

Mills Act Application - Rehabilitation Program
SFFD Old Engine Co. No. 2
460 Bush Street
San Francisco CA

August 30, 2001/ Revised February 22, 2002

General - The scope of work is for the front and rear elevations. Specifications include protection of all historic materials during construction.

Non Cuprous Metal Surfaces - All metal surfaces except copper include aluminum doors, transoms and sidelights, galvanized metal windows, ornamental metal rail at balustrade, fire alarm bell, and gas meter room vents. Scope of work includes cleaning and preparing surfaces for paint, rust removal, patching, priming and painting. Ferrous metal will be primed with a zinc-rich primer within four hours of cleaning.

Cuprous Metal Surfaces - Cuprous metal includes copper clad fan light above entry and cooper clad side entry door. Scope of work includes removal of paint and return to original copper finish. Original copper will not be coated, but left to naturally acquire a patina.

Granite Surfaces - Granite occurs on the front facade. Scope includes repair of cracks, spalls and holes resulting from removed anchors. Stone will be cleaned with a mild chemical cleaning agent, then spot cleaned in stained areas. A sacrificial graffiti coating will be tested on one unit for eleven months. At that time we will inspect the stone and apply to ground level surfaces only if appropriate.

Brick surfaces - Brick occurs on the rear facade. The scope includes removal of graffiti, miscellaneous metal, bolts, and telephone wire. Graffiti will be removed with chemicals using the gentlest means possible. The remainder will be removed by mechanical means.

Joints - Joints occur between dissimilar materials, at ferrous metal assemblies; and between exterior surface wall openings and windows, doors, vents, louvers etc. Scope of work includes new sealant with backer materials where necessary. Material specified will not damage substrate and will not stain or damage adjacent surfaces.

Bird Control - Netting is specified between the hose drying tower and the adjacent building. Birds currently roosting in this area will be removed prior to installation.

Mills Act Application - Maintenance Plan
SSFD Old Engine Co. No. 2
460 Bush Street
San Francisco CA

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The following Maintenance Plan was prepared by Carey & Co. Inc. Historic Preservation Architects. The program will commence upon completion of the Exterior Cleaning and Rehabilitation Project (Exhibit B).

Exterior

Graffiti

Inspect: Daily

Remove: As Occurs on front facade.

Granite - Front Elevation

Inspect: Annually

Maintain: As required approximately every 10 - 15 years

Clean with non-ionic detergent and spot clean with chemical cleaner after tests determine products selected do not damage substrate. Patch cracks and spalls. Repoint at missing mortar. Seal joints at dissimilar materials.

Brick - Rear Elevation

Inspect: Annually

Maintain: As required approximately every 10-15 years

Clean with non-ionic detergent and spot clean with chemical cleaner after tests determine products selected do not damage substrate. Patch cracks and spalls. Repoint at missing mortar.

Ferrous Metal and Aluminum

Inspect: Annually

Maintain: As required approximately every 7 to 10 years

Inspect for corrosion, paint failure.

Remove rust and loose or peeling paint. Prime with zinc- rich primer. Paint. Seal joints at dissimilar materials.

Glass and Glazing

Inspect: Annually

Maintain: As required approximately every 5 to 7 years

Inspect for missing and loose compound, moisture penetration, Remove loose glazing compound. Reglaze where missing. Determine source of moisture and mitigate.

Source: Mills Act Application for 460 Bush Street

Gutters and Drain

Inspect: Annually

Maintain: Annually

Inspect drain and gutters for obstructions, failure. Test for leaks.

Clean, repair or replace damaged areas.

Roof

Inspect: Annually

Maintain: As required, new roof approximately every 15 years

Inspect roof for membrane failure, and separation of joints.

Repair minor damage. Re-roof as required.

Skylights

Inspect: Annually

Maintain: As required approximately every 5 to 7 years

Inspect for missing and loose compound, moisture penetration,

Remove loose glazing compound.

Reglaze where missing. Determine source of moisture and mitigate.

Bird Control

Inspect: Annually

Maintain: Annually

Inspect for evidence of birds dropping where undesirable. Repair existing netting if damaged. Add additional control if required.

Interior

Plaster

Inspect: Annually

Maintain: As required approximately every 7 to 10 years

Inspect for loose or detached plaster, cracks and moisture

damage. If moisture occurs, determine source and mitigate. Patch and repair.

Wood Doors, Trim and Wainscoting

Inspect: Annually

Maintain: As required approximately 7 to 10 years

Inspect for peeling and chipping. Remove loose or peeling paint.

Prime Paint or seal.

Wood Flooring

Inspect: Annually

Maintain: As required approximately 3 to 5 years in high traffic areas. Inspect for wear. Reseal as required.

Source: Mills Act Application for 460 Bush Street



City and County of San Francisco
Office of the Assessor-Recorder

Attachment II
DORIS M. WARD
Assessor-Recorder

TO: Sarah Graham
FROM: Matthew Thomas

5/1/2002

"Mills Act" Income Approach is dictated by Revenue & Taxation Code 439 and Government Code 405.

The following steps are used in valuing "Mills Act" properties.

1. Estimate current market value of the land and improvements to develop the current market allocation to be used in the weighted capitalization rate.
2. Derive net income using standard methods.
3. Develop capitalization rate which contains the following components:
 - A. Interest Rate (set by SBE annually)
 - B. Historic Risk Rate (set in Code at 4%)
 - C. County Tax Rate
 - D. Amortization Rate, Imps only; $1/XX$, remaining economic life

These are be added together in the following manner-

Land: $A+B+C$ = Land Capitalization Rate
Imps: $A+B+C+D$ = Improvement Capitalization Rate

4. Find the weighted capitalization rate to be used in the valuation, multiply each cap. rate (land and imp) by the percent of land/imp allocation found in #1. Add these two together.
5. Value by dividing the net income by the weighted cap. rate.

The property tax reduction for 460 Bush Street for the 2001 Roll is estimated at \$9,670.



PLANNING DEPARTMENT

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WWW.SFGOV.ORG/PLANNING

MEMORANDUM

DATE: May 1, 2002

TO: Harvey M. Rose
Budget Analyst
Board of Supervisors
1390 Market Street

FROM: Gerald G. Green, Planning Director 

RE: ENFORCEMENT OF MILLS ACT HISTORICAL PROPERTY CONTRACT, 460 BUSH STREET, S.F.F.D. OLD ENGINE CO. NO. 2, SAN FRANCISCO LANDMARK NO. 143.

The purpose of this memo is to confirm the Planning Department's commitment to the enforcement of the conditions of the Mills Act historical property contract between the City and County of San Francisco and the property owner, Alice Ross Carey. As per the conditions of the Mills Act, a long-term maintenance plan has been developed on the resource.

Upon completion of the exterior rehabilitation work, the maintenance plan for 460 Bush Street will commence, providing the Planning Department, in consultation with the Tax Assessor's office the ability to perform yearly inspections of the resource. These inspections will ensure that elements of the long-term maintenance plan and Mills Act historical property contract are enforced.

Please let me know if you have any questions or need additional information.

"Mills Act" Property Valuation

Parcel: 270-41
 Address: 460 Bush Street

Current Market Value: \$1,900,000
 Current Land Value: \$1,600,000
 Assessed Value for 2002 Lien Date: \$1,910,174
 Estimated tax by Assessed Value: (\$1,910,174x1.124) \$21,470

Current Market Allocation:
 Land: \$1,600,000 84% of total value
 Improvement \$300,000 16% of total value
 Total: \$1,900,000

Current Rental Income:
 Number of square feet 7,562
 Rent per square foot annually \$28
 Total rental income \$211,736
 Less 5% vacancy & collection \$10,587
 Effective gross Income \$201,149
 Expenses @ \$8.00/square foot \$60,496
 Net Operating Income \$140,653

Capitalization Rate Components:
 Interest (set by Board) 8.000%
 Historical interest rate (set by State) 4.000%
 Property tax component (estimated) 1.124%
 Amortization, Improvements only 1.670%

Capitalization Rate Summation:
 Land: 8.000% Improvements: 8.000%
 4.000% 4.000%
 1.124% 1.124%
 13.124% 1.670%
 14.794%

Weighted Capitalization rate for Mills Act Property Valuation:
 Land: 13.124% x 0.84 equals 0.1105
 Imps: 14.794% x 0.16 equals 0.0234
 0.1339
 Mills Act Capitalization rate for 460 Bush Street =

Valuation:
 Net Income/Mills Act Capitalization rate = \$1,050,616
 Rounded: \$1,050,000

2002 Assessed Value \$1,910,174
 2002 Value by Mills Act \$1,050,000
 Estimated difference in assessed value by "Mills Act" \$860,174

Estimated tax on Assessed Value \$21,470
 Estimated tax by "Mills Act" \$11,802
 Estimated tax savings by "Mills Act" \$9,668 0.45%