-	-	-	-	-	-	-	-	-
Rehab - Exteriors	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Reserve	-	-	-	7,223	1,000	-	-	1,000	-	-	-	-	9,223
Total Capital Expenditures	-	-	1,093	9,515	1,000	-	-	1,000	(4,805)	-	-	-	7,803
<b>CFBDS</b>	125,371	129,005	105,042	88,844	109,896	126,873	127,993	121,305	130,015	110,670	117,321	114,870	1,407,206
<b>DEBT SERVICE</b>													
Interest Payment	35,790	34,320	35,467	34,453	35,929	36,292	35,295	36,474	35,575	38,623	39,514	35,713	433,443
Principal Payment	14,790	14,870	14,951	15,032	15,113	15,195	15,277	15,360	15,443	15,527	15,611	15,695	182,864
Total Debt Service	50,580	49,190	50,417	49,484	51,042	51,487	50,572	51,834	51,018	54,150	55,125	51,408	616,307
<b>CFADS</b>	74,791	79,815	54,625	39,360	58,854	75,386	77,421	69,471	78,996	56,520	62,196	63,461	750,899
<b>T3M Revenue (Annualized)</b>	2,357,610												
<b>T12M Expenses</b>	1,028,212												
<b>In-Place NOI</b>	1,329,398												

**10. PRELIMINARY CHANGE OF OWNERSHIP REPORT**

**PRELIMINARY CHANGE OF OWNERSHIP REPORT**

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code: A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located. Please answer all questions in each section, and sign and complete the certification before filing. This form may be used in all 58 California counties. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a Preliminary Change of Ownership Report, the Recorder may charge an additional recording fee of twenty dollars (\$20).

**NOTICE:** The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the County Assessor. Supplemental assessments are not paid by the title or escrow company at close of escrow, and are not included in lender impound accounts. **You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.**

ESCROW NO.: 11-35512495-MY TITLE NO.: 11-35512495-MK  
LOCATE NO.: CACTI7738-7738-2355-0035512495  
SELLER/TRANSFEROR: Performing Arts LLC, a Delaware limited liability company  
BUYER/TRANSFEREE: Raintree 973 Market LLC, a Delaware limited liability company  
ASSESSOR'S PARCEL NUMBER: Lot 069, Block 3704  
STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY:  
973-977 Market Street, San Francisco, CA 94103  
LEGAL DESCRIPTION:  
MAIL PROPERTY TAX INFORMATION TO:  
Raintree 973 Market LLC  
28202 Cabot Road, Suite 300  
Laguna Niguel, CA 92675  
BUYER'S DAYTIME TELEPHONE NUMBER: (415) 365 5650

YES  NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy. MO DAY YEAR

**PART 1. TRANSFER INFORMATION**

Please complete all statements.

- YES NO
- A. This transfer is solely between spouses (addition or removal of a spouse, death of a spouse, divorce settlement, etc.).
- B. This transfer is solely between domestic partners currently registered with the California Secretary of State (addition or removal of a partner, death of a partner, termination settlement, etc.).
- \* C. This is a transfer between:  parent(s) and child(ren)  grandparent(s) and grandchild(ren).
- \* D. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county?  YES  NO
- \* E. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county?  YES  NO
- F. This transaction is only a correction of the name(s) of the person(s) holding title to the property (e.g., a name change upon marriage). If YES, please explain: \_\_\_\_\_
- G. The recorded document creates, terminates, or reconveys a lender's interest in the property.
- H. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., cosigner). If YES, please explain: \_\_\_\_\_
- I. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.
- J. This is a transfer of property:
  - 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of  the transferor, and/or  the transferor's spouse  registered domestic partner.
  - 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.
  - 3. to/from an irrevocable trust for the benefit of the  creator/grantor/trustor and/or  grantor's/trustor's spouse  grantor's/trustor's registered domestic partner.
  - 4. to/from an irrevocable trust from which the property reverts to the creator/grantor/trustor within 12 years.
- K. This property is subject to a lease with a remaining lease term of 35 years or more including written options.
- L. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.
- M. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.
- \* N. This transfer is to the first purchaser of a new building containing an active solar energy system.

\* If you checked YES to statements C, D, or E, you may qualify for a property tax reassessment exclusion, which may allow you to maintain your previous tax base. If you checked YES to statement N, you may qualify for a property tax new construction exclusion. A claim form must be filed and all requirements met in order to obtain any of these exclusions. Contact the Assessor for claim forms.

Please provide any other information that will help the Assessor understand the nature of the transfer.

**THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION**



**PART 2. OTHER TRANSFER INFORMATION**

*Check and complete as applicable.*

- A. Date of transfer, if other than recording date: \_\_\_\_\_
- B. Type of transfer:  
 Purchase     Foreclosure     Gift     Trade or exchange     Merger, stock, or partnership acquisition (Form BOE-100-B)  
 \_\_\_\_\_ Contract of sale. Date of contract: \_\_\_\_\_    Inheritance. Date of death: \_\_\_\_\_  
 \_\_\_\_\_ Sale/leaseback     Creation of a lease     Assignment of a lease     Termination of a lease. Date lease began: \_\_\_\_\_  
 \_\_\_\_\_ Original term in years (including written options): \_\_\_\_\_    Remaining term in years (including written options): \_\_\_\_\_  
 \_\_\_\_\_ Other. Please explain: \_\_\_\_\_
- C. Only a partial interest in the property was transferred.     YES     NO    If YES, indicate the percentage transferred: \_\_\_\_\_ %

**PART 3. PURCHASE PRICE AND TERMS OF SALE**

*Check and complete as applicable.*

- A. Total purchase or acquisition price. Do not include closing costs or mortgage insurance. \$1,759,000  
 Down payment: \$ 675,000    Interest rate: \_\_\_\_\_ %    Seller-paid points or closing costs: \$ \_\_\_\_\_  
 \_\_\_\_\_ Balloon payment: \$ \_\_\_\_\_  
 \_\_\_\_\_ Loan carried by seller    \_\_\_\_\_ Assumption of Contractual Assessment\* with a remaining balance of: \$ \_\_\_\_\_  
 \* An assessment used to finance property-specific improvements that constitutes a lien against the real property.
- B. The property was purchased: \_\_\_\_\_ Through real estate broker. Broker name: \_\_\_\_\_ Phone number: (\_\_\_\_) \_\_\_\_\_  
 Direct from seller    \_\_\_\_\_ From a family member  
 \_\_\_\_\_ Other. Please explain: \_\_\_\_\_
- C. Please explain any special terms, seller concessions, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

**PART 4. PROPERTY INFORMATION**

*Check and complete as applicable.*

- A. Type of property transferred  
 \_\_\_\_\_ Single-family residence    \_\_\_\_\_ Co-op/Own-your-own    \_\_\_\_\_ Manufactured home  
 \_\_\_\_\_ Multiple-family residence. Number of units: \_\_\_\_\_    \_\_\_\_\_ Condominium    \_\_\_\_\_ Unimproved lot  
 \_\_\_\_\_ Other. Description: (i.e., timber, mineral, water rights, etc.)    \_\_\_\_\_ Timeshare     Commercial/Industrial
- B.  YES    \_\_\_\_\_ NO Personal/business property, or incentives, are included in the purchase price: Examples are furniture, farm equipment, machinery, club memberships, etc. Attach list if available.  
 If YES, enter the value of the personal/business property: \$ 5,000
- C. \_\_\_\_\_ YES     NO A manufactured home is included in the purchase price.  
 If YES, enter the value attributed to the manufactured home: \$ \_\_\_\_\_  
 \_\_\_\_\_ YES    \_\_\_\_\_ NO The manufactured home is subject to local property tax. If NO, enter decal number: \_\_\_\_\_
- D. \_\_\_\_\_ YES     NO The property produces rental or other income.  
 If YES, the income is from: \_\_\_\_\_ Lease/rent    \_\_\_\_\_ Contract    \_\_\_\_\_ Mineral rights    \_\_\_\_\_ Other: \_\_\_\_\_
- E. The condition of the property at the time of sale was: \_\_\_\_\_ Good    \_\_\_\_\_ Average    \_\_\_\_\_ Fair     Poor

**CERTIFICATION**

*I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief. This declaration is binding on each and every buyer/transferee.*

SIGNATURE OF BUYER/TRANSFEEE OR CORPORATE OFFICER <input checked="" type="checkbox"/> See attached Signature Exhibit	DATE <u>5/9/12</u>
NAME OF BUYER/TRANSFEEE/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT) Raintree 973 Market LLC, a Delaware limited liability company	TITLE
E-MAIL ADDRESS <u>jallen@raintreepartners.com</u>	

The Assessor's office may contact you for additional information regarding this transaction.

Signature Exhibit

Raintree 973 Market LLC, a Delaware limited liability company

By: Raintree-Evergreen LLC, a Delaware limited liability company

Its: Sole Member

By: Raintree Partners Management LLC, a Delaware limited liability company

Its: Managing Member

By: 

Jeffrey B. Allen, Managing Member