



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing (Sec 415)
- Childcare Requirement (Sec 414)
- Jobs Housing Linkage Program (Sec 413)
- Downtown Park Fee (Sec 412)
- Transit Center District Fees (Sec 424)
- Public Open Space (Sec 138)
- First Source Hiring (Admin. Code)
- Transportation Sustainability Fee (Sec 411)
- Public Art (Sec 429)

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Planning Commission Motion No. 19636 Office Allocation

HEARING DATE: MAY 5, 2016

Case No.: 2006.1523ENV/DNX/OFA/CUA/VAR/SHD/GPR

Project Address: First and Mission Parcels
40 First Street; 50 First Street; 62 First Street; 76-78 First Street; 88 First Street; 512 Mission Street; 516 Mission Street; 526 Mission Street
"Oceanwide Center"

Project Site Zoning: C-3-O (SD) (Downtown, Office: Special Development)
550-S and 850-S-2 Height and Bulk Districts
Transit Center C-3-O (SD) Commercial Special Use District
Transit Center District and Downtown Plan Areas

Block/Lot: 3708/003, 006, 007, 009, 010, 011, 012 and 055

Project Sponsor: Oceanwide Center LLC
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ADOPTING FINDINGS RELATING TO THE APPROVAL OF ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2015-2016 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO SECTIONS 320 THROUGH 325 OF THE PLANNING CODE TO ALLOW THE DEMOLITION OF THREE COMMERCIAL BUILDINGS, REHABILITATION OF TWO COMMERCIAL BUILDINGS, AND CONSTRUCTION OF TWO TOWERS, MEASURING A MAXIMUM OCCUPIED HEIGHT OF 605 AND 850 FEET, SHARING A FOUR-STORY BASEMENT, FOR A PROJECT CONTAINING 265 RESIDENTIAL UNITS, A 169 ROOM HOTEL, APPROXIMATELY 1.07 MILLION GROSS SQUARE FEET OF OFFICE SPACE, AND 12,500 SQUARE FEET OF RETAIL SPACE, ON EIGHT LOTS PLUS THE VACATION OF PORTIONS OF JESSIE STREET AND ELIM ALLEY, LOCATED NEAR THE NORTHWEST CORNER OF FIRST AND MISSION STREETS, LOTS 003, 006, 007, 009, 010, 011, 012, AND 055 IN ASSESSOR'S BLOCK 3708, WITHIN THE 550-S AND 850-S-2 HEIGHT AND BULK DISTRICTS, THE C-3-O (SD) (DOWNTOWN OFFICE – SPECIAL DEVELOPMENT) ZONING DISTRICT, THE TRANSIT CENTER C-3-O (SD) COMMERCIAL SPECIAL USE DISTRICT, AND THE TRANSIT CENTER DISTRICT PLAN AND DOWNTOWN PLAN AREA.

PREAMBLE

On June 5, 2015, Mark Loper of Reuben, Junius & Rose, LLP, acting on behalf of Oceanwide Center LLC (hereinafter "Project Sponsor"), filed a request, as modified by subsequent submittals, with the San Francisco Planning Department ("Department") for a Determination of Compliance pursuant to Section 309 with requested exceptions from Planning Code ("Code") requirements for "Streetwall Base", "Tower Separation", "Rear Yard", "Ground-Level Wind Currents", "Freight Loading Access", "Commercial to Non-Commercial Use Ratio", "Unoccupied Vertical Extensions", "Upper Tower Extensions", and "Bulk" to demolish three commercial buildings on the site (40, 50, and 62 First Street), rehabilitate historic commercial buildings (78 and 88 First Street), vacate portions of streets and alleys, and construct two towers which share a basement, one fronting First Street and one fronting Mission Street, on eight parcels at the northwest corner of First and Mission Streets. The First Street Tower is proposed to reach a roof height of approximately 850 feet with mechanical and architectural features extending to a height of 910, and would include approximately 1.05 million gross square feet of office space, 109 residential units and a 68-foot-tall "Urban Room", or indoor park, at street level. The Mission Street Tower is proposed to reach a height of approximately 605 feet with mechanical screening and features extending to 625 feet, further extending to a maximum of 636 feet to the top of elevator equipment, and would include a 169-room hotel, 156 residential units and ground floor retail and lobbies. Vehicular parking for residential and commercial users, service loading, bicycle parking and showers are housed in four basement levels shared by both towers. The historic commercial building at 88 First Street would be retained and rehabilitated, and the historic commercial building at 78 First Street would be partially retained and rehabilitated, together providing existing office space. Privately-owned public open spaces are integrated throughout the site, in the Urban Room, the Mission Street pocket park and the Public Sitting Area behind 78 First Street, and residential open space is provided at upper level terraces and decks. Vacations of the public rights of way include a portion of Jessie Street (from First Street to midway between First Street and Ecker Place) which would be rerouted southward to terminate at Mission Street between First Street and Ecker Place. In addition, a portion of Elim Alley would be vacated (from Ecker Place to midway between First Street and Ecker Place) to be widened and enhanced for pedestrian access. The project site is located at 40, 50, 62, 76-78, 88 First Street, and 512, 516, 526 Mission Street, ("Project Site") within the C-3-O (SD) (Downtown Office, Special Development) Zoning District, the 550-S and 850-S-2 Height and Bulk Districts, and the Transit Center C-3-O(SD) Commercial Special Use District (collectively, "Project").

On June 4, 2014, an amended request was made for an allocation of 1,057,549 gross square feet of net additional office space to the Project pursuant to Sections 320 through 325 (Annual Office Development Limitation Program) (Case No. 2006.1523OFA). The Project includes retention of 22,376 square feet existing office space in the upper floors of 78 First and 88 First Streets, which is not included in the office allocation request.

On June 5, 2015, the Project Sponsor applied for a Variance from the requirements of Section 136 (Bay Window Dimensional requirements), Section 140 (Dwelling Unit Exposure), Section 145.1(c)(2) (parking and loading ingress and egress); and Section 155(s) (Parking and Loading Access).

On June 5, 2015, the Project Sponsor submitted a request for Conditional Use Authorization, as modified by subsequent submittals, pursuant to Sections 210.2 and 303 to allow a tourist hotel with 169 rooms.

On June 1, 2015, the Project Sponsor submitted a request for review of a development exceeding 40 feet in height, pursuant to Section 295, analyzing the potential shadow impacts of the Project to properties under the jurisdiction of the Recreation and Parks Department (Case No. 2006.1523SHD). Department staff prepared a shadow fan depicting the potential shadow cast by the development and concluded that the Project could have a potential impact to properties subject to Section 295. A technical memorandum, prepared by Environmental Science Associates, concluded that the Project would cast new shadow on four parks, as follows: approximately 149,230 square-foot-hours (sfh) of new shadow on Union Square, equal to approximately 0.0035% of the theoretically available annual sunlight ("TAAS") on Union Square; approximately 457,510 sfh of new shadow on Portsmouth Square Plaza, equal to approximately 0.219% of the theoretical annual available sunlight ("TAAS") on Portsmouth Square Plaza; 1,342 sfh of net new shadow on Portsmouth Square Plaza on a yearly basis, equal to approximately 0.001% of the theoretical annual available sunlight ("TAAS") on St. Mary's Square; and 299,820 sfh of net new shadow on Justin Herman Plaza on a yearly basis, which would be an increase of about 0.044% of the theoretical annual available sunlight ("TAAS") on Justin Herman Plaza.

On July 28, 2015 the Planning Department received from the Department of Public Works a General Plan Referral Application submitted by the Project Sponsor, for street and alley vacations associated with the Project.

On May 24, 2012, the Planning Commission held a duly advertised public hearing and recommended approval of the Transit Center District Plan ("TCDP" or "Plan") and related implementing Ordinances to the Board of Supervisors. The result of a multi-year public and cooperative interagency planning process that began in 2007, the Plan is a comprehensive vision for shaping growth on the southern side of Downtown to respond to and support the construction of the new Transbay Transit Center project, including the Downtown Rail Extension. Implementation of the Plan would result in generation of up to \$590 million for public infrastructure, including over \$400 million for the Downtown Rail Extension. Adoption of the Plan included height reclassification of numerous parcels in the area to increase height limits, including a landmark tower site in front of the Transit Center with a height limit of 1,000 feet and several other nearby sites with height limits ranging from 600 to 850 feet.

On September 28, 2011, the Department published a draft Environmental Impact Report ("EIR") for the Plan for public review. The draft EIR was available for public comment until November 28, 2011. On November 3, 2011, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On May 10, 2012 the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project.

On May 24, 2012, the Commission reviewed and considered the Final EIR ("FEIR") and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the draft EIR, and certified the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

On July 24, 2012, the Board of Supervisors held a duly noticed public hearing, affirmed the FEIR and approved the Plan, as well as the associated ordinances to implement the Plan on first reading.

On July 31, 2012, the Board of Supervisors held a duly noticed public hearing, and approved the Plan, as well as the associated ordinances to implement the Plan on final reading.

On August 8, 2012, Mayor Edwin Lee signed into law the ordinances approving and implementing the Plan, which subsequently became effective on September 7, 2012.

The Transit Center EIR is a program-level EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a subsequent project in the program area, the agency may approve the project as being within the scope of the project covered by the program EIR, and no new or additional environmental review is required. In certifying the Transit Center District Plan, the Commission adopted CEQA findings in its Motion No. 18629 and hereby incorporates such Findings by reference herein.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On April 1, 2016, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Transit Center District Area Plan and was encompassed within the analysis contained in the Transit Center District EIR. Since the Transit Center District EIR was finalized, there have been no substantial changes to the Transit Center District Plan and no substantial changes in circumstances that would require major revisions to the Transit Center District EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Transit Center District EIR. The file for this Project, including the Transit Center District EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared an Improvement Measures and Mitigation Monitoring and Reporting Program (IMMRP) setting forth improvement and mitigation measures that were identified in the Transit Center District EIR that are applicable to the Project. These improvement and mitigation measures are set forth in their entirety in the IMMRP attached to the draft Motion as Exhibit C.

On February 7, 1989, the Recreation and Park Commission and the Planning Commission adopted criteria establishing absolute cumulative limits ("ACL") for additional shadows on fourteen parks throughout San Francisco (Planning Commission Resolution No. 11595), as set forth in a February 3, 1989 memorandum (the "1989 Memo"). The ACL for each park is expressed as a percentage of the Theoretically Available Annual Sunlight ("TAAS") on the Park (with no adjacent structures present).

On October 11, 2012, the Planning Commission and the Recreation and Park Commission held a duly noticed joint public hearing and adopted Planning Commission Resolution No. 18717 and Recreation and Park Commission Resolution No. 1201-001 amending the 1989 Memo and raising the absolute cumulative shadow limits for seven open spaces under the jurisdiction of the Recreation and Park Department that could be shadowed by likely cumulative development sites in the Transit Center District Plan ("Plan") Area, including the Project. In revising these ACLs, the Commissions also adopted qualitative criteria for each park related to the characteristics of shading within these ACLs that would not be considered adverse, including the duration, time of day, time of year, and location of shadows on the particular parks. Under these amendments to the 1989 Memo, any consideration of allocation of "shadow" within these newly increased ACLs for projects must be consistent with these characteristics. The Commissions also found that the "public benefit" of any proposed project in the Plan Area should be considered in the context of the public benefits of the Transit Center District Plan as a whole.

On April 21, 2016, the Recreation and Park Commission held a duly noticed public hearing and adopted Recreation and Park Commission Resolution No. 1604-010 recommending that the General Manager of the Recreation and Park Department recommend to the Planning Commission that the shadows cast by the Project on Union Square, Portsmouth Square Plaza, St. Mary's Square and Justin Herman Plaza are not adverse to the use of the parks, and that the Planning Commission allocate to the Project allowable shadow from the absolute cumulative shadow limit for Union Square, Portsmouth Square Plaza, St. Mary's Square and Justin Herman Plaza.

The Planning Commission has reviewed and considered reports, studies, plans and other documents pertaining to the Project.

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

The Planning Department, Office of Commission Secretary, is the custodian of records for this action, and such records are located at 1650 Mission Street, Fourth Floor, San Francisco, California.

On May 5, 2016 the Commission adopted Motion No. 19635, approving a Section 309 Determination of Compliance and Request for Exceptions, including an Improvement, Mitigation, Monitoring, and Reporting Program for the Project, attached as Exhibit C to Motion No. 19635, which are incorporated herein by this reference thereto as if fully set forth in this Motion.

On May 5, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2006.1523ENV/DNX/OFA/CUA/VAR/SHD/GPR. The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written

materials and oral testimony presented on behalf of the applicant, the Planning Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Office Allocation requested in Application No. 2006.1523OFA, subject to the conditions contained in **Exhibit A** of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and also constitute findings of this Commission.
2. **Site Description and Present Use.** The Project Site covers eight lots and portions of Elim Alley and Jessie Street that are proposed for vacation, and totals approximately 59,445 square feet in size. The three lots fronting on Mission Street are undeveloped. Five commercial buildings are located along First Street, ranging in height from five to seven stories, with frontages on Jessie Street and Stevenson Street. Elim Alley is a pedestrian alley located between 62 First Street and 76-78 First Street. To the north, Jessie Street contains a single eastbound lane of traffic and two sidewalks between 62 First Street and 50 First Street. This portion of Jessie Street does not provide through-traffic between Second and First Streets; it begins at the northern terminus of Anthony Street, and is directly accessible only by vehicles traveling westbound on Mission Street.
3. **Properties and Neighborhood.** The Project Site is located in Transit Center District Plan sub-area of Downtown San Francisco, one block from the Transbay Transit Center. Land uses in the vicinity consist primarily of office and retail uses, many in high-rise towers, as well as high-rise residential buildings. The western edge of the site is defined by Ecker Place, the 20-story office building at 25 Jessie, and the four-story residential building at One Ecker. Golden Gate University's campus is located across Ecker Place at 536 Mission Street. A small open space connecting Mission Street and Jessie Street is located between the university and the 31-story JP Morgan Chase Office Building at 560 Mission Street. An eight-story brick office building is located at the northeast corner of Second and Mission Streets. A 39-story office building at 525 Market Street (at the southwest corner of First and Market Streets) is located to the north of the Property across Stevenson Street. The interior of the blocks between Jessie and Market Streets are occupied by several high-rise office buildings, ranging from 15 to 40-stories in height, as well as several smaller buildings. The Salesforce Tower (measuring approximately 1,070-feet to decorative crown) is currently under construction cater- corner to the Site.

The Project Site is located within the Transit Center District Plan (TCDP) area. The City adopted the TCDP and related implementing ordinances in August 2012. Initiated by a multi-year public and cooperative interagency planning process that began in 2007, the Plan is a comprehensive vision for shaping growth on the southern side of Downtown. Broadly stated, the goals of the TCDP are to focus regional growth (particularly employment growth) toward downtown San Francisco in a sustainable, transit-oriented manner, sculpt the downtown

skyline, invest in substantial transportation infrastructure and improvements to streets and open spaces, and expand protection of historic resources.

Adoption of the Plan included height reclassification of numerous parcels in the area to increase height limits, including a landmark tower site in front of the Transit Center with a height limit of 1,000 feet and several other nearby sites with height limits ranging from 600 to 850 feet.

4. **Proposed Project.** The Project proposes to demolish three existing buildings on the Site (40 First Street, 50 First Street, 62 First Street), rehabilitate historic commercial buildings (78 and 88 First Street), vacate portions of streets and alleys, and construct two towers which share a basement – one fronting First Street and one fronting Mission Street – around and on eight parcels at the northwest corner of First and Mission Streets. The First Street Tower is proposed to reach a roof height of 850 feet with mechanical and architectural features extending to a height of 910 feet and would include approximately 1.05 million gross square feet of office space, 109 residential units and a 68-foot-tall Urban Room, or indoor park, at street level. The Mission Street Tower is proposed to reach a height of 605 feet with mechanical screening and features extending to 625 feet, further extending to a maximum of 636 feet to the top of elevator equipment, and would include a 169-room tourist hotel, 156 residential units and ground floor retail and lobbies. Vehicular parking for residential and commercial users, service loading, bicycle parking and showers are housed in four-story basement levels shared by both towers. The historic commercial building at 88 First Street would be retained and rehabilitated, and the historic commercial building at 78 First Street would be partially retained and rehabilitated, together providing additional existing office space. Privately-owned public open spaces are integrated throughout the Site, in the Urban Room, the Mission Street pocket park and the Public Sitting Area behind 78 First Street, and residential open space is provided at upper level terraces and decks. Vacations of the public rights of way include a portion of Jessie Street (from First Street to midway between First Street and Ecker Place). Jessie Street would also be rerouted southward to terminate at Mission Street between First Street and Ecker Place; a new name has not yet been determined for this re-routed public accessway. In addition, a portion of Elim Alley would be vacated (from Ecker Place to midway between First Street and Ecker Place) to be widened and enhanced for pedestrian access. By integrating eight parcels and proposing over 2.1 million gross square feet of office, residential, hotel and retail in two towers and rehabilitated commercial buildings with on-site privately-owned public open space and public realm improvements, this Project is the largest development within the Plan area.
5. **Public Comment/Public Outreach.** The Planning Department has received communication about the Project in the form of letters and public comment during the environmental review process, Informational Hearings at the Planning Commission on January 14, 2016, and March 17, 2016. One individual has been spoken in support of the Project's successful implementation of what was anticipated for the sites in the Transit Center Plan. Objections/comments primarily focus on actions at, or around, the ground floor, including: the proposed vacation and realignment of a portion of Jessie Street; impacts to Bay Bridge traffic; the new curb cut onto Mission Street; congestion on Stevenson Street due to new

garage entrance and maintenance of single-lane street; loading impacts; construction staging on Stevenson Street; and the closure of Ecker Street to pedestrian thoroughfare during construction. Other concerns include: the number of stories in relation to adjacent towers; and the tall tower's impact on views and shading on existing towers; density and future congestion; the comfort of the POPOS space under the First Street Tower; the amount of square feet requested for office allocation; and the impacts on the adjacent institutional use, Golden Gate University.

The Project Sponsor has met with neighbors, merchants, and neighboring buildings, including One Ecker's HOA, Golden Gate University, the FDIC (which owns and operates 25 Jessie), the Millennium Tower's HOA, and 525 Market. The Sponsor has also reached out to non-profits and public interest groups in the general community.

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

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

As of April 21, 2016, there exists 1,572,299 square feet of office space available for allocation to office buildings of greater than 49,999 square feet of office space ("Large Buildings") during this Approval Period, which ends October 16, 2016. With the allocation of 1,057,549 square feet of net new office space to the Project, 514,750 square feet would remain available for allocation. On October 17, 2016 and on October 17 of each succeeding year, an additional 875,000 square feet of office space will become available for allocation to Large Buildings.

The Sponsor's contribution to the Jobs-Housing Linkage Program, or an equivalent or greater contribution to an affordable housing fund, will help to fund the construction of affordable housing in the City. The Project is also subject to the Transportation Sustainability Fee,, Child Care In-Lieu Fee, Downtown Parks Fee, Transit Center District Open Space Fee, Transit Center District Transportation and Street Improvement Fee, and the Transit Center District Mello Roos Community Facilities District Program, all of which will contribute to maintaining a balance between economic growth and housing, transportation and public services. Additionally, the Project would create both construction jobs and permanent end use jobs, and would comply with all the requirements of the First Source Hiring Program (Chapter 83 of the Administrative Code) and Section 164 of the Planning Code to maximize employment opportunities for local residents.

One of the goals of the TCDP is to leverage increased development intensity to generate revenue that will enable the construction of new transportation facilities, including support for the new Transit Center, including the Downtown Rail Extension. These revenues will also be directed toward improvements to sidewalks and other important pedestrian infrastructure to create a public realm that is conducive to, and supportive of pedestrian travel. By integrating eight parcels and proposing over 2.1 million gross square feet of office, residential, hotel and retail in two towers and rehabilitated

commercial buildings with on-site privately-owned public open space and public realm improvements, this Project is the largest development within the Plan area. As such, the Project will contribute substantial financial resources toward these improvements, and will also serve to leverage these investments by focusing intense employment growth within the core of planned transportation services.

In general, the downtown core of San Francisco offers relatively few remaining opportunity sites for employment growth. The TCDP seeks to maximize development intensity at these remaining opportunity sites, and to preserve such sites primarily for employment uses. The Plan also seeks to address issues of regional sustainability and traffic congestion by focusing job growth within an intense, urban context in an area supported by abundant existing and planned transit services, as well as retail and service amenities. The Project implements this vision through the development of 1,057,549 square feet of office space, located one block from the future Transit Center, and one block from the Market Street transit spine.

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

The Project is consistent with the General Plan, as discussed in Section #8 of Motion No. 19635, Case 2006.1523DNX (Determination of Compliance and Granting of Exceptions Under Planning Code Section 309). The Project would advance the Objectives and Policies of the Commerce, Urban Design, Housing, Downtown Plan, Transportation, and Transit Center District Plan Elements of the General Plan, and presents no significant conflicts with other elements.

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

The Project's overall design is exemplary and meant to provide visual interest at all levels, from the pedestrian realm to the terminus of each building's vertical element. The First Street Tower's multi-story "urban room" knits together the existing fabric of narrow streets and alleys along its footprint, creating a vast, 25,000 square foot, new public open space that will be immediately visible from the pedestrian realm along First and Mission Streets, and intervening alleys and streets. The Project is going for a LEED Platinum rating.

The First Street Tower's lateral strength comes from a diagonal perimeter structure, which gives rise to the tower's distinctive kite-shaped facets. Clad in cast metal at the base, the structural exoskeleton is open at the lower six-stories to define the urban room. The remainder of the structure is stainless steel with glazed curtain walls at the upper office and residential levels, which extends to a unique vertical extension defining the roof. The crown of the building angles inward at varying heights of 50-60 feet which distinguishes the upper space and serves as a unique capstone to what will be the second-tallest building in San Francisco once constructed.

The Project also includes the Mission Street Tower, which will be dedicated for use as a hotel and residential units. The Mission Street Tower's façade is a composition of glass box bay windows "floating" in front of a natural stone-clad exterior. The intent is for this Tower to complement the Project, but not compete with the First Street Tower. In addition, the Project incorporates two six-

story historic commercial buildings, which are both proposed for rehabilitation in-keeping with the Secretary of the Interior's Standards.

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

a) Use. *The Project's office, residential and retail uses are permitted uses in the C-3-O(SD) District. This District, playing a leading national role in finance, corporate headquarters and service industries, and serving as an employment center for the region, consists primarily of high-quality office development. The intensity of building development is the greatest in the City, resulting in a notable skyline symbolizing the area's strength and vitality. Although the hotel use requires Conditional Use Authorization, an increased supply of hotel rooms was envisioned in the TCDP. The Site lies one block from Market Street and one block from the future Transit Center, providing direct access to abundant existing and planned transit, as well as retail goods and services. Numerous office buildings, and increasingly high-rise towers, exist within the immediate vicinity of the Project Site and the greater Downtown area. The Project will be unique in the Transit Center in providing this comprehensive mix of uses in one site to help the area achieve a more 24-hour character. The Project furthers the goals and objectives of the Downtown Plan and TCDP of concentrating office uses and new housing into a compact Downtown Core.*

b) Transit Accessibility. *The area is served by a variety of transit options. The Project Site is one block from the MUNI and BART lines on Market Street, approximately six blocks from the Ferry Building, has direct access to abundant local and regional bus service on Mission Street, and is one block from the future Transit Center.*

c) Open Space Accessibility. *Much of the Project's ground level fronting First Street will be the "urban room" which will serve as public open space easily visible and accessible from multiple publicly-accessible frontages. The pedestrian realm will provide a mix of activities and retail opportunities, including food service and café space, and seating for residents and employees who live and work within the Project Site, as well as pedestrians and visitors to the area. The "urban room" is the focal point of the Project's interconnected publicly-accessible open space, which totals over 25,000 square feet of the ground floor. Other features include improving Elim Alley into a public right-of-way and seating area that is open and inviting; and adding a pocket park accessible from Mission Street.*

d) Urban Design. *The existing skyline of downtown San Francisco is largely characterized by a cluster of towers that, when viewed in aggregate, form a plateau at a height of approximately 500 to 550 feet (the historic maximum zoned heights in the C-3 Districts). The TCDP envisions the creation of a new, sculpted skyline formed by height increases at selected locations to allow slender towers that project above this plateau. The Project Site was specifically proposed to be developed at the heights proposed to contribute to this overall form, creating an apex within the skyline and a distinctive identity for the urban form of San Francisco that is evocative of the sloping terrain of the area's natural landforms. The design of the Project fulfills this vision, reaching the heights proposed by the Plan, including the second tallest tower zoned in the City.*

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

a) Anticipated Employment Opportunities. The Project would contribute to the employment of economically disadvantaged persons by its participation in San Francisco's First Source Hiring Program ("FSHP"). During the three-year construction period, the Project will employ approximately 816 laborers during construction. Available entry-level construction jobs would be processed through the FSHP and would benefit economically disadvantaged persons. Upon completion of construction, the Project would be occupied by commercial tenants that would create additional new jobs. Available entry level jobs offered by these businesses must be processed through the FSHP and would benefit economically disadvantaged persons. Because of the size of the development, the Project has the potential to create significant employment opportunities.

The Project will also comply with the requirements of Planning Code Section 164, which includes city resident employment and training requirements.

b) Needs of Existing Businesses. With approximately 1,057,549 gross square feet of new office space (approximately 1,079,925 gross square feet of total office space in the new tower and in the existing buildings), the Project is anticipated to provide for a great variety and number of tenants thereby better serving the needs of the business community. In the First Street Tower, the floors range in size from 26,900 square feet to 34,000 square feet, thus accommodating large and medium-sized tenants. In addition, the office design anticipates future demand and trends with flexible floorplates that can accommodate several layouts. These flexible floorplates are expected to be among the largest in downtown San Francisco. The Project Site is well-served by transit, and is in close proximity to other firms consolidated within the Downtown Core.

c) Available Supply of Space Suitable for Such Anticipated Uses. The Project will provide substantial office space that is suitable for a variety of office users and sizes in a Downtown location. The anticipated office uses and tenants will strengthen the City's economy and the City's position as a business hub and regional employment center.

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

The Site is currently under the ownership of Oceanwide Center LLC. The anticipated tenant or tenants will be determined at a later date. It is not known whether the Project will be occupied by a single entity. The Project's flexible floor plans are suitable for use by one or more major tenants, but can also accommodate small tenants.

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

Section 124 establishes basic floor area ratios (FAR) for all zoning districts. As set forth in Section 124(a), the FAR for the C-3-O (SD) District is 6.0 to 1. Under Sections 123 and 128, the FAR can be increased to 9.0 to 1 with the purchase of transferable development rights (TDR), and may exceed 9.0

to 1 without FAR limitations through participation in the Transit Center District Mello-Roos Community Facilities District, pursuant to Section 424.8.

The Project Site is 59,445 square feet in size, including the portions of Elim Alley and Jessie Street proposed to be vacated. Therefore, up to 356,670 square feet of gross floor area ("gfa") is allowed under the basic FAR limit, and up to 535,005 square feet of gfa is permitted with the purchase of TDR. The Project's total gross floor area is 2,129,127 gfa, for a floor-area ratio of approximately 35.82-to-1. Conditions of Approval are included to require the Project Sponsor to purchase TDR for the increment of development between 6.0 to 1 FAR and 9.0 to 1 FAR (approximately 178,335 square feet), and to participate in the Transit Center District Mello-Roos Community Facilities District.

7. **General Plan Conformity.** The General Plan Consistency Findings set forth in Section #8 of Motion No. 19635, Case #2006.1523DNX (Determination of Compliance and Granting of Exceptions Under Planning Code Section 309) apply to this Motion, and are incorporated herein as though fully set forth.
8. **Planning Code Section 101.1(b).** The General Plan Priority Policy Findings of Planning Code Section 101.1 as set forth in Motion No. 19635 apply to this Motion, and are incorporated as though fully set forth herein.
9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) as outlined in Motion No. 19635 and also in that, as designed, the Project would contribute to the character and stability of the Transit Center District and would constitute a beneficial development.
10. The Commission hereby finds that, for the reasons described above, approval of the Office Allocation would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Allocation Application No. 2006.1523ENV/DNX/OFA/CUA/VAR/SHD/GPR** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 14, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.


The Planning Commission hereby adopts the IMMRP attached hereto as "EXHIBIT C" and incorporated herein as part of this Motion by this reference thereto. All required improvement and mitigation measures identified in the Transit Center District Plan EIR and contained in the IMMRP are included as Conditions of Approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 320-325 Office Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion No. 19636. The effective date of this Motion shall be the date of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals in person at 1650 Mission Street, Room 304 or call (415) 575-6880.

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

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

I hereby certify that the foregoing Motion was **ADOPTED** by the Planning Commission at its regular meeting on May 5, 2016.


Jonas P. Ionin
Commission Secretary

Motion No. 19636
Hearing Date: May 5, 2016

CASE NO. 2006.1523ENV/DNX/OFA/CUA/VAR/SHD/GPR
Oceanwide Center/Multiple Addresses

AYES: Fong, Richards, Antonini, Hillis, Johnson, Moore

NAYS: None

ABSENT: None

RECUSED: Wu

ADOPTED: May 5, 2016

EXHIBIT A

AUTHORIZATION

This authorization is to grant an allocation of 1,057,549 gross square feet of net new office space under the 2015-2016 Annual Office Development Limitation Program, pursuant to Planning Code Sections 320 through 325, in connection with a proposal to allow construction of two towers, 605 feet and 850 feet maximum occupied height, sharing a four-story basement, demolition of three commercial buildings, and rehabilitation of two commercial buildings, for a Project also containing 265 residential units, a 169 room tourist hotel, approximately 1.07 million gross square feet of office space, and 12,500 square feet of retail space, on eight lots plus vacation of portions of Jessie Street and Elim Alley, located near the northwest corner of First and Mission Streets, Lots 003, 006, 007, 009, 010, 011, 012, and 055 in Assessor's Block 3708, within the 550-S and 850-S-2 Height and Bulk Districts, the C-3-O (SD) (Downtown Office – Special Development) Zoning District, Transit Center C-3-O (SD) Commercial Special Use District, and Transit Center District Plan and Downtown Plan Area, in general conformance with plans dated April 14, 2016, and stamped "Exhibit B" included in the docket for Case No. 2006.1523ENV/DNX/OFA/CUA/VAR/SHD/GPR and subject to Conditions of Approval reviewed and approved by the Planning Commission on May 5, 2016 under Motion No. 19636. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit B of Motion No. 19635, Case No. 2006.1523DNX (Determination of Compliance Under Section 309), and the Improvement, Mitigation, Monitoring, and Reporting Program adopted as Exhibit C to Planning Commission Motion 19635, Case No. 2006.1523DNX apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on May 5, 2016 under Motion No. 19636.

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Development Timeline - Office.** Pursuant to Planning Code Section 321(d) (2), construction of an office development shall commence within **five (5) years** of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this conditional use authorization.

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

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

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

3. **Additional Project Authorizations.** The Project Sponsor must obtain an Downtown Project Authorization under Section 309; Variance from Section 136 for projecting bay windows that do not meet the code's dimension separation requirements; Variance from Section 145.1(c)(2) for exceeding the minimum frontage devoted to parking and loading ingress and egress; Variance from Section 140 for 22 units that do not meet the Planning Code requirements for exposure; Variance from Section 155(s) for the number and size of parking and loading access points; a ZA exception for height of elevator mechanicals at Mission Street Tower; a Conditional Use Authorization pursuant to Sections 210.2 and 303 for a new hotel; findings under Section 295 as to whether the shadow cast by the project will have any adverse impact on any park under the jurisdiction of the Recreation and Parks Commission and allocate new ACL to four parks; and a General Plan Referral for vacations for portions of Jessie Street and Elim Alley. The Project Sponsor must satisfy all the conditions thereof for each additional project authorization. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

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