

## Carroll, John (BOS)

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**From:** Sekhri, Neil <NSekhri@gibsondunn.com>  
**Sent:** Thursday, December 03, 2015 4:33 PM  
**To:** BOS Legislation, (BOS)  
**Cc:** Murphy, Mary G.; David Kelly (dkelly@warriors.com); Malamut, John (CAT); Warren, Elaine (CAT)  
**Subject:** Board File No. 151204: Supplemental Map Appeal Response  
**Attachments:** 2015-12-03 Sekhri Letter to London Breed (SF Board of Supervisors) re Su....pdf  
**Categories:** 151204

Please find a supplemental appeal response letter related to the Tentative Final Map Appeal for the Warriors that is calendared for the Board of Supervisors on December 8, 2015 (Board File 151204). We are also sending 18 hard copies of the letter and attachment.

**Neil Sekhri**  
Of Counsel

### GIBSON DUNN

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December 3, 2015

VIA MESSENGER

Board President London Breed and  
Members of the Board of Supervisors,  
c/o Clerk of the Board of Supervisors  
#1 Dr. Carlton B. Goodlett Place  
City Hall, Room #244  
San Francisco, CA 94102-4689

Re: **Board File #151204**

Subdivision Map for the Warriors Arena Project (Project 8593); DPW Order No. 184253, Director's Conditional Approval of Tentative Final Map No. 8593, Assessor's Blocks 8722, Lots 1 and 8, prepared for an on behalf of GSW Arena LLC (the "**Tentative Final Map**")

Dear President Breed and Members of the Board:

This firm represents the GSW Arena LLC, the project applicant under the above-referenced Tentative Final Map. The Tentative Final Map was appealed to the Board of Supervisors by the Mission Bay Alliance on November 19, 2015 (the "**Appeal**") and the Appeal is scheduled at the Board's December 8, 2015 meeting. This letter supplements the project sponsor's December 3, 2015 response letter. As referenced in that letter, a thorough response to the CEQA Appeal was submitted by OCII on November 30, 2015 and can be found in Board File No. 150990 (OCII Brief 113015).

As stated in the November 30, 2015 letter from Thomas N. Lippe, the appellant's brief consists of the November 6, 2015 letter to the Department of Public Works, dated November 30, 2015 (the "**Appeal Brief**"). Item 4 in the Appeal Brief asserts that the Project does not comply with Proposition M, as codified in Planning Code Section 320 et seq and Planning Commission Motion 17709 because the Planning Commission's approval of the office design for the two office towers on Mission Bay South Parcels 29 and 31 (Planning Commission Motion No. 19502), comprising a total of 576,922 square feet of office space exceeded the amount of available office space under Planning Code Section 321.

The commenter is mistaken in its claim, for reasons explained by the response letter from the Planning Director, John Rahaim, to the OCII Executive Director, Tiffany Bohee, and the Director of Public Works, Mohammed Nuru, et al., dated November 30, 2015. In particular, this issue is addressed in the Memorandum from John Rahaim, to the OCII Executive Director, Tiffany Bohee, and the Director of Public Works, Mohammed Nuru, et

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al., dated November 16, 2015 attached to the November 30, 2015 letter (the “**Section 321 Memo**”).

The Section 321 Memo includes a copy of the December 7, 2010 annual report from Alexandria. The report shows that on November 1, 2010, Alexandria (i) transferred Blocks 29-32 to an affiliate of salesforce along with an allocation of 677,020 square feet of office space from the District (the “**Blocks 29-32 Allocation**”), (ii) transferred Blocks 26-27 (also known as 1455 Third Street and 1515 Third Street) to another affiliate of salesforce, along with an allocation of 422,980 square feet of office space from the District, and (iii) transferred Blocks 33-32 to a salesforce affiliate and allocated no office space authorization. The total square footage sold to salesforce affiliates was 1,100,000 square feet.

The Section 321 Memo also included (i) a copy of an August 27, 2013 accounting from Alexandria that confirms as of that date, it had transferred 1,100,000 square feet of the 1,350,000 office allocation and that an additional 250,000 square feet remained for its use within the District, and (ii) a September 16, 2015 semi-annual report from Bay Jacaranda 2932, LLC, the salesforce affiliate that acquired Blocks 29-32 reporting that it was selling the entirety of the Blocks 29-32 Allocation of 677,020 square feet. The sale of Blocks 29-32 and transfer of the Blocks 29-32 Allocation as reported by Bay Jacaranda 2932 occurred on October 9, 2015 and the property and all appurtenant rights (which included the Blocks 29-32 Allocation), were acquired by the project sponsor, GSW Arena LLC, by a Grant Deed recorded on October 9, 2015 in the Official Records of the City and County of San Francisco as Instrument 2015K143293.

Since the Section 321 Memo was prepared, we have obtained a copy of an updated report from Alexandria addressed to Mr. Scott Sanchez, the City’s Zoning Administrator, dated as of December 1, 2015, that further confirms the conclusions of the Section 321 Memo. A copy of that December 1, 2015 report is attached. As indicated on the summary table attached to the December 1, 2015 report, the total 1,350,000 square feet available in the District under Planning Commission Motion 17709 can be accounted for as follows:

- 1,100,000 square feet were sold to salesforce (this includes the allocations described in the December 7, 2010 annual report of 677,020 square feet for Blocks 29-32, 422,980 square feet to 1455 Third Street and 1515 Third Street and 0 square feet for Blocks 33-34)
- 1455 Third Street and 1515 Third Street were repurchased by Alexandria, along with its allocation of 422,980 square feet (leaving the 677,020 square feet for Blocks 29-32 intact)
- 65,000 square feet have been sold to Kaiser For Parcel 41-43/4
- Alexandria has used 607,484 square feet on its remaining properties within the District

# GIBSON DUNN

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- The total remaining Section 321 square feet remaining unused within property owned by Alexandria within the District is 496 square feet.

Therefore, as disclosed by the updated December 1, 2015 report, as of the date of Planning Commission approval of Motion No. 19502, the District continued to have an available authorization for 496 square feet, after taking into account, among all square footage used by Alexandria and allocated to other owners, including the 677,020 square feet allocated to Blocks 29-32 and acquired by the GSW Arena LLC. Planning Commission Motion No. 19502 approved the office design for 576,922 square feet of office buildings on Blocks 29-32, which is well within the allocation of 677,020 square feet.

Again, we urge you to reject the Appeal on all grounds, including the reasons described in this letter.

Very truly yours,



Neil H. Sekhri

NHS/djn  
Enclosure



# ALEXANDRIA.

December 1, 2015

Mr. Scott Sanchez  
Zoning Administrator  
San Francisco Planning Department  
1650 Mission Street, Suite 500  
San Francisco, California 94103-2479

Re: Planning Code Sections 321 and 322 / Project Authorization Report  
Alexandria Mission Bay Life Sciences and Technology Development District

Dear Mr. Sanchez:

This report ("Report") is being submitted on behalf of Alexandria Real Estate Equities, Inc. ("Project Sponsor") for the Alexandria Mission Bay Life Sciences and Technology Development District (the "Development District") created by Motion 17709 (the "Motion") adopted by the San Francisco Planning Commission on October 2, 2008.

In accordance with Item 3 set forth in the Conditions of Approval for the Motion (the "Motion Conditions"), Project Sponsor is pleased to provide the leasable square footage utilized as office space in each building in the Development District as of the date of this Report (such information is detailed in the attached summary report and supporting diagrams).

We are providing diagrams only for those portions of properties where there has been a change in the use of allocation of square footage of office space since the prior report (issued as of August 27, 2013), as follows:

1. 455 Mission Bay Blvd. South, East Wing (EW), 2nd Floor. In the 2013 report, the EW 2nd floor was completely vacant. The EW 2nd floor is now 100% leased and occupied by Nektar Therapeutics. The use is primarily office space – 16,803 SF are Section 321 office authorizations.
2. 1600 Owens Street: In the 2013 report we indicated that (i) ARE-San Francisco No. 15, LLC, had entered into a Purchase Agreement to sell the 1600 Owens Street parcel to Kaiser Foundation Health Plan, Inc. ("Kaiser"), and (ii) ARE-San Francisco No. 35, LLC, had entered into a Project Management Agreement to implement, facilitate, manage, coordinate, oversee, monitor, and administer the design, engineering, entitlement, and construction of a 9-story medical clinic and office building for Kaiser on the 1600 Owens Street parcel. The allocation of Section 321 office authorizations was limited only to the required offices within the planned building and associated support spaces as shown in the diagrams and detailed floor-by-floor summary of uses that were attached to the 2013 report. The parcel has now been sold to Kaiser, and Project Sponsor allocated 65,000 SF of Section 321 office authorizations to such parcel. In accordance with Item 4 set forth in the Motion Conditions, Project Sponsor gave the Zoning Administrator written notice of such allocation on or about January 30, 2014.
3. 1455 Third Street and 1515 Third Street: In the 2013 report these parcels were shown as sold to salesforce.com. Since then, ARE-San Francisco No. 49, LLC, an affiliate of Project Sponsor, has



## ALEXANDRIA.

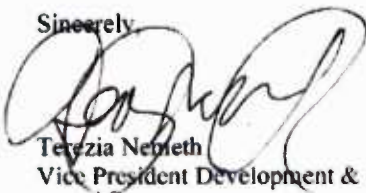
purchased these parcels, including the 422,980 SF of Section 321 office authorizations allocated to such parcels upon the sale to salesforce.com.

4. Since the previous report, there have been changes made to the tenant improvements in part of the 3rd floor and the entire 4th floor of 1700 Owens Street. The new tenant – the US Department of Veterans Administration – made renovations to the space, changing office suites and common area into laboratory space. In addition, the space is now used almost exclusively for scientific research purposes. Therefore, a change in the calculations of Section 321 office authorizations is also provided in this Report.

Please provide us with any questions or comments that you may have as soon as possible. If we do not receive any questions or comments by January 1, 2016, we will assume that this Report is acceptable and can be considered final.

Thank you for your assistance and feel free to contact me at 415-559-1732 or at [tnemeth@arc.com](mailto:tnemeth@arc.com) at any time.

Sincerely,



Tetzia Nemeth  
Vice President Development & Community Relations

Encl.

cc: Steve Richardson  
David Meyer, Esq.  
Leaselegal  
Daniel Sider, SF Planning Department

ALEXANDRIA MISSION BAY LIFE SCIENCES AND TECHNOLOGY DISTRICT

Section 321 Allocation Summary Report

2015 Revisions as marked

Parcel	Address	Date Building Design Approved by Planning Commission	Section 321 SF Approved for use in MB District	Section 321 SF Currently Used per Floor	Section 321 SF Remaining Unused	Building Status	Description of Uses per Floor
41-43/1	1700 Owens Street	5/2/2002	160,100		93,394	Completed shell	
	First Floor			14,218		Fully occupied	Labs, office, retail, lobby
	Second Floor			10,704		Fully occupied	Primarily labs w/lab support and some office
	Third Floor			3,600		Fully occupied	VA labs w/lab support, scientist office space & conf rooms
	Fourth Floor			5,400		Fully occupied	VA labs w/lab support, scientist office, 2nd Tenant & conf rooms
	Fifth Floor			32,784		Fully occupied	Office only
41-43/4	1600 Owens Street	10/26/2006	228,000		228,000	Sold to Kaiser	
41-43/5	1500 Owens Street	10/26/2006	158,500		116,825	Completed shell	
	First Floor			8,300		Fully occupied	Medical clinic w/offices, retail, lobby
	Second Floor			0		Fully occupied	No office space, only medical exam room & support uses
	Third Floor			10,047		Fully occupied	Medical clinic w/ some doctor's offices
	Fourth Floor			10,922		Fully occupied	Pharmacy & Physical therapy clinic - limited office space
	Fourth Floor - expansion			1,030		Fully occupied	Medical clinic w/ some doctor's offices
	Fifth Floor			7,913		Fully occupied	Primarily labs w/ lab support and some office
	Sixth Floor			3,463		Fully occupied	Primarily labs w/ lab support and some office
41-43/7	1450 Owens Street	10/2/2008	-		-	Schematic design	
	First Floor						
	Second Floor						
26	1455 Third Street	3/22/2007	373,487		194,015	Rev. design Submitted	
	First Floor			14,194			Lobby, retail, childcare and office
	Second Floor			18,023			Office
	Third Floor			17,368			Office
	Fourth Floor			18,412			Office
	Fifth Floor			18,606			Office
	Sixth Floor			19,738			Office
	Seventh Floor			18,759			Office
	Eight Floor			18,424			Office
	Ninth Floor			17,935			Office
	Tenth Floor			18,013			Office
	Eleventh Floor			17,090			Office
	Penthouse			-			Service area only
26	455 Mission Bay Blvd South	3/22/2007	-		-	Completed shell	Sec 321 approval granted together w/1455 Third St. in one resolution
	WW First Floor			7,303		Fully occupied	Office space is operations + conference & meeting rooms
	WW Second Floor			5,471		Fully occupied	50% of office space is lab/science directly related- not included
	WW Third Floor			-		Fully occupied	Lab, lab support and scientists office uses only
	WW Fourth Floor			11,854		Fully occupied	Executive, marketing, HR
	WW Fifth Floor			11,980		Fully occupied	Executive, marketing, HR
	EW First Floor			-		Fully occupied	Lab and lab support uses only
	EW First Floor			1,948		Fully occupied	Lab with some office
	EW First Floor			2,265		Fully occupied	Lab with some office
	EW Second Floor - expansion Nektar			16,803		Fully occupied	Lab with some office
	EW Third Floor			2,464		Fully occupied	Most offices are for lab scientists, but counting 50% of office space
	EW Fourth Floor			2,632		Fully occupied	Most offices are for lab scientists, but counting 50% of office space
	EW Fifth Floor			13,404		Fully occupied	Office space with some lab use
27	1515 Third Street	3/22/2007	202,893		13,815	Rev. design Submitted	
	First Floor			33,320			Lobby, retail and office
	Second Floor			39,283			Office
	Third Floor			39,571			Office
	Fourth Floor			38,291			Office
	Fifth Floor			38,613			Office
	Sixth Floor			37,340			Office
	Seventh Floor			-			Service area only
29	1655 Third Street	tbd	-		-	Sold to Salesforce.com	
30	600 Terry Francois Blvd	10/2/2008	-		-	Sold to Salesforce.com	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						
31	1725 Third Street	tbd	-		-	Sold to Salesforce.com	
31	400 16th Street	tbd	-		-	Sold to Salesforce.com	
32	650 Terry Francois Blvd	10/2/2008	-		-	Sold to Salesforce.com	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						
33	1825 Third Street	tbd	-		-	Sold to Salesforce.com	
34	1955 Third Street	tbd	-		-	Sold to Salesforce.com	
	Additional Allocation recv'd	10/18/2009	100,000				
	Additional Allocation recv'd	10/18/2010	100,000				
ARE Allocation that was:							
	Sold to Salesforce.com	11/1/2010	(1,100,000)				
	Additional Allocation recv'd	10/18/2011	27,020				
	Sold to Kaiser	12/19/2013	(65,000)				
	Bought from Salesforce		422,980				
CURRENT SECTION 321 SF DISTRICT ALLOCATION AND STATUS			607,980	607,484	496		

# Project Data

## Area Calculations - SF Planning Code Section 321

SECTION 321 OFFICE ALLOCATION CALCULATIONS <sup>1</sup>

FLOOR	GROSS AREA <sup>2,3</sup> (NON-ADJUSTED)		LESS BUILDING SERVICE AREAS <sup>4</sup>		LESS RETAIL <sup>5</sup>		LESS DAYCARE <sup>6</sup>		SECTION 321 OFFICE ALLOCATION	
	1455 <sup>7</sup>	1515	1455	1515	1455	1515	1455	1515	1455 <sup>7</sup>	1515
PENTHOUSE	6,605		6,605							
11	17,090								17,090	
10	18,013								18,013	
9	17,935								17,935	
8	18,424								18,424	
7	18,759	7,188		7,188					18,759	
6	19,738	37,340							19,738	37,340
5	18,606	38,613							18,606	38,613
4	18,412	38,291							18,412	38,291
3	17,368	39,571							17,368	39,571
2	19,617	39,283						1,594	18,023	39,283
1	22,427	35,750			1,785	2,430	6,448		14,194	33,320
<b>SUB-TOTAL</b>	<b>212,994</b>	<b>236,036</b>	<b>6,605</b>	<b>7,188</b>	<b>1,785</b>	<b>2,430</b>	<b>8,042</b>		<b>196,563</b>	<b>226,418</b>
<b>TOTAL</b>	<b>449,030</b>		<b>13,793</b>		<b>4,215</b>		<b>8,042</b>		<b>422,980</b>	

1. Calculated per San Francisco Planning Code Sections 102, 320, and 923

2. Measured to the exterior face of wall, per SF Planning Code definition of "Gross Floor Area", Section 102

3. Includes shafts, stairs, and elevators, per Section 102 (a)(2)

4. Mechanical areas at top of building excluded from Gross Area per Section 102 (a)(3)

5. Retail area excluded from Gross Area per Section 320 (f)

6. Daycare area excluded from Gross Area per Section 923 (b)(2)

7. Building 1455 area calculations include gross area of bridges

Reference plans on page 12 and 13



# Project Data

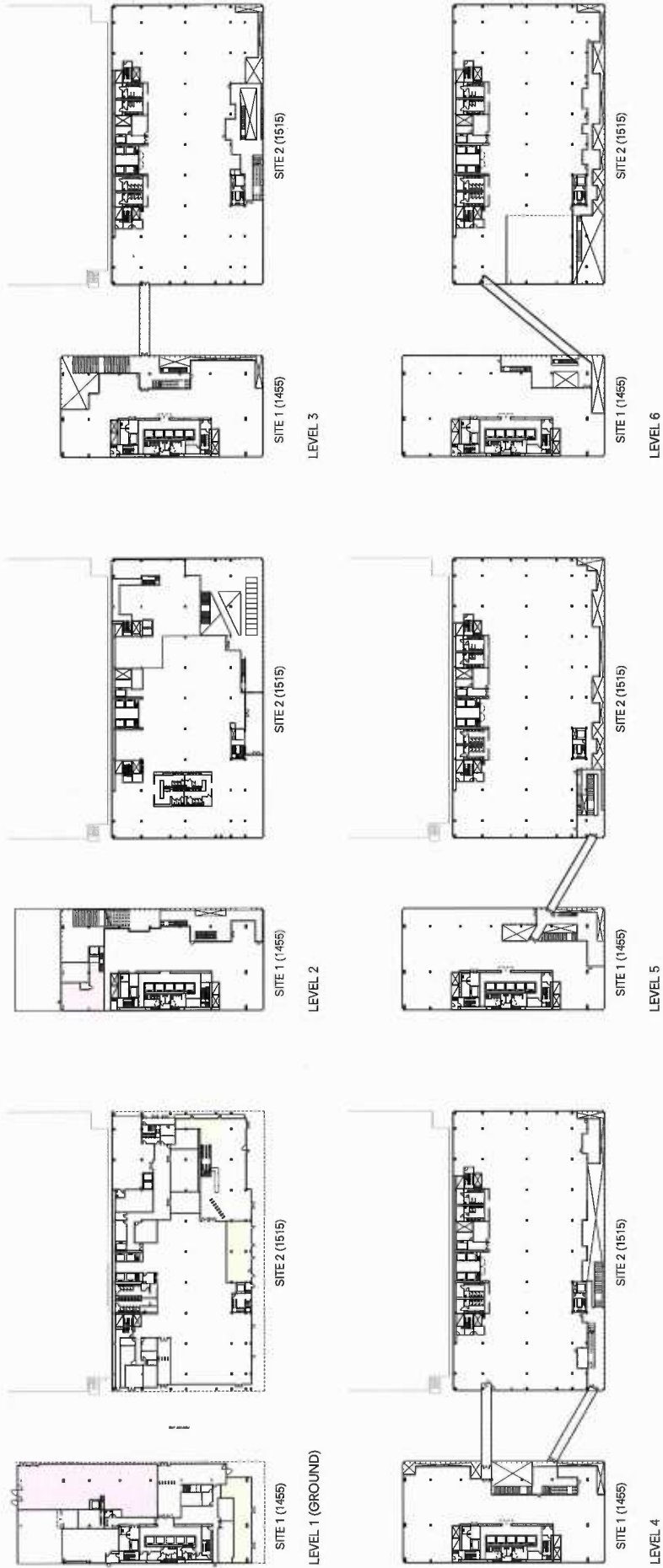
## Area Plans - SF Planning Code Section 321

**LEGEND:**

-  Office Area
-  Building Service Area
-  Day Care
-  Retail

Scale : 1"=100'


Ref Project Data sheet for calls



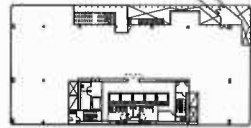
# Project Data

## Area Plans - SF Planning Code Section 321

**LEGEND:**

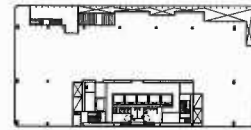
-  Office Area
-  Building Service Area
-  Day Care
-  Retail

Scale : 1"=100'  
 Ref Project Data sheet for calcs



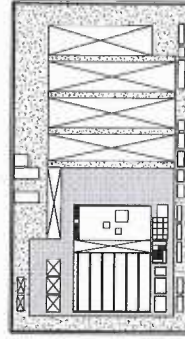
SITE 1 (1455)

LEVEL 7 (1515 MECH PENTHOUSE)



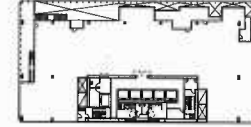
SITE 1 (1455)

LEVEL 8



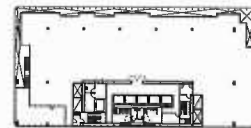
SITE 2 (1515)

LEVEL 9



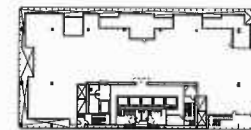
SITE 1 (1455)

LEVEL 10



SITE 1 (1455)

LEVEL 11



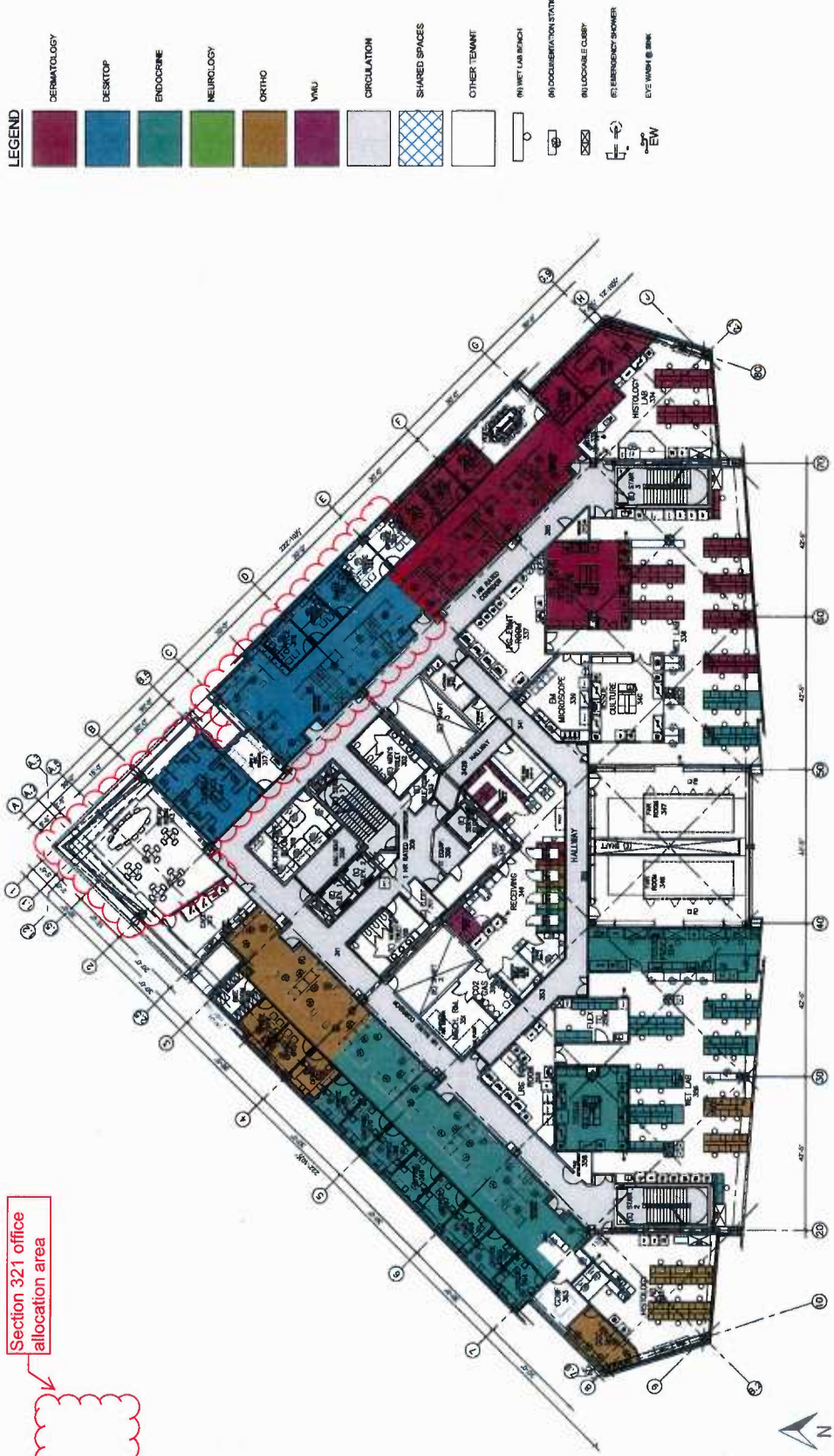
SITE 1 (1455)

LEVEL 12 (1455 MECH PENTHOUSE)

# 3rd Floor Improvements - Group Areas



Section 321 office allocation area



NOT TO SCALE

VA Medical Research Lease - 1700 Owens Street, San Francisco, California 94107  
 Conceptual Design - 3rd & 4th Floor Tenant Improvement - 10.5.12



# 4th Floor Improvements - Group Areas



NOT TO SCALE

VA Medical Research Lease - 1700 Owens Street, San Francisco, California 94107  
Conceptual Design - 3rd & 4th Floor Tenant Improvement - 10.5.12





**GENERAL NOTES**

1. VERIFY ALL CONDITIONS AND CONDITIONS.
2. VERIFY ALL CONDITIONS AND CONDITIONS.
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**KEY NOTES**

1. VERIFY ALL CONDITIONS AND CONDITIONS.
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**DRAWING SYMBOLS**

REVISIONS

NO.	DATE	DESCRIPTION
1	08-09-2015	ISSUED FOR PERMIT

**KEY SYMBOLS**

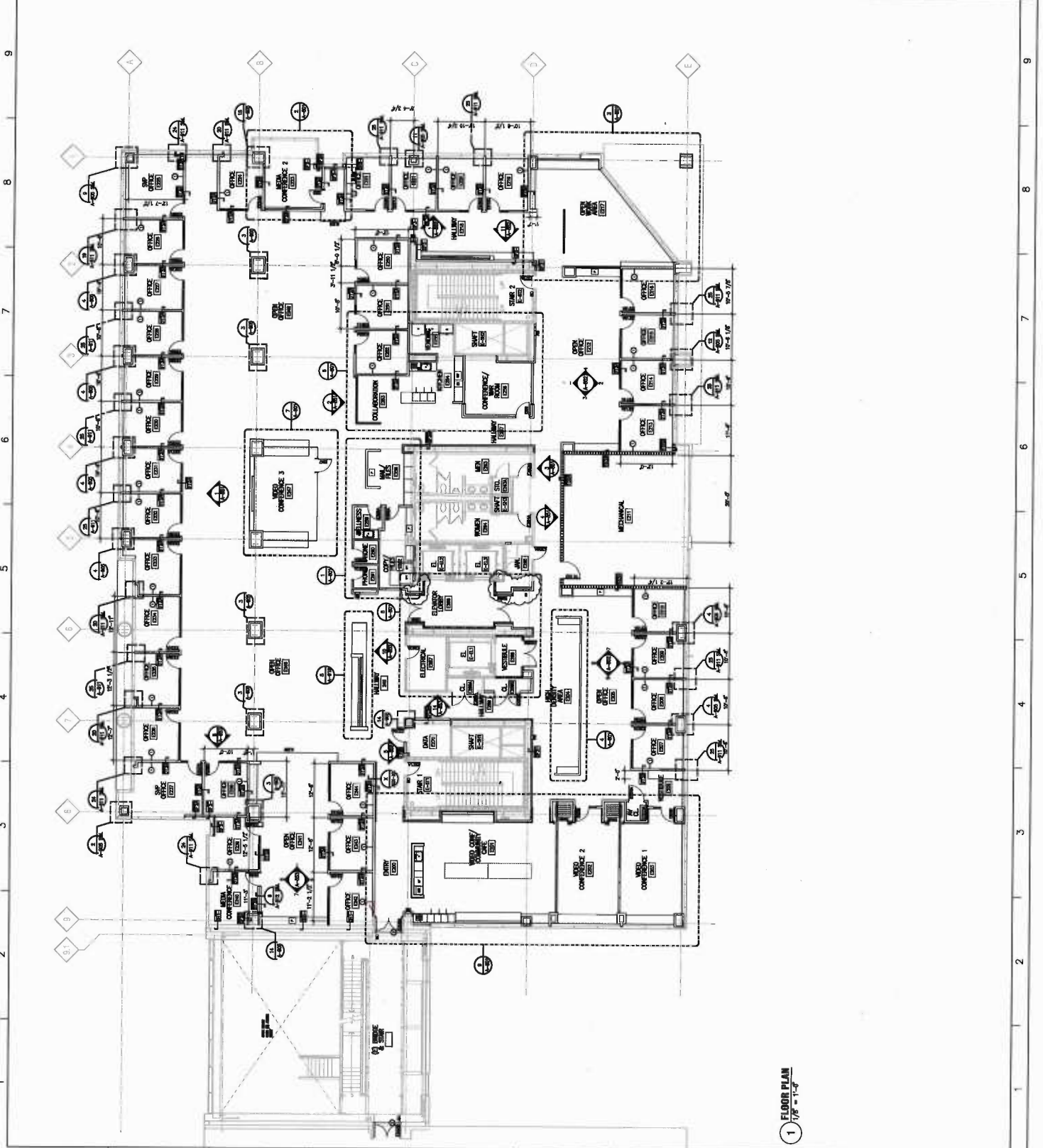
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**1 FLOOR PLAN**  
 1/8" = 1'-0"