



October 21, 2019

Catherine Stefani
Supervisor District 2
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102

Re: Letter of Intent: Laurel Heights Partners LLC and Laurel Village Merchants Association

Dear Supervisor Stefani:

As you know, Laurel Heights Partners, LLC ("LHP") and the Laurel Village Merchants Association ("LVMA") have met a number of times over the last few years to discuss the proposed redevelopment of 3333 California Street, San Francisco, California (the "Property"). LHP's goal is for the proposed project to complement the existing retail businesses at Laurel Village Shopping Center (3400 block of California Street), enhancing the existing vibrant, well-loved neighborhood shopping street with some additional community-serving retailers. LHP is issuing this letter outlining our commitments to LVMA pursuant to your guidance and recommendation.

LHP's proposed re-development concept for the Property at 3333 California includes 744 residential units, 34,496 square feet of retail and 14,665 square feet of childcare uses, along with associated parking and a significant amount of publicly accessible open space (the "Project"). LHP and LVMA have been engaged in ongoing discussions regarding the Project and the opportunities to work together which have been outlined below:

1. Co-Branding and Marketing Partnership. LHP would like to partner with LVMA on a cross-marketing and branding strategy to increase the visibility of the Laurel Village Shopping Center for local residents, specifically highlighting the new retail mix, walk-ability and convenience. LHP has initiated work on a website and marketing materials that would bring a fresh new exposure for the Laurel Village merchants and the district.

2. Restrictions on Future Grocery Store Tenants. LHP agrees that if the two existing grocery stores in Laurel Village (Cal Mart and Bryan's) are in operation that no retail space contained in the 3333 California Property shall be leased to a General Grocery Store (as defined in Section 102 of the Planning Code), except with the prior written consent of the LVMA, whose consent may be granted, withheld or conditioned in their sole and absolute discretion under the then-existing voting protocols of the LVMA.

3. Public Parking Management Plan. LVMA currently manages and maintains the surface parking area at the rear of the Laurel Village Shopping Center. LVMA is concerned that customer parking demand from the retail shops at 3333 California could create burdens on the LVMA parking lot. LHP will work with LVMA (and potentially MTA) to create a parking program that would include parking validation for 90 minutes in the 3333 California Street garage for merchants of the 3333 California Street project AND merchants of the Laurel Village Shopping Center, effectively providing free validated parking for customers of the Laurel Village Shopping Center in the 3333 California project. Although LHP believes the parking program can be implemented under the currently pending entitlements for the Project, any parking program will be subject to the final entitlements for the Project and applicable laws, including the Project's CEQA clearance, mitigation measures, and conditions of approval, and in no event will LHP be required to undertake additional environmental review or obtain additional discretionary approvals in order to implement the program.

Kind Regards,

Laurel Heights Partners LLC,

a Delaware limited liability company

By: 3333 California LP, a Delaware limited partnership,

Its Managing Member

By: PSKS LH LLC, a Delaware limited liability company,

Its General Partner

By: Prado LH LLC, a California limited liability company,

Its Managing Member

By:



Daniel J. Safier, Its Manager