



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

Appeal of Tentative Parcel Map Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

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DATE: November 30, 2015

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RE: Board File No. 151204
Appeal of the Tentative Parcel Map for the proposed Golden State Warriors Event Center and Mixed-Use Development Project at Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

HEARING DATE: December 8, 2015

EXHIBITS:

1. Excerpts from OCII SEIR Appeal Response on General Plan Consistency in regard to Air Quality Impacts, November 30, 2015
2. Memo from Michael Keinath and Catherine Mukai from Ramboll Environ, November 30, 2015
3. Planning Commission Motion No. M-19502, November 5, 2015
4. Planning Director Memo, November 16, 2015

PROJECT SPONSOR: David Kelly
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APPELLANT: Mission Bay Alliance, Appellant
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INTRODUCTION:

On November 12, 2015, Public Works issued tentative final map approval for Map No. 8593, an 8-lot, 100-unit commercial condominium subdivision for the proposed Golden State Warriors Event Center and Mixed-Use Development Project at Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8 (the "Project"). The Planning Department, in a letter to Public Works dated November 6, 2015,

Memo

found that the subdivision map was, on balance, in conformity with the City's General Plan in compliance with the Subdivision Map Act Section 66473.5, Subdivision Code Section 1432(a), and San Francisco Charter Section 4.105(2). Appellant Thomas N. Lippe, APC, on behalf of the Mission Bay Alliance, filed an appeal of the subject tentative final map on November 19, 2015 with Angela Calvillo, Clerk of the Board of Supervisors along with a supplemental filing on November 30, 2015 (collectively, the "Appeal Letter").

As described in this response and separate letters submitted by the Public Works and the Office of Community Investment and Infrastructure ("OCII"), which are incorporated herein by reference, the appeal has no merit. The Planning Department urges the Board to reject the appeal and uphold Public Works decision to issue tentative map approval for this Project.

In the Appeal Letter, the Appellant raises four issues as the basis of the appeal: (1) the Project Final Subsequent Environmental Impact Report ("SEIR") and the OCII and City agency CEQA findings do not comply with the California Environmental Quality Act ("CEQA"), as described in the Mission Bay Alliance's many comments on the SEIR that it submitted to OCII and the OCII Commission; (2) the Project does not comply with the Mission Bay South Redevelopment Plan or Plan documents; (3) the Project does not comply with the San Francisco General Plan; and (4) the Project does not comply with Proposition M, as codified at Planning Code Sections 320 et seq. and Planning Commission Motion No. 17709, and, therefore, is ineligible for allocation of any office space under Planning Code section 321 and Motion No. 17709. Appellant references Mr. Lippe's November 6, 2015 letter to the Planning Commission, attached as Exhibit 1 to the Appeal Letter, as support for issues (2) through (4) above. Appellant is wrong on all counts for the reasons described in this response and other referenced materials, and the Board of Supervisors should reject the appeal.

Public Works' December 2, 2015 letter to the Board addresses issue (1) above. OCII's letter, also dated December 2, 2015, addresses issue (2) above. This response addresses Appellant's claims (3) and (4).

APPELLANT ISSUES AND PLANNING DEPARTMENT RESPONSES:

1. The Project is consistent with the San Francisco General Plan (Appellant Issue 3).

Appellant erroneously claims that the tentative final subdivision map is not consistent with the General Plan. The basis of Appellant's claim is that the subdivision map conflicts with Master Plan Policy 4.1 (sic) because the Project does not satisfy this policy's requirement to support and comply with objectives, policies, and air quality standards of the Bay Area Air Quality Management District "(BAAQMD)".¹ Appellant argues that a conflict with this particular General Plan policy arises because the Project's Mitigation Measure M-AQ-2b is inadequate in light of the BAAQMD's November 2, 2015 correspondence to OCII that the per ton charge for emissions offset fee is too low to offset the Project's emissions. Appellant argues that this letter demonstrates a conflict with Environmental Protection Element Policy 4.1 and should prohibit the Planning Department from finding the subdivision map conforms with the General Plan. Appellant's reliance on this single policy is misplaced.

First, the Planning Department, in its General Plan conformance letter to Public Works dated November 6, 2015, specifically found that the subdivision map did satisfy the General Plan's Environmental Protection Element Objective 4, Policies 4.1, 4.2, and 4.3 as follows:

ENVIRONMENTAL PROTECTION ELEMENT

OBJECTIVE 4

Assure that the ambient air of San Francisco and the bay region is clean, provides maximum visibility, and meets air quality standards.

POLICY 4.1

Support and comply with objectives, policies, and air quality standards of the Bay Area Air Quality Management District.

POLICY 4.2

Encourage the development and use of urban mass transportation systems in accordance with the objectives and policies of the Transportation Element.

POLICY 4.3

Encourage greater use of mass transit in the downtown area and restrict the use of motor vehicles where such use would impair air quality.

¹ This allegation is set forth in a November 5, 2015 letter to the Planning Commission that is referenced in the November 6, 2015 letter to Public Works. The proper citation for this policy is the General Plan's Environmental Protection Element Policy 4.1.

Comment on the Environmental Protection Element: On April 30, 2015, Governor Jerry Brown certified the Event Center Project as an “environmental leadership development project” under the Jobs and Economic Improvement Through Environmental Leadership Act of 2011. Cal. Public Resources Code §§ 21178 et seq. as a result of the Project design and Project Sponsor actions that would support environmental protection goals. The Project was thoroughly analyzed in the FSEIR, and the Commission on Community Investment and Infrastructure, in order to minimize Project impacts on the environment, adopted mitigation measures as part of its CEQA Findings, including measures on air quality and transportation, and imposed these measures on the Project as conditions of approval. The Project includes a comprehensive set of design features, actions, mitigation measures, and improvement measures, such as the MTA Special Event Transit Service Plan and the Project’s Transportation Management Plan, among other actions, that will minimize reliance on private vehicular access the Event Center and encourage alternate modes of transportation, such as mass transit and bicycle access.

This Planning Department analysis of policy compliance is reasonable in light of the Project’s strong program for the provision of transit and promotion of modes of transportation other than private vehicles to access the Event Center. The Project elements also support the City’s Transit First policy as set forth in San Francisco Charter Section 8A.115 and elsewhere in the General Plan. In addition, the refinement to Mitigation Measure AQ-2b, as described below, eliminates any claim that there is a real or potential conflict with Policy 4.1 above concerning the BAAQMD’s objectives, policies, and air quality standards.

Second, Appellant is simply wrong that the BAAQMD’s per ton charge for emissions offset fee is too low to offset the Project’s emissions. In OCII’s Response to Appeal of Certification of Final Subsequent Environmental Impact Report, dated November 30, 2015 (the “**OCII Appeal Response**”), OCII responded that the \$18,030 per weighted ton offset fee specified in Mitigation Measure M AQ-2b is based on the California Air Resources Board (CARB) cost-effectiveness criteria for emissions offset projects under the state’s Carl Moyer Incentive Program. The offset fee amount mirrors the Sacramento Metropolitan Air Quality Management District’s offsite construction mitigation fee program, which is also \$18,030 per weighted ton, and is nearly double the San Joaquin Valley Air Pollution Control District Indirect Source Review program fee of \$9,350 per ton. The \$18,030 per weighted ton offset fee meets the rough proportionality standard required under CEQA. Mitigation Measure M-AQ-2b has been modified to allow payment of a higher offset fee if required. (For additional information see excerpted responses from the OCII Appeal Response in regard to Appellant’s claim that the Project is inconsistent with the General Plan based on assertions about the inadequacy of a mitigation measure (Measure AQ-2) for air quality impacts, including Late Comment AQ-1: Emissions Offsets Mitigation Measure, attached hereto as Exhibit 1.)

As further support for this conclusion, a November 30, 2015 Memo from Michael Keinath and Catherine Mukai from Ramboll Environ attached here as Exhibit 2 found that, based on the 12.5 tons per year of NOx and 4.5 tons per year of ROG in the SEIR, the maximum offset cost for the Project would be roughly \$263,000. This is well below the \$620,922 requested by the BAAQMD in their November 2, 2015 comment letter and would fully offset the Project's emissions. This information provides additional support for the Planning Department's finding that the subject subdivision map is, on balance consistent with the City's General Plan.

Even if there were a conflict with the single General Plan policy that the Appellant identified, the Planning Department found that the subdivision map was "on balance" in conformity with the General Plan. For many years, courts have recognized that an agency's general plan necessarily embodies a wide range of goals and aspirations, and that some friction between competing goals is inevitable. Under those circumstances, the local agency's elected and appointed officials are best suited to interpret, apply, and balance those competing concerns. (*Bownds v. City of Glendale* (1980) 113 Cal.App.3d 875, 880.) (*Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 718.) (*San Francisco Tomorrow v. City and County of San Francisco* (2014) 229 Cal.App.4th 498, 514-517.) As stated in *Pfeiffer v. City of Sunnyvale City Council* (2011) 200 Cal.App.4th 1552, 1562-1563, "because policies in a general plan reflect a range of competing interests, the government agency must be allowed to weigh and balance the plan's policies when applying them, and it has broad discretion to construe its policies in light of the plan's purposes."

A city's determination that a land use decision is consistent with its own general plan comes with a strong presumption that the city acted properly. This presumption can be overcome only by showing that the local agency has acted "arbitrarily, capriciously, or without evidentiary basis." (*San Franciscans Upholding the Downtown Plan v. City & County of San Francisco* (2002) 102 Cal.App.4th 656, 677.) Such abuse of discretion is established "only if the [local agency] has not proceeded in a manner required by law, its decision is not supported by findings, or the findings are not supported by substantial evidence." (*Sequoyah Hills, supra* at 717.) The appellant bears the burden of proof to show that the City abused its discretion. (See *Pfeiffer supra*, 1562-1563; *Foothill Communities Coalition, supra*, 222 Cal.App.4th at p. 1309, fn. 4) For the reasons stated above regarding the Project's consistency as opposed to conflict with Environmental Protection Element Policy 4.1, the appellant does not meet its burden of proof.

Moreover, in interpreting a city's general plan, courts will take a deferential standard of review to the city's evaluation of its plan and give cities the benefit of the doubt regarding how to interpret, apply, and balance the plan's goals and policies. The Planning Department's determination regarding this subdivision map should be afforded such deference because of its

presumed competence and insight in interpreting its own planning documents. As noted in *Save Our Peninsula Com. v. Monterey County Bd. of Supervisors* (2001) 87 Cal.App.4th 99, 142:

When we review an agency's decision for consistency with its own general plan, we accord great deference to the agency's determination. ... Because policies in a general plan reflect a range of competing interests, the governmental agency must be allowed to weigh and balance the plan's policies when applying them, and it has broad discretion to construe its policies in light of the plan's purposes. [Citations.] A reviewing court's role "is simply to decide whether the city officials considered the applicable policies and the extent to which the proposed project conforms with those policies." [Citation.]

A long line of case law universally embraces this deferential standard of review. (See, e.g., *Sequoyah Hills, supra*, 23 Cal.App.4th at pp. 717-718 [to be consistent, a subdivision development must be "compatible with" the objectives, policies, general land uses and programs specified in the general plan; courts "may neither substitute [their] view for that of the [agency], nor reweigh conflicting evidence presented to that body"]; *Families Unafraid to Uphold Rural El Dorado County v. El Dorado County Bd. of Supervisors* (1998) 62 Cal.App.4th 1332, 1336 (FUTURE) [perfect conformity with the General Plan policies not required] See also, *San Francisco Tomorrow vs. City and County of San Francisco* (2014), 229 Cal.App.4th 498, at pp. 514-515.

For the foregoing reasons and as set forth in the Planning Department letter to Public Works dated November 6, 2105 regarding the subdivision map, the Board of Supervisors should uphold the Planning Department's determination that the tentative map is, on balance, consistent General Plan.

2. The Project satisfies the requirements of Planning Code Section 321 (Planning Commission Motion No. M-19502, dated November 5, 2015) and Planning Commission Motion No. 17709 relating to an earlier office allocation for the Alexandria District within Mission Bay South (Appellant Issue 4).

On November 5, 2015, at a duly noticed public hearing, the Planning Commission adopted Motion No. M-19502, which approved an office design of two building of the proposed project that included approximately 577,000 gross square feet of office use on Mission Bay South Blocks 29 and 31. (This Motion is attached to this letter as Exhibit 3.) After that hearing, and in response to Appellant's November 6, 2015 submission to Public Works urging the Department to reject the tentative map for reasons associated with the Planning Commission's Section 321 approval, Planning Director John Rahaim submitted a memo to Public Works regarding the Commission's Section 321 decision. That memo, dated November 16, 2015 ("**Planning Director memo**") and attached hereto as Exhibit 4, addresses most of the Appellant's faulty assertions

about the Commission's office allocation decision. Furthermore, it is unclear how the Planning Commission's design decision affects in any way the subdivision of the subject property into legal lots of record in accordance with the Subdivision Map Act. This Planning Commission decision is unrelated to the subdivision map, and Appellant present no evidence to the contrary.

Nevertheless, if the Planning Commission decision bears a connection to the subdivision map, a portion of the OCII Appeal Response, excerpted below, specifically addresses Appellant's flawed argument that the Planning Commission action was inappropriate. The Planning Commission action, its supporting documents, the Planning Director memo, and the excerpts from the OCII Appeal Response, present ample evidence showing that the Planning Commission's action was legally appropriate and sound.

From Exhibit D (Responses to Late comments) of the OCII SEIR Appeal Response Letter dated November 30, 2015.

Response to Late Comments PP-2: Planning Code Section 321

The commenter states that the two commercial office buildings that are components of the Project do not qualify for office space allocation under Section 321 of the Planning Code because OCII amended the Mission Bay South Design for Development ("Design for Development" or "D for D"). The commenter misinterprets the authority of the Planning Commission review of the design of the office development under Section 321 and the scope of the Design for Development amendments, which primarily relate to the Event Center – not to the office development - component of the Project.

The Redevelopment Plan for the Mission Bay South Redevelopment Project ("Redevelopment Plan") states unequivocally that it and the Design for Development "supersede the San Francisco Planning Code in its entirety, except as otherwise provided herein." Redevelopment Plan, Section 101. Under the Redevelopment Plan, OCII has the sole discretion to amend the Design for Development so long as the amendments are consistent with "the limits, restrictions and controls established in [the Redevelopment] Plan." Redevelopment Plan, Section 306. In a few instances, the Redevelopment Plan incorporates standards from the Planning Code into its basic land use controls, but this reliance on Planning Code standards does not change the ultimate authority of OCII over project approval.

OCII amended, by Resolution No. 71-2015 (Nov. 3, 2015), the D for D to accommodate the Event Center and found that the amendments "comply with the land use controls of the [Redevelopment] Plan and are consistent with the Plan's redevelopment objectives." These D for D amendments primarily address the unique characteristics of an Event Center building and made only minor changes to the specific standards and guidelines for the design of individual office buildings. The changes affecting office buildings are the designation of a fourth tower location on Blocks 29 or 31 and the addition of minimum tower separation requirements between a tower and an Event Center building. The D for D amendments, however, do not change other aspects of office development design standards, such as height, bulk, setbacks, and parking, and did not change the commercial industrial guidelines applicable to office buildings.

The Redevelopment Plan refers to specific Planning Code standards for office development and establishes, in Section 304.11, that the Redevelopment Plan's authorization of up to 5.9 million square feet of commercial/industrial space, including office space, over the Plan's thirty year life complies with those standards (Planning Code, §§ 320-325) so long as the annual limitation of office development is not exceeded. Furthermore, Section 304.11 provides a limited role for the Planning Commission in the review of office development to confirm that commercial office development is well-designed; it incorporates Planning Commission Resolution No. 14702 (Sep. 17, 1998), which states:

The design guidelines for the South Plan Area are set forth in the Design for Development. This Planning Commission has reviewed the design standards and guidelines and finds that such standards and guidelines will ensure quality design of any proposed office development. In addition, the Planning Commission will review any specific office development subject to the terms of Planning Code §§ 320-325 to confirm that the design of that office development consistent with the findings herein. Planning Commission Resolution No. 14702, p. 6.

Contrary to the commenter's suggestion, this standard does not limit the authority of OCII to amend the D for D or to approve a project, but rather requires the Planning Commission to determine that a particular office building is of a "quality design" consistent with the then-applicable design standards and guidelines. Any suggestion that the original version of the 1998 Design for Development is frozen in time through Planning Commission Resolution No. 14702 is inconsistent with OCII's land use authority.

Nonetheless, the Planning Commission has the opportunity, through its design review of office buildings, to consider whether the application of D for D amendments to a proposed office building results in a well-designed building. In approving the two office buildings that are part of this Project, the Planning Commission found that: "(1) the MBS D for D standards and guidelines will ensure a quality design, (2) the proposed project is consistent with the MBS D for D and the findings set forth in Commission Resolution 14702, and (3) approval of the design of the proposed project would promote the health, safety and welfare of the City." Motion No. 19502 (Nov. 5, 2015). Finally, this Planning Commission finding supersedes Motion No. 11709 (Oct. 2, 2008) to the extent that the prior motion covered office development at the Project site.

Accordingly, both OCII and the Planning Commission have determined that the office building component of the Project complies with the Design for Development.

The commenter asserts that the Planning Commission approval on November 5, 2015, of the office design for the two office towers on Mission Bay South Parcels 29 and 31, 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, as explained in a letter and attachments 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 16, 2015.²

² Memorandum from John Rahaim, Director, San Francisco Planning Department to Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure; Mohammed Nuru, Director, San Francisco Public Works; and Bruce Storrs, San Francisco City and County Surveyor, November 16, 2015.

As explained in the letter, the Planning Commission by Motion 17709 allocated a total of 1,350,000 square feet of office space to the Alexandria Mission Bay Life Sciences and Technology Development District ("District") in 2008. The District includes all of the parcels in the GSW Event Center project. Motion 17709 authorized Alexandria to allocate the total square feet of office space to any property in the District and to transfer property to another owner with any portion of the allocated space, so long as the transfers did not exceed the total allocation granted to the District. Since 2008, Alexandria has transferred 1,100,000 square feet of the total allocation to other owners of property in the District and retained 250,000 square feet in property that it owns. Alexandria transferred the GSW Event Center project parcels (Parcels 29, 30, 31 and 32) with 677,020 square feet of the total office space allocation. The two office towers proposed on Mission Bay South Parcels 29 and 31 are less than the 677,020 square feet of office space allocated to those parcels. Sufficient office space exists in the previously approved District to support the Planning Commission's action, and no further allocation is needed.

The commenter also questions why 25,000 square feet of office space in the event center building was not included in the calculation of office space requiring an allocation. As explained in the letter, the arena building office space is a minor accessory use to the event center use and not a separate office component requiring an office space allocation under the Planning Code.

CONCLUSION:

For the reasons set forth in this letter as well as the other letters and documents attached hereto, the Board should reject the appeal and uphold the Public Works' issuance of the tentative subdivision map for the Project.

Appeal of Tentative Parcel Map

Hearing Date: 8 December, 2015

Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

File No. 151204

Planning Case No. 2014.1032Q

Exhibit 1

**Excerpts from OCII SEIR Appeal Response
on General Plan Consistency in regard to Air Quality Impacts
November 30, 2015**

Excerpts from OCII SEIR Appeal Response dated November 30, 2015 on General Plan Consistency in regard to Air Quality Impacts

Attached below are 5 excerpted responses from the OCII SEIR Appeal Response letter dated November 30, 2015 in Clerk of the Board of Supervisors File No. 150990. These address comments concerning the issue of General Plan consistency in relation to Air Quality impacts, in particular Mitigation Measure AQ-2. To see the corresponding comments from Appellants or others, please refer to the Appeal Response letter which includes the comments as indexed by the appeal issue (from Exhibit A of the letter) or the comment code (from Exhibit D of the letter) shown below.

From Exhibit A (summary of prior OCII responses in the Responses to Comments document) of the OCII SEIR Appeal Response Letter.

F.11 Appeal Issue: Changes to the project since publication of the Draft SEIR require recirculation of a revised Draft SEIR due to new and more severe air quality significant impacts.

Summary of Appeal Response F.11: Changes to the project description since publication of the Draft SEIR were evaluated in the RTC document and would not result in a new significant air quality impact or result in substantially more severe significant impacts. Thus, recirculation is not required. Emissions associated with operation of dewatering generators, operation of a pug mill to treat soil on-site and removal of previously assumed rapid impact compaction activities would increase NOx emissions from 144 pounds per day to 151 pounds per day. This increase in temporary construction emissions would not result in a new significant impact or a substantial increase in the severity of the construction air quality impacts disclosed in the Draft SEIR. Emissions associated with the construction of the project variant combined with the construction changes listed above, would increase NOx emissions from 144 pounds per day to 157 pounds per day. This increase in temporary construction emissions would not result in a new significant impact or a substantial increase in the severity of the construction air quality impacts disclosed in the Draft SEIR because the Draft SEIR identified that the project would increase NOx emissions due to construction activities and the incremental increase in the amount of temporary construction emissions is not substantial. Further, Mitigation Measure M-AQ-2b requires offset of all emissions in excess of the significance thresholds, so with mitigation, the slight increase in temporary construction emissions would be offset, resulting in the same level of emissions after mitigation, as already disclosed in the Draft SEIR.

Appeal Code	Previous Comment/ Letter Cited	Comment Code	Response Code	Topic
F.11	Nov 2, Lippe FSEIR, pp. 6-7 ^a	O-MBA20L7-5	LC AQ-8 Exh. D, p. D-249	Air quality impacts of project refinements and variant

^a In the appeal letter, the Appellant references a November 2 letter from Lippe (coded in this appeal response as O-MBA20L7). Please note that the first page of this letter is dated November 2, 2015, however, pages 2 through 16 of this letter are dated November 3, 2015. For consistency, this appeal response refers to this Lippe letter as being dated November 2, 2015.

F.12 Appeal Issue: New information regarding Mitigation Measure M-AQ-2b since publication of the Draft SEIR requires recirculation of a revised Draft SEIR. The appellant asserts that the BAAQMD

would not participate in Mitigation Measure M-AQ-2b offset emissions plan. The City cannot find that Impact 4 is less than significant with mitigation because the City and project sponsor refuse to agree to BAAQMD's offset fees in Mitigation Measure M-AQ-2b. There is no evidence that Option 2 offset within Mitigation Measure M-AQ-2b is feasible. The City cannot find that all feasible mitigation measures have been adopted that would reduce impacts of Impact AQ-1, Impact AQ-2, and Impact C-AQ-1.

Summary of Appeal Response F.12: The BAAQMD's November 2, 2015, letter does not establish that the California Air Resources Board cost-effectiveness criteria are inappropriate for determining the offset costs under Mitigation Measure M-AQ-2b. The BAAQMD does have an emissions offset mitigation or Indirect Source Review program. The \$18,030 per weighted ton offset fee specified in Mitigation Measure M-AQ-2b is based on the California Air Resources Board (CARB) cost-effectiveness criteria for emissions offset projects under the state's Carl Moyer Incentive Program. The offset fee amount mirrors the Sacramento Metropolitan Air Quality Management District's offsite construction mitigation fee program, which is also \$18,030 per weighted ton, and is nearly double the San Joaquin Valley Air Pollution Control District Indirect Source Review program fee of \$9,350 per ton. Mitigation Measure M-AQ-2b has been modified to allow payment of a higher offset fee if required.

Mitigation Measure M-AQ-2b allows the project sponsor to directly implement an emissions offset project as an alternative to entering into an agreement with the BAAQMD. OCII believes this to be a feasible approach because the City successfully implemented an emissions offset project for the 34th America's Cup by installing a shoreside power facility at the Port of San Francisco's Pier 70 dry dock, which has resulted in long-term reduction in criteria air pollutant emissions in the San Francisco Bay Area Air Basin.

Impact AQ-4 relates to the potential for the proposed project to conflict with, or obstruct implementation of, the *2010 Clean Air Plan*. The Final SEIR determined that this impact would be less than significant with mitigation because the project (1) includes mitigation measures that promote attainment of air quality standards and protection of public health in the Bay Area, design measures to minimize greenhouse gases emissions; (2) includes applicable control measures from the air quality plan, including transportation control measures and energy and climate control measures; and (3) would not disrupt or hinder implementation of control measures identified in the Clean Air Plan. The proposed project includes feasible mitigation measures that would contribute towards achieving these goals, including Mitigation Measures M-AQ-1 (Construction Emissions Minimization), M-AQ-2a (Reduce Operational Emissions), and M-AQ-2b (Emissions Offsets). Therefore, this impact is appropriately determined to be less than significant with mitigation.

Appeal Code	Previous Comment/ Letter Cited	Comment Code	Response Code	Topic
F.12	Nov 2, Lippe FSEIR, pp. 5-6 ^a	O-MBA20L7-4	LC AQ-1 Exh. D, p. D-207	Emissions offset mitigation measure
F.12	Oct 30, Gilbert, pp. 17-18	O-MBA20L7-17	LC AQ-1 Exh D, p. D-207	Emissions offset mitigation measure

F.12	Nov 3, oral testimony of Thomas N. Lippe at OCII hearing	PH2-Lippe-4	LC AQ-1 Exh D, p. D-207	Emissions offset mitigation measure
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^a In the appeal letter, the Appellant references a November 2 letter from Lippe (coded in this appeal response as O-MBA20L7). Please note that the first page of this letter is dated November 2, 2015, however, pages 2 through 16 of this letter are dated November 3, 2015. For consistency, this appeal response refers to this Lippe letter as being dated November 2, 2015.

From Exhibit D (Responses to Late comments) of the OCII SEIR Appeal Response Letter.

Comment O-MBA24L9-7

The commenter states that the OCII cannot make CEQA findings because Impact AQ-4 is identified as less than significant with mitigation, based in part on implementation of Mitigation Measure M-AQ-2b, which the commenter asserts is inadequate. The commenter states that Mitigation Measure M-AQ-2b is inadequate because OCII, the City, and the project sponsor refused to agree to BAAQMD's proposed offset fee. Mitigation Measure M-AQ-2b also provides another option under which the project sponsor may implement offset project(s) as an alternative to paying BAAQMD an offset fee. The commenter asserts without any supporting evidence that this second option is infeasible. OCII disagrees, and maintains that Mitigation Measure M-AQ-2b is feasible for the reasons described below (see also Response to Late Comment AQ-1 in Section 10 of this Exhibit D).

The comment is incorrect that the project sponsor and City have refused to pay the BAAQMD offset fee. The record establishes that OCII, the City, the project proponent, and the BAAQMD are involved in ongoing discussions regarding the fee amount necessary to offset ozone precursor emissions. The fee amount originally suggested in the SEIR was established in considerations of California Air Resources Board records for emission reduction offset transaction costs and Carl Moyer Memorial Air Quality Standards Attainment Program ("Carl Moyer Program") cost effectiveness standards. Specifically, the median (average) offset transaction cost per ton of hydrocarbon (analogous to ROG) and NOx in the Bay Area in 2014 was approximately \$7,000 and \$14,500 respectively. The cost effectiveness standard for the statewide Carl Moyer Program is \$18,030. OCII and the City believe this data constitutes substantial evidence supporting the amount reasonably necessary to offset a ton of emissions. The SEIR utilized the higher Carl Moyer Program cost effectiveness standard amount (\$18,030 per ton) as the amount anticipated to offset the project's ozone precursor emissions. This approach was conservative, in that it represents the highest figure based on available data regarding the cost of providing such offsets.

The BAAQMD does not have an ozone precursor offset purchasing program for development projects. However, BAAQMD has suggested that for it to implement a program, the cost to offset project emissions will exceed the amount determined to be cost effective under the Carl Moyer Program. In response to BAAQMD's November 2, 2015, comment letter, staff recommended, and the OCII Commission approved, an amendment to Mitigation Measure M-AQ-2b. As revised, Mitigation Measure M-AQ-2b provides:

Upon completion of construction, and prior to issuance of certificate of occupancy, the project sponsor, with the oversight of OCII or its designated representative, shall either:

- 1) Pay a mitigation offset fee to the Bay Area Air Quality Management District's (BAAQMD) Strategic Incentives Division in *an amount no less than* \$18,030 per weighted ton of ozone precursors per year requiring emissions offsets plus a 5 percent administrative fee to fund one

or more emissions reduction projects within the San Francisco Bay Area Air Basin (SFBAAB). This fee is intended to fund emissions reduction projects to achieve reductions of 17 tons of ozone precursors per year, the estimated tonnage of operational and construction-related emissions offsets required. Documentation of payment shall be provided to OCII or its designated representative.

The project sponsor shall provide calculations to the satisfaction of OCII or its designated representative of the final amount of emissions from construction activities based on the reporting requirements of Mitigation Measure M-AQ-1, which shall consider the final destination of off-hauled soil and construction waste materials by on-road trucks, contributions from Electrical Power Distribution System Expansion, and the degree of compliance with off-road equipment engine types that were commercially available. If the calculated construction emissions of ozone precursors require offsets in excess of 17 tons per year, then the applicant shall provide the additional offset amount commensurate with the calculated ozone precursor emissions exceeding 17 tons per year.

Acceptance of this fee by the BAAQMD shall serve as an acknowledgment and commitment by the BAAQMD to: (1) implement an emissions reduction project(s) within one year of receipt of the mitigation fee to achieve the emission reduction objectives specified above; and (2) provide documentation to OCII or its designated representative and to the project sponsor describing the project(s) funded by the mitigation fee, including the amount of emissions of ROG and NOx reduced (tons per year) within the SFBAAB from the emissions reduction project(s). If there is any remaining unspent portion of the mitigation offset fee following implementation of the emission reduction project(s), the project sponsor shall be entitled to a refund in that amount from the BAAQMD. To qualify under this mitigation measure, the specific emissions retrofit project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements; or

- 2) Directly implement a specific offset project to achieve reductions of 17 tons per year of ozone precursors (or greater as described in item 1 above). To qualify under this mitigation measure, the specific emissions retrofit project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements. Prior to implementation of the offset project, the project sponsor must obtain OCII's approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NOx to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s). The project sponsor shall notify OCII within six months of completion of the offset project for OCII verification.

(Emphasis Added.)

The revision to Mitigation Measure M-AQ-2b clarifies that the amount of the BAAQMD offset fee is not capped. The fee required under Option 1 will be the fee determined by BAAQMD if and when the project proponent seeks to pay the fee under this first option. While the precise fee is not set by Mitigation Measure M-AQ-2b, the measure requires the fee to be no less than \$18,030 per weighted ton of ozone precursors and an amount sufficient "to fund emission reduction projects to achieve reductions of 17 tons of ozone precursors per year." Pursuant to Mitigation Measure M-AQ-2b, the fee is not due until after completion of construction and after total construction emission have been calculated to confirm the emissions do not exceed 17 tons. Given that construction is anticipated to take approximately 26 months (Draft SEIR, p. 3-46), it is appropriate for the precise fee per ton to be calculated by BAAQMD in the future. While the final amount of the fee will be determined in the future, substantial evidence

demonstrates that emissions can be offset through implementation of an appropriate fee amount established by BAAQMD. The comments by both BAAQMD and this commenter support this conclusion. For example, BAAQMD's November 2, 2015 letter, page 1, states that 17 tons of precursor emissions (i.e., 4.4 tons for ROG and 12.6 tons of NOx) can be offset through the payment of \$620,922. Similarly, the Comment O-MBA24L9-7 states BAAQMD offset mitigation is feasible mitigation. In the event this option is implemented, based on current information in the SEIR and from the BAAQMD, the fee paid to BAAQMD will be in the range of \$321,835 to \$620,922. (Both figures include an administrative fee of 5 percent; the sole difference in the totals is the cost per ton.) This option requires BAAQMD agreement on the amount of the offset fee.

As an alternative to paying BAAQMD offset fee, Mitigation Measure M-AQ-2b authorizes the project proponent to "[d]irectly implement a specific offset project to achieve reductions of 17 tons per year of ozone precursors..." There is nothing novel about air quality offsets, which are commonly purchased throughout areas of California in which existing ambient air quality is polluted enough to require new development projects to seek ways to mitigate expected increases in air pollution. Notably, successful air quality offset projects have previously been implemented within the City. For example, the 34th America's Cup and James R. Herman Cruise Terminal and Northeast Wharf Plaza Project EIR required construction of a long-term shoreside power facility to be developed at the Port's dry dock facility at Pier 70 to offset the project's emissions.¹ This facility provides electrical grid power for ships brought in for unscheduled maintenance, eliminating the need for auxiliary loads to be supplied by on-board diesel generators, which emit much greater amounts of air pollutants. Estimated reductions for year 2013 were 11 tons of reactive organic gases (ROG), 215 tons of nitrogen oxides (NOx), and 6 tons per year of particulate matter (PM10 and PM2.5). The shoreside power facility offset project has since been successfully implemented, and continues to provide emissions reductions. Notably, the State of California has recently formulated an approach to offsets similar to the one proposed for this project, by which the project sponsor could either purchase offsets through an existing air district program or, as an alternative, could purchase its own offsets through an open-market transaction.² Therefore, abundant substantial evidence supports the conclusion that offset projects can be successfully implemented to offset emissions. Furthermore, should the project sponsor desire to comply with Mitigation Measure M-AQ-2b by implementing a specific offset project under option two, the project must first be approved by OCII in order to verify the amount of the offset that will be achieved by implementing the offset project.

Under either option included in Mitigation Measure M-AQ-2b, the project sponsor must achieve reductions of no less than 17 tons of ozone precursors per year, the estimated tonnage of operational and construction-related emissions offsets required for the project. The mitigation measure further provides that the measure must be implemented after "completion of construction" and "prior to issuance of the certificate of occupancy." Therefore, certificates of occupancy will not be issued until the project proponent has paid BAAQMD's offset fee or directly implemented an offset project(s) approved by OCII

¹ San Francisco Planning Department, 2011. *Final EIR on the 34th America's Cup & James R. Herman Cruise Terminal and Northeast Wharf Plaza*. Case No. 2010.0493E. State Clearinghouse No. 2011022040. Certified on December 15, 2011. See Vol. 6, Section 12.13, page 12.13-37.

² Department of Water Resources, December 2013, *Draft EIR/EIS for Bay Delta Conservation Plan*, pp. 22-52 – 22-56. State Clearinghouse No. 2008032062.

to offset no less than 17 tons of ozone precursors per year. While it is anticipated that direct offset projects will be available to achieve this offset, if such offset projects are not available, then the project proponent would need to pay the offset fee required by BAAQMD in order to obtain certificates of occupancy. Therefore, the mitigation measure is enforceable and ensures project operations will not commence until project emissions have been offset.

In sum, based on the above, OCII believes Mitigation Measure M-AQ-2b is feasible and would reduce identified construction and operational air quality impacts described in SEIR Impacts AQ-1, AQ-2, and C-AQ-1.

The commenter asserts that Impact AQ-4 cannot be considered less than significant with mitigation because of the commenter's misinterpretation of the City and project sponsor's discussions with the BAAQMD regarding option 1 of Mitigation Measure M-AQ-2b and his assumption that option 2 of Mitigation Measure M-AQ-2b is infeasible. As described above, OCII, the City, the project sponsor, and the BAAQMD are involved in ongoing discussions regarding the fee amount necessary to offset ozone precursor emissions. The fee required under option 1 will be the fee determined by BAAQMD if and when the project sponsor seeks to pay the fee under this first option. Also, as described above, option 2 is clearly feasible, even though no specific offset emissions has been identified yet. Impact AQ-4 relates to the potential for the proposed project to conflict with, or obstruct implementation of, the *2010 Clean Air Plan*. The Final SEIR determined that this impact would be less than significant with mitigation because the project (1) includes mitigation measures that promote attainment of air quality standards and protection of public health in the Bay Area, and design measures to minimize greenhouse gases emissions; (2) includes applicable control measures from the air quality plan, including transportation control measures and energy and climate control measures; and (3) would not disrupt or hinder implementation of control measures identified in the Clean Air Plan. The proposed project includes feasible mitigation measures that would contribute towards achieving these goals, including Mitigation Measures M-AQ-1 (Construction Emissions Minimization), M-AQ-2a (Reduce Operational Emissions), and M-AQ-2b (Emissions Offsets). Therefore, this impact is appropriately determined to be less than significant with mitigation.

Response to Late Comments PP-3: General Plan Consistency

The commenter asserts there is a project inconsistency with the San Francisco General Plan, citing Policy 4.1 which addresses support and compliance with objectives, policies, and air quality standards of the Bay Area Air Quality Management District.

First, as discussed in SEIR Chapter 4, Plans and Policies, on September 17, 1998, by Resolution No. 14702, the Planning Commission determined that the Mission Bay South Redevelopment Plan provides for a type, intensity, and location of development that is consistent with the overall goals, objectives, and policies of the *General Plan*. Therefore, the project's consistency with the Mission Bay South Redevelopment Plan would ensure that the project would not obviously or substantially conflict with *General Plan* goals, policies, or objectives. (See, e.g., *PR/JSM Rivara LLC v. Community Redevelopment Agency* (2009) 180 Cal.App.4th 1475, 1482-1483 [distinguishing between "adopting a redevelopment plan and implementing one" and stating that while "the redevelopment agency must find that the redevelopment plan conforms to the general plan, that determination is made prior to the adoption of the plan"] (original emphasis).) As discussed in Final SEIR Section 13.5.2 (Response PD-1), evidence supports

the conclusion that the project is consistent with the objectives and policies set forth in the Mission Bay South Redevelopment Plan. The ultimate determination of consistency is made by the designated decision-maker, in this case, the OCII Executive Director.

Nevertheless, with respect to November 2, 2015 BAAQMD letter cited by the commenter, the commenter is referred to the Response to Late Comment AQ-1 in Section 10 of this Exhibit D. The BAAQMD's November 2, 2015 letter does not establish that the CARB cost effectiveness criteria are inappropriate for determining the offset costs under Mitigation Measure M-AQ-2b. Based on the information and analysis presented in the Draft SEIR, the Responses to Comments and supporting technical analyses, Planning Department and OCII staffs continue to believe that the offset fee established in Mitigation Measure M-AQ-2b is sufficient to achieve the required emissions offsets. In addition, as discussed in the Responses to Comments document, Mitigation Measure M-AQ-2b has been revised since publication of the Draft SEIR to allow the project sponsor to directly implement an emissions offset project as an alternative to entering into an agreement with the BAAQMD.

Accordingly, the BAAQMD letter does not result in the project not being consistent with the San Francisco Master Plan Policy 4.1 for supporting and complying with objectives, policies, and air quality standards of the BAAQMD. In addition, the BAAQMD letter does not result in the project not being consistent with supporting BAAQMD in its monitoring of air pollution sources; regulating new construction; maintaining its alert, permit and violation systems; or developing more cost effective controls and methods of enforcement. Furthermore, the letter from the BAAQMD does not alter the analysis or conclusions reached in the Final SEIR.

Response to Late Comment AQ-1: Emissions Offsets Mitigation Measure

1. Mitigation Off Set Fee

The Bay Area Air Quality Management District (BAAQMD) letter states that a mitigation fee of \$18,030 per weighted ton per year (plus a 5 percent administrative fee) identified in Mitigation Measure M-AQ-2b of the SEIR is insufficient to achieve the required reduction of 17 tons per year of ozone precursors. The letter proposes that the mitigation fee should be based on the BAAQMD's Vehicle Buy Back Program, at a cost of \$620,922 (or approximately \$36,525 per weighted ton per year, plus a 5 percent administrative fee) to achieve the required emissions reduction.

As discussed in the Draft SEIR (pp. 5.4-41 to 5.4-42) and the RTC document (pp. 13.13-65 to 13.13-69), the offset fee identified in Mitigation Measure M-AQ-2b is based on the California Air Resources Board (CARB) Carl Moyer program cost-effectiveness criteria. These criteria were developed by CARB to establish the upper limit for emissions offset projects eligible to receive funding through the Carl Moyer program. The Guidelines adopted by CARB, including those establishing cost-effectiveness criteria, apply to air district programs State-wide, and thus are relevant to determining the appropriate amount of an offset fee in the Bay Area.

Planning staff has been in communication with BAAQMD with regard to its statement that a higher fee may be warranted to offset project emissions. Planning staff has engaged in these communications in order to understand the rationale underlying BAAQMD's statement that an increased rate beyond that of

the Carl Moyer Program plus a 5 percent administrative fee could meet the “rough proportionality” standard required under CEQA.

The Carl Moyer fee structure was reviewed and updated by CARB in March of 2015 and became fully implemented on July 1, 2015. The offset costs cited in Mitigation Measure M-AQ-2b Emission Offsets are consistent with those of the CARB and other operating California air districts. For example, in the Sacramento Metropolitan Air Quality Management District, the off-site construction mitigation fee rate is \$18,030 per ton of excess NOx emissions as of July 1, 2015 (plus an administrative fee of 5 percent) and is based on the cost effectiveness formula established in California's Carl Moyer Incentive Program. In the San Joaquin Valley Air Pollution Control District, the Indirect Source Review (ISR) program requires that an offsite reduction fee of \$9,350 per ton plus a 4 percent administration fee be applied for NOx emission reductions that cannot be achieved through onsite emission reduction measures. Furthermore, the offset costs in Mitigation Measure M-AQ-2b is consistent or even higher than comparable offset programs in the San Francisco Bay Area Air Basin (SFBAAB).³ In particular, CARB prepares an annual report summarizing Emission Reduction Offset Transaction Costs under New Source Review and similar programs. The most recent report is for the year 2014. CARB reports that the median cost for NOx offsets during 2014 was \$14,500 per ton, with a high cost of \$15,000 per ton. For hydrocarbon offsets, the median cost was \$7,000 per ton, with a high cost of \$9,542 per ton. These figures indicate that the mitigation measure – which requires payment of a fee of “not less” than \$18,030 – may already be significantly higher than the established market for offsets in the Bay Area. The CARB report also indicates that there is an established, functioning market for such offsets in the Bay Area, demonstrating the feasibility of this measure.⁴

The BAAQMD’s November 2, 2015, letter does not establish that the CARB cost-effectiveness criteria are inappropriate for determining the offset costs under Mitigation Measure M-AQ-2b. Based on the information and analysis presented in the Draft SEIR, the RTC document, and supporting technical analyses, Planning Department and OCII staffs continue to believe that the offset fee established in Mitigation Measure M-AQ-2b is reasonable and sufficient to achieve the required emissions offsets. Nevertheless, in response to BAAQMD’s November 2, 2015 comment letter, staff recommended, and the OCII Commission approved, an amendment to Mitigation Measure M-AQ-2b. The revision to Mitigation Measure M-AQ-2b clarifies that the amount of the BAAQMD offset fee is not capped. As revised, Mitigation Measure M-AQ-2b provides:

Upon completion of construction, and prior to issuance of certificate of occupancy, the project sponsor, with the oversight of OCII or its designated representative, shall either:

- 1) Pay a mitigation offset fee to the Bay Area Air Quality Management District’s (BAAQMD) Strategic Incentives Division in *an amount no less than* \$18,030 per weighted ton of ozone precursors per year requiring emissions offsets plus a 5 percent administrative fee to fund one or more emissions reduction projects within the San Francisco Bay Area Air Basin (SFBAAB). This fee is intended to fund emissions reduction projects to achieve reductions of 17 tons of

³ Keinath, Michael, Rambol Environ, 2015. Analysis of the Proposed Offset Program for the Golden State Warriors. October 19, 2015.

⁴ California Air Resources Board, *Emission Reduction Offset Transaction Costs -- Summary Report for 2014 (April 2015)*, pp. 17-18.

ozone precursors per year, the estimated tonnage of operational and construction-related emissions offsets required. Documentation of payment shall be provided to OCII or its designated representative.....

(Emphasis Added.)

This revision will enable the project sponsor to continue discussions with the BAAQMD to determine the amount of the appropriate fee, while establishing a “floor” of \$18,030 per ton. The payment of this fee requires an agreement between BAAQMD and the project sponsor regarding the amount of the fee. If BAAQMD and the project sponsor are unable to reach agreement, then this fee will not be paid to BAAQMD.

In addition, as discussed in the RTC document, Mitigation Measure M-AQ-2b has been revised since publication of the Draft SEIR to provide the project sponsor with a second option under this measure to directly implement an emissions offset project as an alternative to entering into an agreement with the BAAQMD. To qualify under this option, the specific emissions retrofit project must result in emission reductions within the SFBAAB that would not otherwise be achieved through compliance with existing regulatory requirements. Prior to implementation of the offset project, the project sponsor must obtain OCII’s approval of the proposed offset project by providing documentation of the estimated amount of emissions of ROG and NO_x to be reduced (tons per year) within the SFBAAB from the emissions reduction project(s).

As an alternative to paying BAAQMD an offset fee, Mitigation Measure M-AQ-2b authorizes the project sponsor to “[d]irectly implement a specific offset project to achieve reductions of 17 tons per year of ozone precursors...” There is nothing novel about air quality offsets, which are commonly purchased throughout areas of California in which existing ambient air quality is polluted enough to require new development projects to seek ways to mitigate expected increases in air pollution. The requirement to reduce ozone precursors by 17 tons thus serves as a specific, quantifiable performance standard that the project sponsor must achieve.

Notably, successful air quality offset projects have previously been implemented within the City. For example, the 34th America’s Cup and James R. Herman Cruise Terminal and Northeast Wharf Plaza Project EIR required construction of a long-term shoreside power facility to be developed at the Port’s dry dock facility at Pier 70 to offset the project’s emissions.⁵ This facility provides electrical grid power for ships brought in for unscheduled maintenance, eliminating the need for auxiliary loads to be supplied by on-board diesel generators, which emit much greater amounts of air pollutants. Estimated reductions for year 2013 were 11 tons of reactive organic gases (ROG), 215 tons of nitrogen oxides (NO_x), and 6 tons per year of particulate matter (PM₁₀ and PM_{2.5}). The shoreside power facility offset project has since been successfully implemented, and continues to provide emissions reductions. Notably, the State of California has recently formulated an approach to offsets similar to the one proposed for this project, by which the project sponsor could either purchase offsets through an existing air district program or, as an

⁵ San Francisco Planning Department, 2011. *Final EIR on the 34th America’s Cup & James R. Herman Cruise Terminal and Northeast Wharf Plaza*. Case No. 2010.0493E. State Clearinghouse No. 2011022040. Certified on December 15, 2011. See Vol. 6, Section 12.13, page 12.13-37.

alternative, could purchase its own offsets in an open-market transaction.⁶ Therefore, evidence supports the conclusion that offset projects can be successfully implemented to offset emissions. Furthermore, should the project sponsor desire to comply with Mitigation Measure M-AQ-2b by implementing a specific offset project under option two, the project must first be approved by OCII in order to verify the amount of the offset that will be achieved by implementing the offset project.

Under either option included in Mitigation Measure M-AQ-2b, the project sponsor must achieve reductions of no less than 17 tons of ozone precursors per year, the estimated tonnage of operational and construction-related emissions offsets required for the project. The mitigation measure further provides that the measure must be implemented after “completion of construction” and “prior to issuance of the certificate of occupancy.” Therefore, certificates of occupancy will not be issued until the project sponsor has either (1) paid BAAQMD’s offset fee as per an agreement between BAAQMD and the project sponsor, with the amount of the fee not less than \$18,030 per ton, or (2) directly implemented an offset project(s) approved by OCII to offset no less than 17 tons of ozone precursors per year. While it is anticipated that direct offset projects will be available to achieve this offset, if such offset projects are not available, then the project sponsor would need to pay the offset fee required by BAAQMD in order to obtain certificates of occupancy. Therefore, the mitigation measure is enforceable and ensures project operations will not commence until project emissions have been offset.

For the reasons summarized above and discussed in greater detail in the SEIR and RTC document, the November 2, 2015 letter from the BAAQMD does not alter the analysis or conclusions reached in the SEIR. OCII believes Mitigation Measure M-AQ-2b is feasible and would reduce identified construction and operational air quality impacts described in SEIR Impacts AQ-1, AQ-2, and C-AQ-1.

2. Rough Proportionality

Commenters disagree with the rough proportionality interpretation used in the development of Mitigation Measure M-AQ-2b. However, the commenter is mistaken that the fee charged in other areas of the state are irrelevant. Rather, the fee charged in other Northern California locations provide a direct comparison of the industry standard within the same geographic region. Moreover, the Carl Moyer Guidelines apply State-wide, and therefore encompasses the Bay Area. Nevertheless, as described above, the mitigation measure has been revised to indicate that the amount of the BAAQMD offset fee is not capped.

3. Emissions Offset Duration of Benefits

Commenters assert that emissions offsets may be unacceptably short-lived. OCII disagrees. As a condition of project approval, the project sponsor has committed to implementing all mitigation measures identified in the Final SEIR, including Mitigation Measure M-AQ-2b, Emissions Offsets. Mitigation Measure M-AQ-2b requires that offset project(s) achieve an annual 17 ton reduction. BAAQMD (option 1) or OCII (option 2) would be responsible for determining that the offset project meets the requirements of the measure. OCII staff disagrees with the assertion that the project sponsor will not comply with their obligation. OCII reasonably concluded BAAQMD can and should comply with full attainment of emissions offset under option 1, and similarly, it must be assumed that under option 2,

⁶ Department of Water Resources, December 2013, *Draft EIR/EIS for Bay Delta Conservation Plan*, pp. 22-52 – 22-56, State Clearinghouse No. 2008032062.

OCII would comply with its obligations pursuant to the mitigation measure. The mitigation measure includes clear language specifying the purpose and intent of the emission offset project, such that the estimated annual amount of ROG and NO_x to be reduced within the SFBAAB would offset the project emissions.

Appeal of Tentative Parcel Map

Hearing Date: 8 December, 2015

Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

File No. 151204

Planning Case No. 2014.1032Q

Exhibit 2

Memo from Michael Keinath and Catherine Mukai from Ramboll Environ

November 30, 2015

MEMO

To **Paul Mitchell, ESA**
 From **Michael Keinath**
Catherine Mukai

1. **Availability of Ozone Precursor Offsets in the BAAQMD**

Date November 30, 2015

When permitting a new stationary source in the Bay Area Air Quality Management District (BAAQMD), if emissions of the ozone precursors ROG and NOx exceed 35 tons per year a facility needs to provide offsets, either through purchase or contemporaneous emissions reduction credits (ERCs). To facilitate this process, the BAAQMD has set up a system whereby ERCs can be either banked by a facility for future use or sold to another facility on an open exchange. The emissions reductions from offsets must be real, permanent, quantifiable, and enforceable (BAAQMD Rule 2-2-201).

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The BAAQMD reports transactions of ERCs annually to the California Air Resources Board (CARB), which then publishes them along with transactions from all air districts in the state.¹ As shown in Figure 1 below, over a period from 1999 through 2014 in the BAAQMD, an average of 205 tons of reactive organic gases (ROG)² ERCs were purchased per year and an average of 342 tons of nitrogen oxide (NOx) credits were purchased.³ During that same period, the average cost of a ROG ERC was approximately \$11,000 per ton and a NOx ERC was \$11,500 per ton (not adjusted for inflation).

¹ <http://www.arb.ca.gov/nsr/erco/erco.htm>. As of 30 November 2015, this website has annual reports for 1999 – 2014. While 1993 – 1998 are reflected in an appendix to the 1999 report, those data are not summarized here.

² In the CARB report, ROG is referred to as HC or hydrocarbon.

³ There were five years (2002, 2004, 2005, 2011, 2012) when there were no NOx transactions recorded.

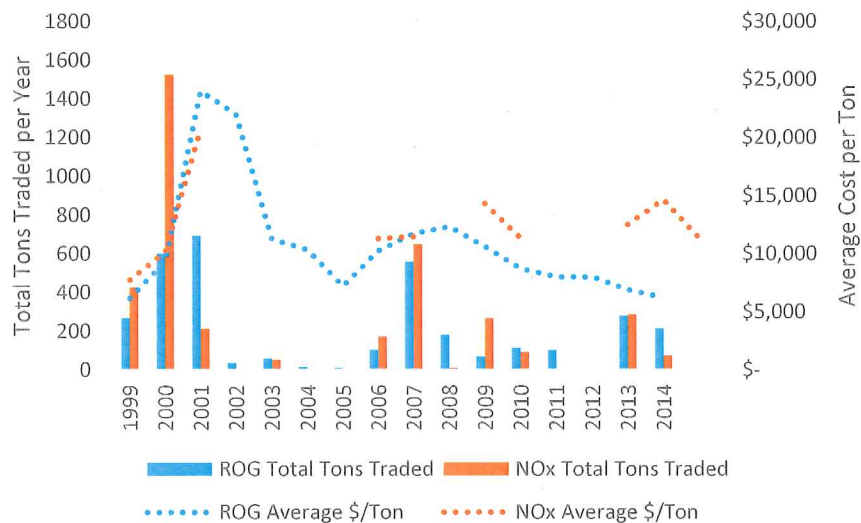


Figure 1: Emissions Reduction Credit Sales History in the BAAQMD

As is evident from Figure 1, when transactions occur, there are always more credits available than the 17 tons identified in the Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 Final Subsequent Environmental Impact Report, which is roughly 12.5 tons per year of NOx and 4.5 tons per year of ROG. Based on historical precedent, there is more than enough supply to cover the required offset.

To understand the current market and the availability of NOx and ROG ERCs in the BAAQMD, we contacted Christine Grandstaff of Evolution Markets, a specialist brokerage firm for U.S. environmental trading markets.⁴ She indicated that there are several sellers of both NOx ERCs and POC (precursor organic compounds, another term for ROG) ERCs in the BAAQMD with more than enough available ERCs to cover the potential 17 tons per year (tpy) needed. She also indicated that the current price ranges for the ERCs are:

- NOx ERCs: \$12,000 - \$18,000/tpy
- ROG ERCs: \$6,000 - \$8,500/tpy

Based on the 12.5 tons per year of NOx and 4.5 tons per year of ROG in the SEIR, the maximum offset cost would be roughly \$263,000. This is well below the \$620,922 requested by the BAAQMD in their comment letter dated November 2, 2015.

⁴ E-mail from Christine Grandstaff, Evolution Markets, to Michael Keinath, Ramboll Environ, on 25 November 2015 (included as attachment).

From: [Christine Grandstaff](#)
To: [Michael Keinath](#)
Subject: RE: NOx and POC in the BAAQMD
Date: Tuesday, November 24, 2015 10:39:33

Hi Michael,

It was good to chat with you yesterday. As we discussed, there are several sellers of both NOx ERCs and POC ERCs in the Bay Area Air Quality Management District. There is more than enough available ERCs to cover your clients potential 17 tpy need. The price ranges for the ERCs are as follows:

NOx ERCs: \$12,000-\$18,000/tpy

POC ERCs: \$6,000 - \$8,500/tpy

I hope this information is helpful. Please let me know if you have any questions.

Thanks,

Christine

Christine Grandstaff - Director, Western US Emissions
Evolution Markets Inc.
27801 Golden Ridge Lane :: San Juan Capistrano, CA 92675
P: +1 949.496.8000
F: +1 949.496.2673 :: M: +1 949.212.7123
cgrandstaff@evomarkets.com

-----Original Message-----

From: Michael Keinath [<mailto:mkeinath@ramboll.com>]
Sent: Monday, November 23, 2015 11:01 AM
To: Christine Grandstaff <cgrandstaff@evomarkets.com>
Subject: NOx and POC in the BAAQMD

Hi Christine -

Per our conversation, could you please advise on the availability of both NOx and POC ERCs in the BAAQMD and their expected costs? Please let me know if you have questions. Thanks so much!

Best regards,

Michael

Sent from my iPhone

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Appeal of Tentative Parcel Map

Hearing Date: 8 December, 2015

Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

File No. 151204

Planning Case No. 2014.1032Q

Exhibit 3

Planning Commission Motion No. M-19502,

November 5, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input checked="" type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input type="checkbox"/> Other (Public Art Fee, Sec. 429) |
| <input checked="" type="checkbox"/> Transit Impact Development Fee (Sec. 411) | |

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Planning
Information:
415.558.6377

Planning Commission Motion No. 19502

HEARING DATE: NOVEMBER 5, 2015

Date: November 5, 2015
Case No.: **2014-002701OFA**
Project Address: **Mission Bay South Blocks 29 & 31**
Zoning: Mission Bay Commercial-Industrial-Retail
HZ-5 Height and Bulk District
Block/Lot: 8722/001
Project Sponsor: David Kelly, Golden State Warriors, LLC
1011 Broadway
Oakland, CA 94607
Staff Contact: David Winslow – (415) 558-6377
david.winslow@sfgov.org
Recommendation: **Approval with Conditions**

ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) AND FINDINGS RELATING TO THE DESIGN APPROVAL PURSUANT TO PLANNING COMMISSION RESOLUTION NO. 14702 AND MOTION NO. 17709, FOR TWO NEW BUILDINGS WITH A TOTAL OF APPROXIMATELY 577,000 GROSS SQUARE FEET OF OFFICE USE, APPROXIMATELY 54,000 SQUARE FEET OF RETAIL SPACE, AND UP TO 546 OFF-STREET PARKING SPACES, ON PROPERTY THAT RECEIVED AN ALLOCATION OF 677,020 GROSS SQUARE FEET OF OFFICE USE PURSUANT TO PLANNING COMMISSION RESOLUTION NO. 17709, ON ASSESSOR’S BLOCK 8722, LOT 001, AKA MISSION BAY SOUTH BLOCKS 29 AND 31 IN THE MISSION BAY SOUTH REDEVELOPMENT AREA WITHIN THE MISSION BAY COMMERCIAL-INDUSTRIAL-RESIDENTIAL ZONING DISTRICT AND HZ-5 HEIGHT DISTRICT.

PREAMBLE

Whereas, GSW Arena LLC (“GSW” or “Project Sponsor”), an affiliate of the Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team, proposes to construct a multi-purpose event center and a variety of mixed uses, including office, retail, open space, and structured parking on an approximately 11-acre site on Blocks 29-32 (Assessor’s Block 8722, Lots 1 and 8) in Mission Bay South Redevelopment Area (the “Event Center Project”). The Event Center Project

site is bounded by South Street on the north, 3rd Street on the west, 16th Street on the south, and the future planned realigned Terry A. Francois Boulevard on the east.

Whereas, on October 09, 2015, the Golden State Warriors, (hereinafter "Project Sponsor") filed Application No. 2014-002701OFA with the City and County of San Francisco Planning Department ("Department") for design approval and authorization of 577,000 gross square feet of office use in two new buildings, that are part of the Event Center Project, the "South Street Building" located on a portion of Block 29 of the Mission Bay South Redevelopment Project Area ("MBS Redevelopment Project Area"), and the "16th Street Building" located on a portion of Block 31 in the MBS Redevelopment Project Area, pursuant to Planning Commission Resolution No. 14702 and Motion No. 17709, on Assessor's Block 8722, lot 001, aka Mission Bay South Blocks 29 - 32.

Whereas, the South Street Building and the 16th Street Building are part of the Event Center Project and the design of these two buildings are the only elements of the Event Center Project that is subject to Planning Commission action.

Whereas, the Office of Community Investment and Infrastructure ("OCII") is the successor to the former Redevelopment Agency of the City and County of San Francisco and administers the development of projects in the MBS Redevelopment Project Area.

Whereas, the OCII and the Planning Department, together acting as co-lead agencies for conducting environmental review for the MBS Redevelopment Project Area, and other permits, approvals and related and collateral actions related to the Mission Bay South Redevelopment Project (the "MBS Project"), prepared and certified a Final Subsequent Environmental Impact Report (the "Mission Bay FSEIR"). The Agency and Commission certified the Mission Bay FSEIR for the MBS Project on September 17, 1998 by Resolution No. 182-98 and Resolution No. 14696, respectively. Also on September 17, 1998, the Agency and the Commission, by Resolution No. 183-98 and Resolution No. 14697, respectively, adopted environmental findings (and a statement of overriding considerations, that the unavoidable negative impacts of the MBS Project are acceptable because the economic, social, legal, technological and other benefits of the MBS Project outweigh the negative impacts on the environment) pursuant to the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. ("CEQA") and State CEQA Guidelines, Title 14 California Code of Regulations Sections 15000 et seq. ("CEQA Guidelines") in connection with the approval of the MBS Plan and other MBS Project approvals. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and by Resolution No. 854-98 adopting environmental findings (and a statement of overriding considerations).

Whereas, the OCII, in accordance with CEQA and the CEQA Guidelines, and acting in its capacity as lead agency under CEQA Section 20167 for projects in the Mission Bay Project Area, determined that the Event Center Project required preparation of a Final Subsequent Environmental Impact Report ("FSEIR"). The OCII prepared the Event Center Project FSEIR, which tiers off the Mission Bay FSEIR. The Event Center Project FSEIR consists of the Draft Subsequent Environmental Impact Report ("GSW DSEIR"), the comments received during the review period, any additional information that became available after the publication of the GSW DSEIR, and the Responses to Comments document, all as required by law, copies

of which are available through Jonas P. Ionin, the Planning Department custodian of records as described below and are incorporated herein by reference.

Whereas, the requested design approval is an implementation action pursuant to and within the scope of the project analyzed in the Event Center Project FSEIR. On November 3, 2015, the Commission on Community Investment and Infrastructure reviewed and considered the FSEIR and, by Resolution No. 69-2015, certified the FSEIR in compliance with CEQA. Said certification included minor technical errata to the Responses to Comments of the FSEIR and the Project mitigation monitoring and reporting program as set forth in the November 3, 2015 memorandum from Environmental Science Associations to Sally Oerth, Office of Community Investment and Infrastructure, which is incorporated in this motion by this reference. The Commission on Community Investment and Infrastructure then adopted required findings under CEQA by Resolution No 70-2015, and took various approval actions including an approval of amendments to the Mission Bay South Design for Development ("MBS D for D") by Resolution No. 71-205, and conditional approval of the Major Phase and combined Basic Concept and Schematic Design of the Event Center Project by Resolution No. 72-2015.

Whereas, on November 3, 2015, the San Francisco Municipal Transportation Agency ("SFMTA") Board of Directors, acting in its capacity as a responsible agency for the Event Center Project, as such term is defined in CEQA, Public Resources Code Section 21069, after a duly noticed public hearing, adopted SFMTA Resolution No. 15-154, which includes required findings under CEQA, including a Statement of Overriding Considerations ("CEQA Findings"), and the above mentioned errata, and took various approval actions in regard to the Event Center Project. Said Resolution and the SFMTA CEQA Findings are incorporated herein by reference. The FSEIR files, other Project-related OCII files, and other materials have been available for review by the Planning Commission and the public with the OCII Board Secretary at 1 S. Van Ness, 5th Floor, San Francisco, CA 94103, through Jonas P. Ionin, the Planning Department custodian of records as described below, and at www.gsweventcenter.com, and those files are incorporated herein by reference and made part of the record before this Commission.

Whereas, the Planning Commission, acting in its capacity as a responsible agency under CEQA, has reviewed and considered the information contained in the FSEIR for the Event Center Project and the SFMTA CEQA Findings.

Whereas, on September 17, 1998, the Planning Commission (hereinafter "Commission") determined that the Mission Bay South Redevelopment Plan ("MBS Plan") (Planning Department Case No. 96.771EMTZR), provides for a type, intensity, and location of development that is consistent with the overall goals, objectives, and policies of the General Plan, as well as the Eight Priority Policies of Section 101.1(b) of the Planning Code ("Code"), in Planning Commission Resolution No. 14702.

Whereas, on September 17, 1998, the Commission authorized a total of 5,953,600 gross square feet of office use from the Office Development Annual Limit, as defined in Planning Code Sections 320, 321 and 322, for the proposed Mission Bay North and Mission Bay South Redevelopment Plans, as noted in Planning Commission Resolution No. 14702.

Whereas, on July 16, 2008, the Commission, by Motion No. 17709 authorized, pursuant to Resolution No. 14702 and Planning Code Section 321, the creation of the Alexandria Mission Bay Life Sciences and

Technology District ("Development District"), for which previously allocated office space and future allocations would be limited by this authorization to 1,350,000 leasable square feet of office space, until entirely allocated, as further described below. Blocks 29-32 are included in the Development District and have been allocated a total of 677,020 sf. of office space pursuant to Motion No. 17709.

Whereas, Motion No. 17709 provided that authorization for construction of future buildings with an office component in the Development District would be subject to Commission review with regard to design for compliance with the MBS D for D and in accordance with Resolution No. 14702.

Whereas, the Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2014-002701OFA at 1650 Mission Street, Fourth Floor, San Francisco, California.

Whereas, on November 5, 2015, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2014-002701OFA.

Whereas, 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, Department staff, and other interested parties.

MOVED, that the Commission in relation to the actions set forth in this Motion hereby adopts the SFMTA CEQA Findings as its own and,

FURTHER MOVED, that the Commission hereby approves the design for construction of the South Street Building and the 16th Street Building and authorizes 577,000 gross square feet of Office Development requested in Application No. 2014-002701OFA, pursuant to the criteria established in Planning Commission Resolution No. 14702 and Motion No. 17709, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The site is located in the MBS Redevelopment Project Area, in the MBS Plan's Commercial-Industrial-Retail Zoning District, and the MBS D for D's Height Zone 5 (HZ-5). Lot 001 in Assessor's Block 8722, also known as MBS Block 29-32, is approximately 11 acres, and is bounded to the north by South Street, to the west by Third Street and to the South Street by 16th street, and to the west by Third Street. The site is currently partially occupied by paved, metered surface parking.
3. **Project Description.** On portions of MBS Blocks 29 and 31, the proposal would construct two new office buildings, the 16th Street Building and the South Street Building, with a total of

approximately 640,000 gross square feet. The South Street Building is a 342,272 gross square foot, 11-story building, approximately 160-feet in height, located at the corner of Third Street and South Street. The 16th Street Building is an 11-story, approximately 160-foot tall building containing approximately 297,694 gross square feet, situated near the corner of Third Street and 16th Street. A common access driveway on 16th Street will provide loading and service to both buildings. A large publicly accessible open space plaza, approximately 1-acre, is centrally located between the two office buildings. The proposal includes up to 577,000 square feet of office and approximately 19,400 square feet of ground floor retail. Specifically, the South Street Building would contain approximately 309,436 square feet of office space, while the 16th Street Building would contain approximately 267,486 square feet of office space. A total of 950 off-street parking spaces will be located in an at-grade and underground parking garage that is part of the Event Center Project, 546 spaces would be dedicated for the office uses, and 124 bicycle parking spaces located on-site in ground floor bike rooms will be dedicated to the office and retail uses.

4. **Public Comment.** The Mission Bay Citizen's Advisory Committee (CAC) is the official community group leading the community process for the Event Center Project. The CAC has discussed the Event Center Project, and related topics, at its May, August, September, October, November and December 2014 meetings, as well as three other meetings in March and April 2015. The Schematic Designs were discussed by the Mission Bay CAC at the March and April 2015 meetings, and again on October 8, 2015 when the CAC voted unanimously to recommend approval of the designs. In addition to meeting with the CAC, the GSW and OCII/City staff have also reached out to other stakeholders, including:
- Mission Bay life science community
 - Neighborhood leaders from: South Beach, Rincon Hill, Mission Bay, Dogpatch, and Potrero Hill
 - UCSF
 - San Francisco Giants
 - San Francisco Bicycle Coalition
 - Walk San Francisco
 - Local residents and business/merchants
 - Regional transportation providers such as BART, Caltrain, WETA, Golden Gate Transit, and Caltrans.

On October 6, 2015 the University of California San Francisco endorsed the Event Center Project; on October 8, and on October 20, 2015 the Mission Bay life science community, represented by thirteen of the largest biotech companies in San Francisco, officially supported the Event Center Project.

5. **Planning Commission Resolution No. 14702.** Under Planning Commission Resolution No. 14702, the Commission determined that the office development contemplated in the MBS Plan in particular promotes the public welfare, convenience and necessity, and was consistent with the factors set forth in Sections 321(b)(3)(A)-(G).

In considering the guidelines set forth in Section 321(b)(3)(A)-(G), the Commission determined that the apportionment of office space over the anticipated 30-year build-out of the MBS

Redevelopment Project Area will remain within the limits set by Section 321, and will maintain a balance among economic growth, housing, transportation, and public services, pursuant to terms of the MBS Plan and Plan Documents, which provide for the appropriate construction and provision of housing, roadways, transit, and all other necessary public services in accordance with the Infrastructure Plan (as defined in the MBS Plan Documents).

The development of office space is an element of the MBS Plan, which, among other things, provides for: "Strengthening the economic base of the Plan Area and the community by strengthening retail and other commercial functions in the Plan Area through the addition of approximately 335,000 leasable square feet of retail space ... and about 5,953,600 leasable square feet of mixed office, research and development and light manufacturing uses."

The Commission further determined in Resolution No. 14702 that it would review any specific office development subject to Sections 320-325 to confirm that the design of that office development is consistent with the findings in Resolution No. 14702 using the design standards and guidelines in the MBS D for D and upon such a determination would issue a project authorization for the proposed development.

6. **Mission Bay South Design for Development Standards.** The MBS D for D is a companion document to the MBS Plan. It contains Design Standards and Design Guidelines, which apply to all development within the MBS Plan Area. The MBS Plan provides that the Plan and other documents adopted with Plan, including the MBS D for D, supersede the San Francisco Planning Code in its entirety, except as otherwise provided in the MBS Plan.

The D for D has been amended by OCII (or its predecessor agency) four times since its adoption in 1998, most recently on November 3, 2015 by Resolution No. 71-2015. This fourth amendment was approved primarily to address the unique characteristics of the Event Center Arena that is a component of the Event Center Project. The amendments included minor changes that relate to design standards and guidelines relevant to the 16th Street Building and South Street Building. These included allocation of an unused tower from Height Zone 2 to Height Zone 5 (for an amended total of 4 instead of 3 towers within HZ-5) the designation of the fourth tower location on Blocks 29 or 31, and minor adjustments to the HZ-5 developable area percentages to accommodate the Event Center Project, and the addition of minimum tower separation requirements between a tower and Event Center building.

The proposed 16th Street Building and South Street Building conform to the MBS Plan and the amended MBS D for D standards and guidelines as described below in findings 7 and 8, respectively:

In MBS, development plans for buildings are preceded by the approval of a Major Phase, which generally covers one or several MBS blocks and in which such items as the general appearance, site planning (program of uses, estimated: range of development density, parking, loading, square footage of each use and schedule for development, utilities, transit, vehicular, pedestrian

and bicycle circulation, open space, private and public) and streetscape are considered. Any major phase should also meet the MBS Plan and MBS D for D standards and guidelines.

The Major Phase and Schematic Design for Blocks 29 to 32 was combined into a single review and approval by the Office of Community Investment and Infrastructure Commission on November 3, 2015 by Resolution No. 72-2015.

7. **Office of Community Investment and Infrastructure Compliance.** At the November 3, 2015 meeting, the Office of Community Investment and Infrastructure (OCII) Commission found and determined that the Major Phase and Schematic Design for the entire Event Center and Mixed Use Development Project are, on balance, consistent with the Commercial Industrial Guidelines of the MBS D for D, and is consistent with MBS D for D as amended. The 16th Street Building and the South Street Building are specifically consistent with MBS D for D Design Standards and Commercial/Industrial Guidelines in the following manner:

- a) Land Use. Blocks 29 & 31, as shown in Map 2, Land Use Plan of the MBS D for D, is within a designated Commercial Industrial Retail District.

The 16th Street Building and the South Street Building are allowed principal uses under the MBS Redevelopment Plan.

- b) Height. According to Map 4 of the D for D, Blocks 29 & 31 are within Height Zone-5 (HZ-5), which has the following development controls:

Base Height:	90'
Base Height Coverage:	90% of HZ-5
Tower Height:	160'
Tower Height Coverage:	10% of HZ-5. Max. Number of Towers: 4, 2 of which must be on Blocks 29 or 31
Location of Towers:	No tower permitted in Blocks 26a, 28, 30, 32, 34 & X4.
Corners:	Except for 16 th Street and Third Street, no intersection to allow more than 2 towers within 50' of the corner.
Tower Separation:	100' when located on the same block, and a minimum of 40', between and a tower and an Event Center
Orientation:	Towers along 3rd Street not to exceed 160'
Mechanical Equipment:	Exempt from the Height limitation. The exemption is limited to the top 36' (20' for a mechanical penthouse, 16 for top of a ventilator stack) of such features where the height limit is more than 65'.

The proposed development of MBS Blocks 29 and 31 consists of two office buildings with bases of 90' and towers of a maximum height of 160-ft.

The proposal complies with the 100' separation of towers and with the 40' separation from the Event Center building; as required in the D for D.

Mechanical equipment would be located on the roof and screened from view, the maximum height of the proposed screens would be 16' for the 16th St. Building and 14'-9" for the South St. Building.

- c) Bulk. Bulk controls apply above 90' and include the following standards:

Maximum Plan Length: 200'
Maximum Floor Plane: 20,000 square feet

The 16th Street Building has a maximum plan length of 199-feet and a maximum floor plane of 20,000 square feet.

The South Street Building has a maximum plan length of 192-ft 6-in and a maximum floor plane of 20,000 square feet.

- d) Setbacks.

Required Setbacks: 5' setback on east side of Third Street from one block south of Channel to Mariposa Street.

The development of the South Street building proposes ground floor setbacks that range from 35' to 55' from the sidewalk; and the 16th Street building proposes ground floor setbacks that range from 10' to 35' from the sidewalk in anticipation of high pedestrian volumes due to the proposed Event Center.

- e) Coverage and Streetwall. In Commercial Industrial Districts the D for D Document sets forth the following requirements:

Coverage: Non Applicable.

Streetwall:

Minimum Length: Minimum 70% of block frontage length along primary streets required (Third Street and the Commons, a.k.a. Mission Bay Boulevard are considered primary streets; (70% refers to the total measurement from street to street with no exceptions for pedestrian walkways, except for 3rd and 16th Street frontages surrounding an Event Center).

Minimum Height: 15'.

Maximum Height: Height not to exceed 90' (except for mid-rise, Event Center, and towers.)

Corner Zone Conditions: At all intersections along primary streets, build to streetwall at all corners for a distance of 50'. Height of buildings at the corners to be no less than 15'.

Required Stepbacks: Buildings HZ-5 along the Commons (Mission Bay Boulevard) are required to use a stepback of 30' from the property line at the 55' height and 110' from the property line at the 90' height.

Projections: Architectural projections over a street, alley, park or plaza shall provide a minimum of 8' of vertical clearance over the sidewalk or other surface above which they are situated.

The minimum streetwall height would be approximately 90-ft, and the maximum streetwall height to be 160-ft for the buildings along Third Street.

The proposed building frontages along Third and 16th Streets complies with minimum streetwall lengths and corner conditions and heights at corners per amendments to the MBS D for D.

- f) Sunlight Access to Open Space. As the MBS D for D indicates, additional shadow analysis will not be required unless, as part of a specific project application, the project applicant seeks a variance from the standards determining the shape and location of buildings.

No exception is required as part of this application.

- g) Wind Analysis. The MBS D for D indicates that wind review will be required for all projects that include buildings over 100' in height. The height of the proposed building would be 160'.

A Pedestrian Wind Study was prepared by RWDI for this Site. The Study considered the development proposed in the application. The final Report, dated April 15, 2015 concludes that the, wind conditions at grade around the development were predicted to not to exceed hazard levels year-round.

- h) View Corridors. View corridors follow street alignments and are based on the following principles: to preserve orientation and visual linkages to the Bay, as well as vistas to hills, the Bay Bridge and downtown skyline; to preserve orientation and visual linkages that provide a sense of place within Mission Bay. View Corridors may terminate in buildings rather than vistas in certain circumstances; a view corridor on MBS Blocks 29-32 may terminate in an Event Center that provides an important architectural statement as recommended in the MBS D for D Commercial Industrial Guidelines.

The proposed 16th Street and South Street Buildings do not block any view corridors as defined above.

- i) Parking. The number of off-street parking spaces required and/or allowed for uses within MBS applicable to the 16th Street Building and South Street Building, as indicated in the D for D are the following:

Office:	Maximum and minimum, one space for each 1,000 square feet of gross floor area.
Retail:	Maximum, one space for every 500 square feet of gross floor area for up to 20,000 square feet; 1 space per 250 over 20,000 gross feet. Restaurants: 1 space per 200.
Bicycle Parking:	One secure bicycle parking space must be provided for every 20 vehicular parking spaces or fraction thereof.

Based on the gross square footage indicated on the application for Planning Code Section 321 (b) determination for development of Blocks 29 & 31, the maximum number of allowable parking spaces required would be: life science/office uses (545,877 adjusted gross square feet, per OCII calculations) 546 spaces required and provided. Based on the proposed retail area and uses that are part of the office buildings, 130 parking spaces are required. Based on the above, 34 secured bike parking spaces are required. 60 class 1 secured bike spaces are provided at the ground level of the 16th St. building; and 64 class 1 secured bike spaces are provided at the ground level of the South St. Building. The 18,064 seat Event Center requires 1 space per 50 seats. The Event Center Project is providing a total of 950 spaces on site and 132 spaces at 450 South Street Parking Garage; therefore the parking provided for the 16th Street and South Street Buildings complies with the required standard.

- j) Loading. The number of loading spaces required and/or allowed for uses within MBS, provided per gross square feet, as indicated in the MBS D for D are the following:

Retail:	One space for retail uses between 10,001 and 60,000 square feet.
Commercial:	Two spaces for commercial uses between 200,001 and 500,000 square feet.
Dimensions:	At least 10' wide, 35' long and 14' high.

Based on those ratios, the total number of loading spaces would be three. However, based on a loading study for the Event Center Project as a whole including the office uses, the corresponding Major Phase Application indicate thirteen loading spaces located within the structured parking and combined with a parking entrance, satisfying the dimensional requirements indicated in the MBS D for D.

8. Mission Bay South Design for Development Design Guidelines-Commercial Industrial Guidelines. The Applicable Design Guidelines include:

a) View Corridors

"View corridors are defined by the Mission Bay street grid....View corridors are primarily to retain views to the Bay, the Channel and the down skyline and to reinforce visual linkages between the UCSF campus and surrounding development. In a few locations in Mission Bay (e.g. near the Freeway and on Blocks 29-32 to accommodate and an Event Center Project) view corridors may terminate in buildings rather than in vistas."

The 16th Street and South Street Buildings are not located within any view corridors.

b) Open Spaces

"Encourage the development of publicly-accessible open spaces at ground level. Where feasible, design these open spaces in relation to local-serving retail such as cafes and to the public open space network".

The 16th Street Building and the South Street Building are within the larger development of the Event Center Project on MBS Blocks 29-32 which contemplates the construction of two major publicly

accessible open spaces. The Main Plaza is located between the office buildings, along Third Street, and the second is located at the northwest corner of 16th Street and Terry Francois Boulevard. The main plaza is a one-acre publicly accessible open space that is elevated 8 feet above grade. It gradually terraces from the street level by stairs, ramps, and landscape features to be visually and physically and accessible. It is bordered by commercial uses.

Building plans include approximately 6,400 square feet of retail space located on the ground floor along Third Street, and approximately 10,000 of retail space directly adjacent to the main plaza on two levels.

The smaller 25,000-square foot Southeast Plaza at the corner of Terry Francois and 16th Street leads into the secondary entrance to the Event Center Project and will be used as the primary entrance for events with reduced attendance. A 300-space bicycle valet facility is located on this plaza, and an additional overflow, temporary bicycle corral could be located in this plaza for events anticipated to attract a larger number of bicycle riders. A similar overflow bicycle corral could be provided on other plaza areas throughout the site as needed.

c) Pedestrian Walkways

“Walkways are encouraged to enhance the pedestrian experience in the Commercial Industrial area...Walkways to mid-block open spaces or courtyards are encouraged.”

In addition to the plazas, there are public walkways that wrap around the exterior of the north and eastern-sides of the Event Center to connect the Main Plaza to the Food Hall, Bayfront overlook, main concourse entry, Bayfront Terrace exterior entry, and 16th Street.

d) Streetwall

“Commercial areas in San Francisco are noted for streets with buildings at the property line where there is little or no space between the buildings. This historical pattern of development gives San Francisco its intense urban quality and should be a model for Mission Bay development. Commercial Industrial Buildings shall be continuous at the property line on streets, except for occasional breaks in the streetwall.”

“Setbacks up to 10' from the property line are allowed within a continuous streetwall.”

“Variations from the streetwall are allowed to create open space, pedestrian circulation space, mid-block lanes and landscaping areas.”

The ground level of building facades at Third Street would be set back at an angle from the property or setback line to accommodate large pedestrian traffic that integrate ramps, stairs, and landscaping that transition from grade to the raised public open space at the Main Plaza. Additionally, a gatehouse anchors the visual terminus of the 'vara' along Third St. The design balances a traditional streetwall at the corners along Third Street with a public plaza that opens onto Third Street. The design of the office buildings and landscape at ground level is supportive of the street wall and the public plaza.

This approach would be consistent with the traditional development pattern that gives San Francisco a vibrant and visually interesting urban quality, as sought by the MBS Design for Development Guidelines.

e) Streetwall Height

“Within high density commercial areas of San Francisco such as downtown and South of Market, a typical ratio of street width to streetwall height is approximately 1: 1.25”. “The building-street relationship in Mission Bay Commercial Industrial areas should reflect this city pattern.”

Third Street, the relation of streetwall height to the width of the Street (except for the tower portion) would not exceed the typical ratio found in the high density commercial areas of San Francisco.

f) Pedestrian Scale

“Office and other commercial buildings are encouraged to be active and to incorporate visually interesting details and/or decoration into the design of the building base”.

“Large scale city-serving retail development should attempt to maintain an inviting pedestrian experience on the street. Street level frontage, where feasible, should be primarily devoted to entrances, shop windows, displays and other visually interesting features ... An attempt should be made to maintain a continuous block façade line consistent with block development throughout Mission Bay.”

Plans for the 16th Street and South Street Buildings on MBS Blocks 29 & 31 show approximately 6,400 square feet of retail space and office lobbies fronting Third Street and additional 3000 sf. of retail at a separate “Gatehouse” Building. The ground floor uses are defined by building setbacks that create identifiable transitions to the entries and horizontally articulated by the third floor above.

For both the 16th Street Building and the South Street Building, the vertical clearance from the ground floor to the bottom of the third floor above would be approximately 25’, which would establish an appropriate grand and inviting pedestrian scale. In each case, this building overhang would mitigate the street-level wind conditions identified in the corresponding Wind Study). The exterior expression of the South Street Building facade consists of a glass storefront system that is lined with almost continuous active uses that wrap from South Street, along Third and into the main plaza. The 16th Street Building also employs scalar features and materials along Third St. but due to the location of the building core, employs materials on the 16th Street façade to impart a human-scale.

g) Curb Cuts

“In order to preserve the continuity and quality of the pedestrian environment, curb cuts for parking and service uses are strongly discouraged along Third Street”.

No curb cuts are proposed along Third Street. The preservation, continuity and quality of the pedestrian environment would be further enhanced with the centralization of all interior loading operations accessible from 16th Street.

h) Height Locations

"The predominant commercial height zone in Mission Bay allows buildings to a maximum of 90' high. Buildings up to 160' high may be constructed within a percentage of the developable area of each height zone as indicated in the Design Standards."

The proposed development of Block 29-32 consists of five buildings: The South Street and 16th Street buildings which will raise to a height of 160'; the Event Center arena which will raise to 135'; a 43' high Food Hall and retail building, and a 36' high Gatehouse building. The placement of the different buildings heights within the site takes into account the proximity to parks, the shoreline, views and potential towers in the neighboring blocks. The MBS D for D was amended to allocate an unused tower in Height Zone 2 to Height Zone 5. Height Zone 5 would thus allow for 4 towers.

i) Skyline Character

"Skyline character is a significant component of the overall urban composition that is San Francisco and the guidelines encourage development which will complement the existing city pattern and result in new, attractive view element as seen from vantage points."

The building massing proposed for the development of Block 29-32 is consistent with the existing city pattern of low buildings near the waterfront, which contributes to the gradual tapering of heights from the hilltops to the water that is characteristic of San Francisco and allows views to the Bay. The towers vary in setback distance from Third Street, which adds to the compositional effect of adding variety.

j) Building Base

"For pedestrians, the character of the building base is important in establishing a comfortable scale and environment and should be designed to achieve this ... Variety at street level for pedestrian scale can be achieved through the use of design features such as stairs, entries, expressed structural elements, arcades, projections, rusticated materials and landscaping."

The proposed location and massing of the 16th Street Building and South Street building podiums anchors the two main corners of Third and South and Third and 16th, while continuing a street wall, and framing a major public open space.

The base of the western side of the South Street Building is set back 50' from the property line to allow for increased pedestrian volumes. The base would be characterized by a 25' high transparent glass storefront containing corner retail and the main building lobby. The upper floors of the podium would over hang the base to provide a sheltered transition space from rain and wind. (See corresponding

Wind Study). The building entrance is highlighted by a projecting canopy. A transparent and active lobby wraps around and continues to engage with South Street.

The base of the western side of 16th Street Building shares most of the characteristics of the base of the South Street Building (expression of structural columns, use of clear glass, recessed entries and an overhang). Sculptural use of materials and a landscaped 23' setback along 16th continue the ground level of the 16th Street Building.

k) Roofscape

"Recognizing that Mission Bay building roofs may be visible from higher surrounding locations, they should be designed consistent with the distinctive architecture of the building". "Roofs should use non-reflective, low intensity colors". "Mechanical equipment should be organized and designed as a component of the roofscape and not appear to be a leftover or add-on element. Mechanical equipment should be screened as provided in the Design Standards."

The plans and elevations for the proposed 16th Street Building and South Street buildings indicate that mechanical equipment and rooms, stairs and elevator penthouses, as shown on plans would be organized and screened from view with corrugated metal panel enclosures. The podium roofs, which would be visible from other tall buildings, are proposed as green roofs.

l) Visual Interest

"To mitigate the scale of development and create pedestrian friendly environment, building massing should be modulated and articulated to create interest and visual variety".

The forms of both office buildings take their cue from the curved form of the Event Center. The podiums are expressed differently to express and interlock with the towers. The 16th Street Building confidently anchors the street corner with the podium wrapping around its sides, whereas the South Street Building is setback from its corner and allows the podium wrap into the Main Plaza with curved forms, to create an invitational gesture for pedestrians.

The design of both buildings balances the horizontality that results from the height and bulk of the podiums by massing and plane shifts. Vertical and horizontal articulation occurs through the use of changes in planes between the base levels and the podium levels using serrated planes of glass and mid-scale massing shifts. The materials and patterning are deliberate and subtle but accentuate the clarity of the forms. The vertical glazing/mullion pattern of the curtain walls of the podiums also help vertically articulate the predominantly horizontal buildings.

The proposed modulation and articulation of the buildings create interest and visual variety, as sought by the MBS D for D Design Guidelines.

m) Color and Materials

“Extreme contrast in materials, colors, shapes and other characteristics which will cause buildings to stand out in excess of their public importance should be avoided.”

For both office buildings, the building designs proposes a harmonious palette of light colored materials (combinations of clear vision glass, fritted spandrel panels, and resin coated wood panels,) that would be consistent with the proposed building materials, avoids extreme contrasts and would reflect the generally light tone character of San Francisco buildings.

9. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. 14702, Case No. 96.771EMTZR (General Plan Consistency Findings and Office Development Authorization, pursuant to Planning Code Sections 320-325) apply to this Motion, and are incorporated herein as though fully set forth.
10. The Commission has reviewed the design standards and guidelines in the MBS D for D and the project design and finds that (1) the MBS D for D standards and guidelines will ensure a quality design, (2) the proposed project is consistent with the MBS D for D and the findings set forth in Commission Resolution 14702, and (3) approval of the design of the proposed project 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 Development Application No. 2014-002385OFA**, subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, in general conformance with the plans stamped Exhibit B and dated February 5, 2015, on file in Case Docket No. 2014-002385OFA.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 Office-Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption 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 at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

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 Planning Commission ADOPTED the foregoing Motion on November 5, 2015.

Jonas P. Ionin
Commission Secretary

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

NAYS: None

ABSENT: None

ADOPTED: November 5, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for the office design of two buildings of the proposed project ("Office Allocation Authorization"), which includes approximately 577,000 gross square feet of office use located at Mission Bay South Blocks 29 and 31, Lot 001 in Assessor's Block 8722, pursuant to Planning Code Sections 321 and 322 within MBS C-I-R Zoning District and HZ-5 Height and Bulk District, and in conformance with Planning Commission Resolution No. 14702 and Motion No. 17709; in general conformance with plans, dated November 3, 2015, and stamped "EXHIBIT B" included in the docket for Case No. 2014-002701OFA and subject to conditions of approval reviewed and approved by the Commission on November 5, 2015 under Motion No. 19502. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

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 November 5, 2015 under Motion No. 19502.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19502 shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference the Office Development Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

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 Development authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

The Project Sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this Motion every six months from the date of this approval through the issuance of the first temporary certificate of occupancy. Thereafter, the submittal of the report shall be on an annual basis. This requirement shall lapse when the Zoning Administrator determines that all the conditions of approval have been satisfied or that the report is no longer required for other reasons.

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

Diligent Pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Office Allocation Authorization was approved.

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

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

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

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

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

Development Timeline - Office. Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within 18 months 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 Office Allocation Authorization.

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

DESIGN

Project Design. The Project Sponsor shall continue to work with Department and OCII staff in refining certain aspects of the architectural design, finishes and detailing.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6377,
www.sf-planning.org*

PROVISIONS

Transit Impact Development Fee. Pursuant to the MBS Plan, the Project shall comply with the provisions of Planning Code Sections 411 (formerly Chapter 38 of the Administrative Code), adjusted to be consistent with the MBS Plan and Plan documents as determined by OCII. Accordingly, the TIDF fee shall be paid at the rate effective at the issuance of the first construction document.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6377,
www.sf-planning.org*

Child Care Requirement. Pursuant to MBS Plan, the Project shall comply with the provisions of Planning Code Section 414, the Child-Care Requirements for Office and Hotel Development Projects, through payment of an in-lieu fee.

*For information about compliance, contact the Case Planner, Planning Department at 415-575-9159,
www.sf-planning.org*

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

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

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

OPERATION

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact the Case Planner, Planning Department at 415-575-9159, www.sf-planning.org

Appeal of Tentative Parcel Map

Hearing Date: 8 December, 2015

Mission Bay South Blocks 29-32, Assessor's Block No. 8722, Lot Nos. 1 and 8

File No. 151204

Planning Case No. 2014.1032Q

Exhibit 4

Planning Director Memo,

November 16, 2015



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: November 16, 2015

TO: Tiffany Bohee, Executive Director, Office of Community
Investment and Infrastructure
Mohammed Nuru, Director, San Francisco Public Works
Bruce Storrs, San Francisco City and County Surveyor

CC: Barbara Moy, San Francisco Public Works
Paul Mabry, San Francisco Public Works
Corey Teague, Assistant Zoning Administrator
Joy Navarrete, Senior Environmental Planner
Elaine Warren, Deputy City Attorney

FROM: John Rahaim, ~~Director of Planning~~

RE: Golden State Warriors Event Center & Mixed Use Development

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415.558.6409

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Information:
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This memo is to provide clarification to questions raised by Thomas N. Lippe in letters to the Planning Commission dated November 5, 2015, and to the Bureau of Street Use and Mapping on November 6, 2015, regarding the office design review by the Planning Commission on November 5, 2015, for the Golden State Warriors Event Center, Mission Bay South Blocks 29 and 31. In that letter, Mr. Lippe questioned the total amount of office space that the Planning Department identified in its staff report as subject to the office allocation requirements under Proposition M. The staff report determined that the Warriors were proposing to construct a total of 576,922 square feet of office in two buildings. The South Street building would contain 309,436 square feet of office space, and the 16th Street building would contain 267,486 square feet of office space.

Mr. Lippe pointed out that this excluded 25,000 square feet of office space in the arena building, which the SEIR said would be part of the project (SEIR, Table 3-1, pages 3-17). The Planning Department did not include the approximately 25,000 square feet of office space in its calculations of office space requiring an allocation under the provisions of Proposition M because management office space within and supporting the 750,000 square foot event center use is a minor accessory use to the event center use and not a separate office component under Planning Code Section 204.

Mr. Lippe also questioned the amount of office space currently authorized for the subject property, which the staff report stated as 677,020 square feet. The subject property is in fact authorized for up to 677,020 square feet of office development, per the following actions:

- **Creation of the Alexandria District:**

Planning Commission Motion 17709 (attached) established the Alexandria Mission Bay Life Sciences and Technology Development District ("District") in 2008. That motion combined several previous office allocations within the District boundaries into an aggregate pool of 1,122,980 square feet and authorized Alexandria Real Estate Equities, Inc. ("Alexandria") to request 227,020 additional square feet of allocation for a total of 1,350,000 square feet for the District. The previous allocations had allocated office space presuming that the proposed buildings would have 100% office occupancy. In fact, laboratory use, rather than office, occupied significant portions of the floor space of most of these previously proposed buildings, so that 100% office allocation was not needed. The District, which included additional properties besides those that had already received allocations, was created so that office space within the District would comprise approximately 50% of the built-out square footage, but any individual building could have up to 100% of its area used as office. Subsequent to approval of Motion 17709, Alexandria by letters to the Planning Department in 2010 and 2011, requested allocation of the additional 227,020 square feet of office allocation (attached letters dated November 5, 2010, and October 21, 2011) so that it had secured the full 1,350,000 square feet of office space authorization by the end of 2011.

- **Transfer of Office Allocation Within District**

Motion 17709 also authorized Alexandria to transfer any amount of office allocation from the aggregate pool to any property within the District upon transfer of ownership. At no time could Alexandria transfer more office allocation to a property within the District boundaries than was remaining within the District aggregate pool. On December 7, 2010, Alexandria reported to the Planning Department that it transferred the property commonly referred to as Mission Bay South Development Blocks 29, 30, 31, and 32 to Bay Jacaranda No. 2932, LLC, a Delaware limited liability company (attached). As part of that transfer, Alexandria allocated 677,020 square feet of the office space authorization in the District pool to the transferred property. Alexandria also advised that it had transferred 1455 Third Street and 1515 Third Street to Bay Jacaranda No. 2627 LLC, a Delaware limited liability company, with 422,980 square feet of office authorization, and Blocks 33 and 34 to Bay Jacaranda No. 3334, LLC, a Delaware limited liability company, with no office authorization. Thus as shown in an August 27, 2013 accounting from Alexandria (attached), by that date it had transferred 1,100,000 square feet of the 1,350,000 square feet of office allocation and retained 250,000 square feet.

- **Golden State Warriors Site Office Allocation**

As stated, in December 7, 2010, Alexandria reported to the Zoning Administrator that it had transferred Mission Bay South Development Blocks 29, 30, 31, and 32 to Bay Jacaranda No. 2932, LLC, with 677,020 square feet of office space authorization. Bay Jacaranda No. 2932, LLC, in its most recent report to the Planning Commission on September 15, 2015, confirmed that Mission Bay South Development Blocks 29, 30, 31, and 32 continued to be allocated 677,020 square feet of office space (attached).

Based on this documentation, the subject property currently contains a total of 677,020 square feet of office space authorization. The project approved by the Planning Commission on November 5, 2015 for office development on Blocks 29 and 31 contains approximately 576,922 square feet of office space. Thus, the proposed office development on these blocks is within the office allocation approved by the Planning Commission by Motion No. 17709 and this project required no additional office allocation beyond that previously approved in Motion No. 17709.



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ☐ Inclusionary Housing (Sec. 315)
- ☐ Jobs Housing Linkage Program (Sec. 313)
- ☐ Downtown Park Fee (Sec. 139)

- ☒ First Source Hiring (Admin. Code)
- ☐ Child Care Requirement (Sec. 314)
- ☒ Exactions to be administered by Redevelopment Agency

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Planning Commission Motion 17709

HEARING DATE: OCTOBER 2, 2008

Date: September 18, 2008
Case No.: 2008.0850B
Project Address: Mission Bay South Blocks 26, 27, 29-32, 33-34, and 41-43
Zoning: Commercial-Industrial and Commercial Industrial Retail Districts
HZ-5 and HZ-7 Height Districts
Project Sponsor: Ms Terezia Nemeth
Alexandria Real Estate Equities, Inc
1700 Owens Street, Suite 500
San Francisco, CA 94158
Staff Contact: Craig Nikitas – (415) 558-6306
craig.nikitas@sfgov.org

ADOPTING FINDINGS PURSUANT TO RESOLUTION 14702 AND TO SECTIONS 321 AND 322 OF THE PLANNING CODE FOR PROJECT AUTHORIZATION UNDER THE ANNUAL OFFICE LIMITATION PROGRAM, FOR CREATION OF AN ALEXANDRIA MISSION BAY LIFE SCIENCES AND TECHNOLOGY DEVELOPMENT DISTRICT ("DEVELOPMENT DISTRICT"), FOR WHICH PREVIOUSLY ALLOCATED OFFICE SPACE AND FUTURE ALLOCATIONS WOULD BE LIMITED TO 1,350,000 SQUARE FEET, DISTRIBUTED AMONG DESIGNATED BUILDINGS ON PARCELS OF THE DEVELOPMENT DISTRICT OVER THREE ALLOCATION PERIODS, WITH REPORTING REQUIREMENTS, STIPULATING THAT FUTURE DEVELOPMENTS UNDERGO DESIGN APPROVAL PURSUANT TO PLANNING COMMISSION RESOLUTION 14702, AND ADOPTING ENVIRONMENTAL FINDINGS, FOR BLOCKS 26, 27, 29-32, 33-34, AND 41-43, IN THE MISSION BAY SOUTH REDEVELOPMENT AREA, IN COMMERCIAL-INDUSTRIAL-RETAIL AND COMMERCIAL-INDUSTRIAL ZONING DISTRICTS, AND HZ-5 AND HZ-7 HEIGHT DISTRICTS.

PREAMBLE

On September 17, 1998, by Resolution No. 14702, the Planning Commission (hereinafter "Commission") determined that the Mission Bay South Redevelopment Plan ("MBS Plan") provides for a type, intensity, and location of development that is consistent with the overall goals, objectives, and policies of the General Plan, as well as the Eight Priority Policies of Section 101.1(b) of the Planning Code ("Code").

Under that Resolution, the Commission also determined that the office development contemplated in the MBS Plan in particular promotes the public welfare, convenience and necessity, and therefore, that the

determination required pursuant to Section 321 *et seq.* of the Code for office development shall be deemed to have been made for all specific office development projects undertaken pursuant to the MBS plan.

Further, the Commission considered under Resolution 14702 the guidelines set forth in Section 321(b)(3)(A)-(G) and determined that the apportionment of office space over the anticipated 30-year build-out of the South Plan Area will remain within the limits set by Section 321, and will maintain a balance among economic growth, housing, transportation, and public services, pursuant to terms of the MBS Plan and Plan Documents, which provide for the appropriate construction and provision of housing, roadways, transit, and all other necessary public services in accordance with the Infrastructure Plan (as defined in the MBS Plan Documents).

In its consideration of Resolution 14702, the Commission reviewed the design guidelines of the MBS Plan Area, as set forth in the MBS Design for Development Document ("D for D") and determined that the standards and guidelines in the D for D will ensure the design quality of any proposed office development. The Commission resolved to review and approve the designs of specific office developments in the Plan Area using the D for D guidelines and standards, when such proposals would be subject to the provisions of Section 321 *et seq.*, to confirm that said development is consistent with the findings set forth in Resolution 14702.

The Commission further resolved that, upon confirming that a specific development is consistent with the findings set forth in Resolution 14702, the Commission would issue a project authorization for that development.

The development of office space is an element of the MBS Plan, which, among other things, provides for: "Strengthening the economic base of the Plan Area and the community by strengthening retail and other commercial functions in the Plan Area through the addition of approximately 335,000 leasable square feet of retail space ... and about 5,953,600 leasable square feet of mixed office, research and development and light manufacturing uses."

On July 16, 2008, Ms. Terezia Nemeth of Alexandria Real Estate Equities Inc. ("Project Sponsor") filed Application No. 2008.0850B ("Application") with the Planning Department ("Department"), requesting project authorization pursuant to Resolution 14702 and Planning Code Section 321, for creation of the Alexandria Mission Bay Life Sciences and Technology District ("Development District"), for which previously allocated office space and future allocations would be limited by this authorization to 1,350,000 leasable square feet of office space, until entirely allocated, as further described below ("Project").

On September 25, 2008, the Commission continued on Case No. 2008.0850B to a duly noticed public hearing at a regularly scheduled meeting of October 2, 2008.

On October 2, 2008, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2008.0850B.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony

In evaluating the Project's Application, the Commission has reviewed and considered the Summary and Draft Motion, and other materials pertaining to this Project in the Department's case files, has reviewed and heard testimony and received materials presented on behalf of the applicant, Department staff, and other interested parties.

Motion 17709
Hearing Date: October 2, 2008

CASE NO 2008.0850B
Alexandria Mission Bay L.S. & T. District

MOVED, that the Commission hereby approves the Development District and authorizes the phased office space allocation pursuant to Section 321 *et seq.* as requested by Case 2008.0850B, subject to these findings and the conditions contained in Exhibit A, attached hereto and incorporated herein by reference, based on the following findings:

FINDINGS

Having reviewed the materials identified in the Preamble and 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. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing the Mission Bay South ("MBS") Plan pursuant to and in accordance with Community Redevelopment Law of the State of California
3. **Site Description and Present Use.** The Development District comprises Blocks 26, 27, 29-32, 33-34, and 41-43, in the Mission Bay South Project Area, all located in Commercial-Industrial-Retail and Commercial-Industrial Zoning Districts, and HZ-5 and HZ-7 Height Districts. The following map delineates the Development District, with designated blocks shaded in dark tone:



Alexandria Real Estate Equities is a major developer of life science and technology buildings in Mission Bay. Their holdings in the Blocks of the Development District are approximately 25.8 acres in total area. These properties have previously received approximately 1.126 million square feet of large cap office allocation, and presently undeveloped sites could be built with approximately an additional 1.7+ million square feet of potential office space (including three active applications).

Several parcels on these blocks have been developed with or are under construction of previously authorized biotech-office projects, or with parking structures and other infrastructure and uses permitted or required by the MBS Plan and Plan Documents.

4. **Previous Office Authorizations.** Previous Commission authorizations for office uses in the Development District are summarized in the Table 1 below:

MB South Block	Address	Case #	Motion	Date	Status	Previous Allocation
41-43 / 1	1700 Owens St	2002.0301B	16397	05/02/02	complete	160,100
41-43 / 4	1600 Owens St	2006.1216B	17332	10/26/06	complete	228,000
41-43 / 5	1500 Owens St	2006.1212B	17333	10/26/06	complete	158,500
26	1455 Third St	2006.1509B	17401	03/22/07	constr'n	373,487
27	1515 Third St	2006.1536B	17400	03/22/07	constr'n	202,893
Total						1,122,980

Table 1: Previously Approved Alexandria Mission Bay Office Allocations

5. **Pending Office Authorizations.** Three projects are pending before the Commission for authorization and design review. Under the terms of the Development District, they would not be allocated individual office allowances, but would draw square footage from one pooled allocation established for the entire Development District, following approval of their designs. These projects, calendared for consideration by the Commission at this hearing, are summarized below in Table 2:

MB South Block	Address	Case #	Max. Potential Office Area
30	600 Terry Francois Bl	2008.0484B	312,932
32	650 Terry Francois Bl	2008.0483B	291,367
41-43 / 7	1450 Owens St	2008.0690B	61,581
Total			665,880

Table 2: Pending (Active) Alexandria Development District Office Applications

6. **Future Office Authorizations.** Remaining lots on Blocks 29, 31, 33, and 34 are proposed to be developed with potential office space to the maximum areas as shown below in Table 3:

MB South Block	Address	Potential Office Area
29 and 31	unknown	515,700
33-34	unknown	400,000
Total		915,700

Table 3: Future Potential Alexandria Development District Office Applications

7. **Project Description:** In order to provide flexibility in the leasing and use by, and to meet the needs of modern life science and technology tenants, project authorizations for such buildings in Mission Bay have previously been allocated office square footage from the annual limit as though these buildings would have 100% office occupancy. In fact, laboratory use, rather than office, currently occupies a significant portion of the floor space of most of these buildings.

The proposed Development District provides for the condition that 100 percent of the potential office space in each building is not needed, and therefore sets a limit to the office space authorized for all office development in the Development District at 50 percent of the build-out. Any individual building within the Development District could have up to 100% of its area used as office, but the total office use allocation within the Development District is capped until the entire allocation is utilized within the District. Upon demonstration to the Zoning Administrator by the Project Sponsor that the Development District's allocation is fully utilized, then and only then may the Project Sponsor or its successors and transferees file applications for additional allocations of office space.

Creation of a Development District comprising the Project Sponsor's Mission Bay holdings would allow each building within the Development District to expand or contract the amount of its office space, while keeping the aggregate amount of office allocation in the Development District at or below the total allocated amount.

The previously approved projects as allocated at 100% office total 1,122,980 leasable square feet. Three immediately pending projects, with active applications for authorization before this Commission, have total potential office occupancy of 665,880 square feet. Remaining future build-out in the Development District, for which applications have not yet been filed, would have potential office areas of 915,700 leasable square feet. Therefore, within the Development District, total potential office use if all buildings were fully occupied by office uses would total approximately 2.7 million leasable square feet.

Project Sponsor has stated that it can meet its current business requirements and the needs of its current and potential tenants with an allocation of about 50% of the total floor space proposed for development, or 1.35 million leasable square feet out of a total 2.7 million leasable square feet slated for construction. With allocations already approved, Project Sponsor could thus request an additional 227,020 leasable square feet under the provisions of this authorization.

The Zoning Administrator letters regarding classification of office, Science Administration, Science Support and Laboratories space, dated August 28, 2001 and April 22, 2002 and attached to this Resolution as Exhibits B and C respectively will be used in administering the Development District.

Conditions of Approval shall require the following:

- requiring each building with an office component larger than 25,000 square feet to undergo design review and Planning Commission approval in accord with Resolution 14702;
- requiring semi-annual reporting to ensure that the Development District allocation is not exceeded;
- allocating the additional 227,020 leasable square feet sufficient to reach 50% of the leasable area occupied as office, over several approval periods (allocation years) upon application by Project Sponsor;

- requiring that if developed properties transfer ownership, the office allocation assigned to that parcel will be set as a maximum allocation for that site, and deducted from the available allocation within the Development District;
 - requiring that if undeveloped parcels transfer ownership, that a maximum allocation be established for each such site, and deducted from the available allocation within the Development District;
8. **Environmental Review:** The Agency and the Planning Department, together acting as co-lead agencies for conducting environmental review for the MBS Plan, and other permits, approvals and related and collateral actions related to the Mission Bay Redevelopment Project (the "Project"), prepared and certified a Final Subsequent Environmental Impact Report (the "FSEIR"). The Agency and Commission certified the FSEIR for the Project on September 17, 1998 by Resolution No. 182-98 and Resolution No. 14696, respectively. Also on September 17, 1998, the Agency and the Commission, by Resolution No.183-98 and Resolution No. 14697, respectively, adopted environmental findings (and a statement of overriding considerations, that the unavoidable negative impacts of the Project are acceptable because the economic, social, legal, technological and other benefits of the Project outweigh the negative impacts on the environment) pursuant to the California Environmental Quality Act ("CEQA") and State Guidelines in connection with the approval of the MBS Plan and other Project approvals. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and by Resolution No. 854-98 adopting environmental findings (and a statement of overriding considerations).

To date, the Agency and Planning Department have prepared six addenda to the Mission Bay FSEIR. The first, dated March 21, 2000, analyzed interim parking lots for the Giants ballpark project. The second, dated June 20, 2001, addressed Infrastructure Plan revisions related to 7th Street bike lanes and relocation of a storm drain outfall. In a third addendum dated February 10, 2004, the Agency revised the South D for D with respect to the maximum allowable number of towers, tower separation and required step-backs. The Agency also revised the South D for D with respect to the permitted maximum number of parking spaces for bio-technical and similar research facilities, and to make certain changes to the North Owner Participation Agreement between Catellus Development Corporation and the Agency to reflect a reduction in permitted commercial development and associated parking, all as described in a fourth addendum dated March 9, 2004. Addendum #5, dated October 4, 2005, considered information contained in the certified UCSF Long Range Development Plan ("LRDP") FEIR. Finally, Addendum #6, dated September 10, 2008, considered information contained in a Draft Environmental Impact Report for UCSF Medical Center at Mission Bay ("UCSF DEIR") to analyze (1) at a project level for the first phase of the Mission Bay Medical Center, and (2) at a programmatic level the a second phase of the medical center ("Proposed Medical Center"). The UCSF DEIR was "tiered"¹ from the program-level environmental analysis presented in the LRDP FEIR and focused on environmental effects that were not fully considered in the program level analysis of the LRDP FEIR.

Pursuant to the California Public Resources Code (PRC) Section 21090 and Section 15180 of the State CEQA Guidelines, all public and private activities or undertakings pursuant to or in furtherance of a redevelopment plan constitute a single project, and the FSEIR on the Redevelopment Plan shall be

¹ See CEQA Guidelines sections 15152(d) and 15168 (c) and (d).

treated as a program EIR with no subsequent EIRs required for individual components of the Redevelopment Plan because events specified in PRC Section 21166 and State CEQA Guidelines Sections 15162 or 15163 have not occurred. Specifically, no substantial changes in the Project, no substantial changes in the circumstances under which the Project is being undertaken, and no new information has become available that would cause new significant environmental impacts. Also, no mitigation measures or alternatives previously found to be infeasible have been found to be feasible, and no different mitigation measures or alternatives that would substantially reduce one or more significant effects of the Project have been identified. The application for Case 2008.0850B, requesting project authorization pursuant to Resolution 14702 and Planning Code Section 321, for creation of the Alexandria Mission Bay Life Sciences and Technology District ("Implementing Action"), is an undertaking pursuant to and in furtherance of the Plan pursuant to CEQA Guidelines Section 15180.

The Planning Commission, based upon its review of the FSEIR, hereby finds that: (1) the Implementing Action does not incorporate modifications into the Project analyzed in the FSEIR and will not require important revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously-identified significant effects; (2) no substantial changes have occurred with respect to the circumstances upon which the Project analyzed in the FSEIR was undertaken which would require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of effects identified in the FSEIR; (3) no new information of substantial importance to the Project analyzed in the FSEIR has become available which would indicate (a) the Implementing Action will have significant effects not discussed in the FSEIR; (b) significant environmental effects will be substantially more severe, (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FSEIR will substantially reduce one or more significant effects on the environment; (4) the Implementing Action is within the scope of the Project described and analyzed in the FSEIR; and (5) no new environmental documentation is required.

9. Section 321- Available Allocation: Section 304.11 of the MBS Plan and Planning Code Sections 320 through 325, prohibit office development of MBS from exceeding the annual limitation pursuant to Planning Code Section 321 *et seq.*

At present, Project Sponsor, has allocations permitting occupancy of 1,122,980 leasable square feet of office. Applications are calendared for authorization for the three pending projects listed in Table 2 that have a combined potential office area of 665,880 leasable square feet. With approval of those projects but no additional allocation at present, that would approve approximately 1,788,860 square feet of potential office, with an authorization of 63 percent of the total building area (completed plus authorized space) for office use.

As of October 18, 2009 or thereafter, and in accordance with Planning Code Sections 321-322, the Project Sponsor could request a modified allocation of an additional 100,000 square feet for the Development District. As of October 18, 2010 or thereafter, Project Sponsor could request a modified allocation of an additional 100,000 square feet for the Development District. As of October 18, 2011 or thereafter, Project Sponsor could request a modified allocation of a final 93,000 square feet for the Development District. Upon the final allocation, a total of 1,418,931 square feet would be allocated among a final build-out of 2,837,512 square feet of potential office space, or 50% of office use within the buildings of the District.

Allocation Date	New Allocation	Cumulative Allocation	Cumulative Build Out	Percent Allowed For Office
Before 9/25/08	0	1,122,980	1,122,980	100%
On 9/25/08	0	1,122,980	1,788,860	63%
After 10/18/09	100,000	1,222,980	2,140,378*	57%*
After 10/18/10	100,000	1,322,980	2,488,945*	53%*
After 10/18/11	27,020	1,350,000	2,698,000	50%
Total	227,020	* Estimated- future applications may vary		

Table 4: Allocation Schedule for the Development District

This schedule of phased authorization will ensure that, in accord with Resolution 14702, adequate office space can be allocated to those projects within the Development District that are determined to be in compliance with the D for D requirements, while also complying with Section 321 of the Planning Code forbidding exceedance of the square footage available for allocation in any given annual cycle. This schedule also makes square footage available in each cycle for other future projects within the City.

10. Section 321- Approval Criteria: Pursuant to Resolution 14702, the Commission is charged with determining whether a project seeking authorization conforms to applicable standards in the D for D Document, which supersedes the criteria set forth in Section 321 and other provisions of the Code except as provided in the MBS Plan. The projects previously approved were determined to have met the MBS Redevelopment Plan and the D for D Document standards and guidelines, and requirements for childcare, public art, and other provisions of the Plan Documents, and retain that design approval, along with all previously imposed conditions of approval. Future projects requesting authorization will be brought before the Commission for design review in accord with Resolution 14702, and upon determination by the Commission that such proposals are in conformity with the D for D and other applicable requirements, office space may be allocated for such new structures from the unassigned amount available in the Development District.
11. Public Comment. The Department has received no expressions of opposition to the proposed authorization of the Development District.
12. The Commission, after carefully balancing relevant public and private interests, hereby finds that authorization of the Project 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** the project authorization requested via Case No. 2008.0711X subject to the following conditions attached hereto as EXHIBIT A (Conditions of Approval) which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this project authorization to the Board of Appeals within fifteen days after the date of this Motion No.17xxx. 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 at (415) 575-6880, 1650 Mission Street, Third Floor, San Francisco, CA 94103.

I hereby certify that the foregoing Motion was adopted by the Planning Commission on **October 2, 2008**.

Linda Avery
Commission Secretary

AYES: Antonini, Borden, Lee, Miguel, Moore, Olague

NAYS: [none]

ABSENT: Sugaya

ADOPTED: October 2, 2008

Exhibit A Conditions of Approval

Exhibit B Addendum 6 to the Mission Bay FSEIR

Exhibit C Zoning Administrator Letter of Determination dated August 28, 2001

Exhibit D Zoning Administrator Letter of Determination dated April 22, 2002

Exhibit A

Conditions of Approval

Whenever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Project or underlying property. For purposes hereof, the term "office space", shall be as defined in Section 321 of the Planning Code and further subject to the interpretations of the Zoning Administrator Letters of Determination dated August 28, 2001 and April 22, 2002 attached to the Resolution as Exhibits C and D and incorporated herein by reference as though fully set forth.

This approval is pursuant to Resolution 14702 and to Sections 321 and 322 of the Planning Code for project authorization under the annual office limitation program, for creation of an Alexandria Mission Bay Life Sciences and Technology Development District ("Development District"), for which previously allocated office space and future allocations would be limited to 1,350,000 leasable square feet, distributed among designated buildings on parcels of the Development District, and over several allocation periods.

1. Authorization for construction of future buildings in the Development District with an office component would be subject to Planning Commission review with regard to design for compliance with the Mission Bay South Design for Development document ("D for D") and in accord with Resolution 14702.
2. Application fees for compliance approval hearings shall be those established in Planning Code Article 3.5 for Project Authorization (Annual Limit) applications.
3. Project Sponsor shall report in a form acceptable to the Zoning Administrator prior to February 17 and September 17 of each year on the area of built out space for each building in the Development District, and the leasable square footage utilized as office space in each.
4. Project Sponsor shall advise the Zoning Administrator on the first pending sale or transfer to occur after the date of this Motion, of each property, developed or not, and shall identify the amount of office space allocated to the transferred property. The Project Sponsor shall record a Notice of Special Restrictions on the transferred property explicitly limiting the area allowed for office use within the Development District. Said office area shall be deducted from the allocation for the remaining properties in the Development District, and new Notices of Special Restriction recorded on those remaining properties. Applications for additional office allocation for properties within or formerly within the Development District may be made in accord with the provision of Condition 6 below.
5. The 227,020 leasable square feet of office space under the annual limit that remains unallocated as of the date of this Resolution shall be allocated to the Development District in phases, in accord with the following schedule: As of October 18, 2009 or thereafter, an additional 100,000 leasable square feet will be, upon request, allocated for the Development District. As of October 18, 2010 or thereafter, an additional 100,000 leasable square feet will be, upon request, allocated for the Development District. As of October 18, 2011 or thereafter, a final 27,020 leasable square feet will be, upon request, allocated for the Development District. Upon the final allocation, a total of 1,350,000 leasable square feet would be allocated among a final build-out of 2,698,000 leasable square feet of potential office space, or approximately 50% of office use within the buildings of the Development District.

6. The total office use within the Development District is capped at 1,350,000 leasable square feet until such time as the entire allocation has been built and leased for office space. If Project Sponsor documents that the entire 1,350,000 leasable square foot allocation has been leased for office space, only then could Project Sponsor or its successors or transferees file an application, in accordance with the terms and conditions set forth in the Mission Bay South Redevelopment Plan and related Plan documents, to receive additional office allocation up to the total 2,698,000 leasable square feet of Project Sponsor's Commercial Industrial entitlement at Mission Bay.
7. Recordation. 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, against all Parcels within Mission Bay Blocks comprising the Development District, which notice shall state that construction of the Project has been authorized by and is subject to all conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied, and record said writing if requested.



ALEXANDRIA.

November 5, 2010

Mr. Scott Sanchez
Acting Zoning Administrator
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94103-2479

1700 OWENS STREET
SUITE 590
SAN FRANCISCO, CA 94158
TEL: 415 554 8844
FAX: 415 554 0142

Re: Planning Code Sections 321 and 322
Request for Allocation of Additional Square Feet
Alexandria Mission Bay Life Sciences and Technology Development District

Dear Mr. Sanchez:

Alexandria Real Estate Equities, Inc. ("Project Sponsor"), is submitting this request in connection with 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. Enclosed, for your convenient reference, is a copy of the Motion.

Pursuant to Item 3 set forth in the Conditions of Approval for the Motion (the "Conditions"), Project Sponsor provides periodic reports to the Zoning Administrator as to the square footage used as office space in each building in the Development District. On January 15, 2010, Project Sponsor provided such a report to the Zoning Administrator indicating that, as of the preparation of such report, the aggregate square footage used as office space in all of the buildings in the Development District was 87,567 square feet (out of the existing total of 1,122,980 square feet of office space authorizations allocated to the Development District). Enclosed, for your convenient reference, is a copy of the January 2010 report.

Since Project Sponsor's delivery of the January 2010 report, most of the building located at 1500 Owens Street has been leased. Further, the building located at 455 Mission Bay Boulevard South is nearing completion and tenants are beginning to take occupancy. Finally, affiliates of Project Sponsor recently sold property within the Development District to unrelated third parties, and Project Sponsor agreed to allocate a specific amount of office space authorizations to such property (Project Sponsor will be advising the Zoning Administrator of the specifics of those transactions in a separate letter).

Accordingly, Project Sponsor hereby requests that an additional 200,000 square feet of office space authorizations be allocated to the Development District, as expressly provided in Item 5 set forth in the Conditions:

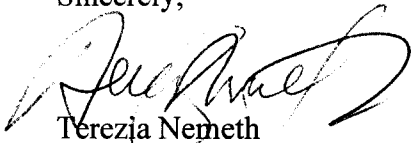
Mr. Scott Sanchez
San Francisco Planning Department
November 5, 2010
Page 2

"As of October 18, 2009 or thereafter, an additional 100,000 leasable square feet will be, upon request, allocated for the Development District. As of October 18, 2010 or thereafter, an additional 100,000 leasable square feet will be, upon request, allocated for the Development District."

As a result of such allocation, a total of 1,322,980 square feet of office space authorizations has been allocated to the Development District (which will be reduced by the amount of office space authorizations being allocated to the property recently sold).

Thank you for your assistance and feel free to contact me at 415-554-8847 or at tnemeth@labspace.com at any time.

Sincerely,



Terezia Nemeth
Vice President Asset Services and Development
Mission Bay

Encls.

cc: John Rahaim, Planning Director
Steve Richardson
David Meyer, Esq.
Leaselegal



ALEXANDRIA®

January 15, 2010

1700 OWENS STREET
SUITE 500
SAN FRANCISCO, CA 94158
TEL: 415 554 8844
FAX: 415 554 0142

Mr. Craig Nikitas
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. Nikitas:

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, 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).

There has been no change to the leasable square footage utilized as office space in the 1700 Owens Street building and, therefore, we are not re-submitting the diagrams included in the report that Project Sponsor submitted in January, 2009. We can provide those diagrams again, however, if necessary.

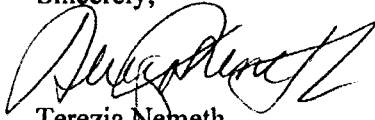
Please provide us with any questions or comments that you may have as soon as possible. If we do not receive any questions or comments by February 18, 2010, we will assume that this Report is acceptable and can be considered final.

Finally, please be advised that, in July, 2009, ARE-San Francisco No. 15, LLC (a wholly-owned subsidiary of Project Sponsor) transferred the 1500 Owens Street building to ARE-San Francisco No. 36, LLC (another wholly-owned subsidiary of Project Sponsor). Since Project Sponsor retained ultimate ownership and control of the 1500 Owens Street building, the requirements of Item 4 set forth in the Conditions of Approval for the Motion do not apply.

Mr. Craig Nikitas
San Francisco Planning Department
January 15, 2010
Page 2

Thank you for your assistance and feel free to contact me at 415-554-8847 or at tnemeth@labspace.com at any time.

Sincerely,



Terezia Nemeth
Vice President Asset Services and Development
Mission Bay

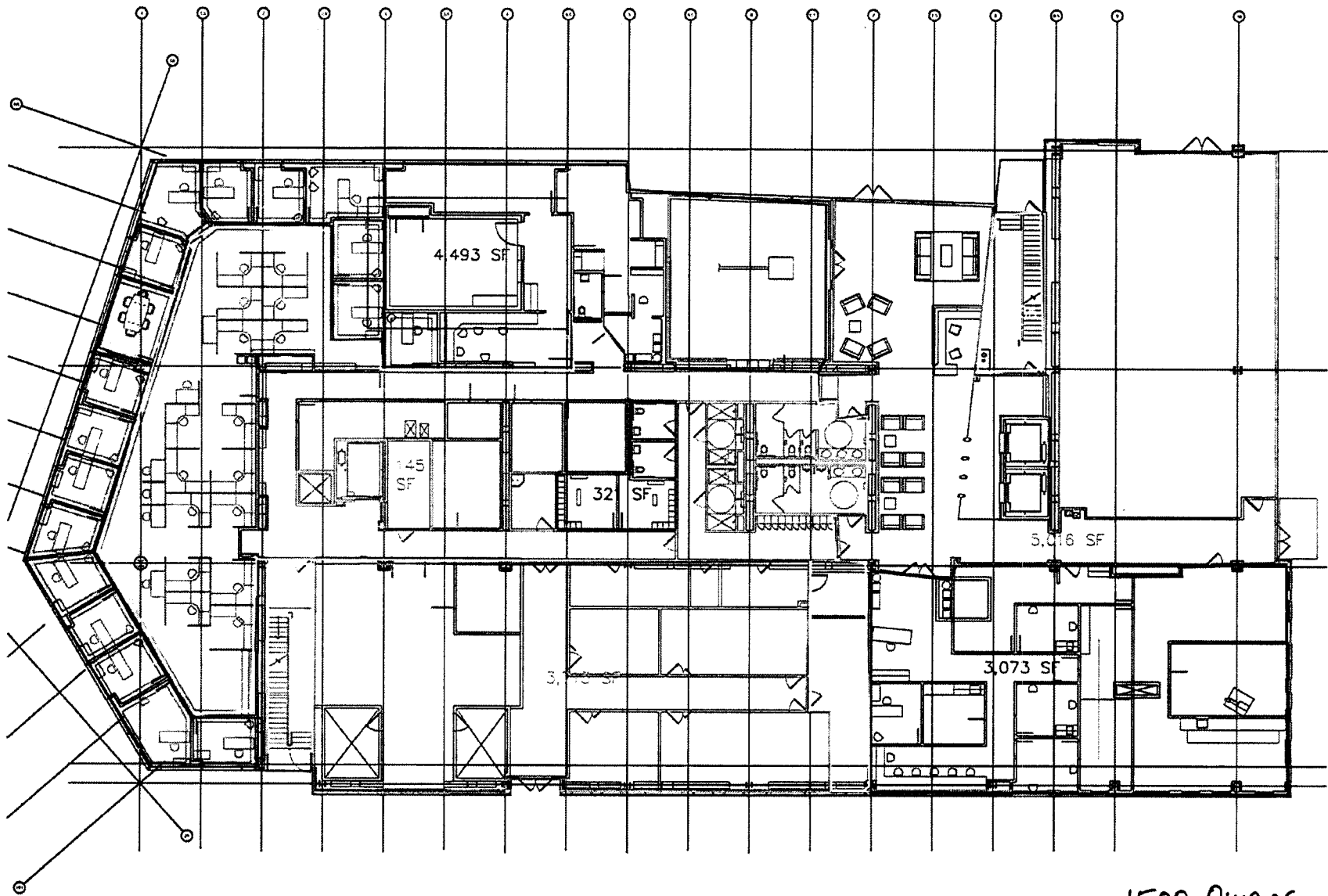
Encl.

cc: Steve Richardson
Neil Sekhri, Esq.
David Meyer, Esq.
Leaselegal

ALEXANDRIA MISSION BAY LIFE SCIENCES AND TECHNOLOGY DISTRICT
Section 321 Allocation Summary Report
Jan-10

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		80,833	Completed shell	
	First Floor			14,218		Fully occupied	Labs, office, retail, lobby
	Second Floor			10,704		Fully occupied	Labs, office
	Third Floor			11,309		Fully occupied	Labs, office
	Fourth Floor			10,252		Fully occupied	Labs, office
	Fifth Floor			32,784		Fully occupied	Office only
41-43/4	1600 Owens Street	10/26/2006	228,000		228,000	Piles in ground	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						
	Seventh Floor						
	Eighth Floor						
	Ninth Floor						
	Tenth Floor						
41-43/5	1500 Owens Street	10/26/2006	158,500		150,200	Completed shell	
	First Floor			8,300		Fully occupied	Medical clinic w/offices, retail, lobby
	Second Floor			0		Fully occupied	No office space, only medical uses
	Third Floor					Vacant	
	Fourth Floor					Vacant	
	Fifth Floor					Vacant	
	Sixth Floor					Vacant	
41-43/7	1450 Owens Street	10/2/2008	-		-	Schematic design	
	First Floor						
	Second Floor						
26	1455 Third Street	3/22/2007	373,487		373,487	Bldg permit app.	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						

	Seventh Floor				
	Eight Floor				
	Ninth Floor				
	Tenth Floor				
26	455 Mission Bay Blvd South	3/22/2007	-	-	Completed shell
	First Floor				Vacant
	Second Floor				Vacant
	Third Floor				Vacant
	Fourth Floor				Vacant
	Fifth Floor				Vacant
27	1515 Third	3/22/2007	202,893	202,893	Bldg permit app
	First Floor				
	Second Floor				
	Third Floor				
	Fourth Floor				
	Fifth Floor				
	Sixth Floor				
29	1655 Third Street	tbd	-	-	Design pending
30	600 Terry Francois Blvd	10/2/2008	-	-	Schematic design
	First Floor				
	Second Floor				
	Third Floor				
	Fourth Floor				
	Fifth Floor				
	Sixth Floor				
31	1725 Third Street	tbd	-	-	Design pending
31	400 16th Street	tbd	-	-	Design pending
32	650 Terry Francois Blvd	10/2/2008	-	-	Schematic design
	First Floor				
	Second Floor				
	Third Floor				
	Fourth Floor				
	Fifth Floor				
	Sixth Floor				
33	1825 Third Street	tbd	-	-	Design pending
34	1955 Third Street	tbd	-	-	Design pending
CURRENT SECTION 321 SF DISTRICT					
ALLOCATION AND STATUS			1,122,980	87,567	1,035,413
Pending	Additional Allocation	10/18/2009	100,000		Application not submitted yet
Pending	Additional Allocation	10/18/2010	100,000		
Pending	Additional Allocation	10/18/2011	93,000		



1500 Owens
First Floor



ALEXANDRIA.

October 21, 2011

Mr. Scott Sanchez
Acting Zoning Administrator
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94103-2479

Re: Planning Code Sections 321 and 322
Request for Allocation of Additional Square Feet
Alexandria Mission Bay Life Sciences and Technology Development District

Dear Mr. Sanchez:

Alexandria Real Estate Equities, Inc. ("Project Sponsor"), is submitting this request in connection with the Alexandria Mission Bay Life Sciences and Technology Development District (the "District") created by Motion 17709 (the "Motion") adopted by the San Francisco Planning Commission on October 2, 2008. Enclosed, for your convenient reference, is a copy of the Motion.

As provided in the Motion, a total of 1,122,980 square feet of office space authorizations were allocated to the District upon the creation of the District. In November, 2010, Project Sponsor requested an allocation to the District of an additional 200,000 square feet of office space authorizations, as expressly provided in Item 5 set forth in the Conditions of Approval for the Motion (the "Conditions"). Such additional allocation was expressly authorized in Item 1 set forth in the Conclusions (the "Authorization Conclusions") included in the March 16, 2011, letter from the Zoning Administrator to Project Sponsor. Enclosed, for your convenient reference, is a copy of such letter. As noted in Item 1 set forth in the Authorization Conclusions, this additional allocation yields a total of 1,322,980 square feet of office space authorizations allocated to the District.

Project Sponsor hereby requests an allocation to the District of an additional 27,020 square feet of office space authorizations, as expressly provided in Item 5 set forth in the Conditions:

"As of October 18, 2011 or thereafter, a final 27,020 leasable square feet will be, upon request, allocated for the Development District."

With such additional allocation, a total of 1,350,000 square feet of office space authorizations will be allocated to the District. As noted in Item 2 set forth in the Authorization Conclusions, a total of 1,100,000 square feet of office space authorizations

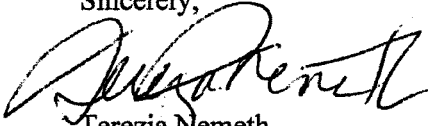
Mr. Scott Sanchez
San Francisco Planning Department
October 21, 2011
Page 2

have been allocated to properties in the District that are no longer owned by Project Sponsor or its subsidiaries. Deducting this allocation from the total of 1,350,000 square feet of office space authorizations yields a total of 250,000 square feet of office space authorizations allocated to properties in the District that continue to be owned by Project Sponsor or its subsidiaries.

With respect to the properties in the District that continue to be owned by Project Sponsor or its subsidiaries, Project Sponsor is pleased to inform you that, since April 2011 (when Project Sponsor delivered its most recent office space usage report pursuant to Item 3 set forth in the Conditions), most of the building located at 455 Mission Bay Boulevard South has been leased or is under option, and approximately 90% of such building is now occupied.

Thank you for your assistance and feel free to contact me at 415-554-8847 or at tnemeth@are.com at any time.

Sincerely,



Terezia Nemeth
Vice President Asset Services and Development
Mission Bay

Encls.

cc: John Rahaim, Planning Director
Steve Richardson
David Meyer, Esq.
Leaselegal



SAN FRANCISCO PLANNING DEPARTMENT

November 28, 2011

Ms. Terezia Nemeth
Vice President Asset Services and Development, Mission Bay
Alexandria Real Estate Equities, Inc.
1700 Owens Street, Suite 590
San Francisco CA 94158

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Re: Status of the Alexandria Life Sciences & Technology District

Dear Ms. Nemeth,

Thank you for your letter of October 21, 2011, regarding the Alexandria Mission Bay Life Sciences and Technology Development District ("the District").

Background. Established by Planning Commission Motion Number 17709 ("the Motion"), the District was created in October of 2008 with a total possible allocation of 1,350,000 square feet of office space to be used both by previously allocated office space and future allocations at designated buildings within the District. Of the total 1.35 million square feet, 227,020 square feet were to be authorized for allocation only upon request and in specific annual allotments on October 18 of 2009, 2010 and 2011. 200,000 square feet of office space, representing the 2009 and 2010 supplemental authorizations, were authorized through my March 16, 2011 letter to you.

Reporting. Condition 3 of Exhibit A of the Motion requires that the Project Sponsor submit a report to the Zoning Administrator prior to February 17 and September 17 each year describing the area of built-out space for each building in the District along with the leasable square footage utilized as office space. The most recent such report, submitted to the Planning Department on April 1, 2011 ("April Report"), indicates that a total of 151,569 square feet are being utilized as allocated office space. In keeping with the reporting schedule set forth in the Motion, a new report is required at this time.

Determination. Your October 21 letter requested that 27,020 square feet of office space be authorized for the District as set forth in Condition 5 of Exhibit A of the Motion. Pursuant to the terms of the Motion, the requested 27,020 square feet are hereby authorized. Please note that all supplemental allocations set forth in the Motion are now depleted and the full 1.35 million square foot authorization has been reached.

Of the 1.35 million square feet of authorized office space in the District, you have chosen to allocate 1.1 million square feet to properties which are no longer owned by the Project Sponsor or its subsidiaries. Based on the April Report, of the remaining 250,000 authorized square feet, a total of 151,569 square feet have been allocated to properties which continue to be owned by the Project Sponsor. This yields 98,431 authorized square feet of office space remaining for allocation within the District.

As you are aware, the Motion allows for flexibility and future transfers of both authorized and allocated office space. For example, if you should wish to re-allocate some or all of the 151,569 square feet of office space that is currently allocated to properties that you own within the District, you are free to do so, so long as you report any such re-allocation to the Department pursuant to the terms of the Motion.

Ms. Terezia Nemeth
Alexandria Real Estate Equities
November 28, 2011
Page 2 of 2

We appreciate your continued compliance with the terms of the Motion and look forward to further discussions as the District matures. If you have questions about this letter or other issues relating to the District, please contact Daniel Sider of my staff at (415) 558-6697 or at dan.sider@sfgov.org.

APPEAL: If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,



Scott F. Sanchez
Zoning Administrator

cc: Daniel A. Sider, Planning Department

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SAN FRANCISCO PLANNING DEPARTMENT

March 16, 2011

Ms. Terezia Nemeth
Vice President Asset Services and Development, Mission Bay
Alexandria Real Estate Equities, Inc.
1700 Owens Street, Suite 590
San Francisco CA 94158

1850 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Re: Property Transfers within the Alexandria Life Sciences & Technology District

Dear Ms. Nemeth,

Thank you for your letters of November 5 and December 7, 2010, regarding certain property transfers within the Alexandria Mission Bay Life Sciences and Technology Development District ("the District"). *This letter supersedes my letter to you of March 9, 2011.*

Background. Established by Planning Commission Motion Number 17709 ("the Motion"), the District was created in October of 2008 with a total possible allocation of 1,350,000 square feet of office space to be used both by previously allocated office space and future allocations at designated buildings within the District. Of the total 1.35 million square feet, 227,020 square feet is to be allocated only upon request and in specific annual allotments on October 18 of 2009, 2010 and 2011. Under the specific terms of the Motion, and in deference to the nature and flexibility of modern life science and technology tenants, buildings in the District are assumed to have no more than one-half of their total floor area occupied as office space. This ratio of office to non-office usage applies throughout the District such that individual buildings may offer different individual ratios so long as the District-wide ratio remains at or below one-half office space.

Reporting. Condition 3 of Exhibit A of the Motion requires that the Project Sponsor submit a report to the Zoning Administrator ("Report") prior to February 17 and September 17 each year describing the area of built-out space for each building in the District along with the leasable square footage utilized as office space.

The most recent required Report that was submitted to the Planning Department is dated January 2010. Despite Departmental authorizations to allocate of a total of 1,122,980 square feet of office space to various buildings within the District, the report indicates that a total of only 87,567 square feet are being utilized as allocated office space.

Transfer. Condition 4 of Exhibit A of the Motion requires that any transfer of property ownership within the District be reported to the Zoning Administrator so that the maximum office allocation for the transferred site be finalized and the total remaining allocation available within the District be adjusted accordingly.

Your December 7th letter indicates that on November 1, 2010, three transfers took place: (1) Mission Bay South Development Blocks 29, 30, 31, and 32 [a.k.a. Assessor's Block 8722, Lots 001 and 008] to which 677,020 square feet of office space has been allocated, (2) 1455 Third Street [a.k.a. Assessor's Block 8721, Lot 033] and 1515 Third Street [a.k.a. Assessor's Block 8721, Lot 029] to which 422,980 square feet of office space has been allocated, and (3) Mission Bay South Development Blocks 33 and 34 [a.k.a. Assessor's Block 8725, Lots 001 and 004] to which zero square feet of office space has been allocated. These transfers account for a total of 1.1 million square feet of allocated office space. Your letter states that, in compliance with the Motion, Notices of Special Restrictions (NSR's) will be

recorded against both the transferred properties and remaining properties in the District in order to reflect this activity.

Conclusions. Based on the foregoing, my findings are as follows:

1. Your November 5th letter requested that a further 200,000 square feet of office space be authorized for the District as set forth in Condition 5 of Exhibit A of the Motion. Pursuant to the terms of the Motion, the requested space is hereby so authorized. When aggregated with the 1,122,980 square feet of office space authorized by the Planning Commission in previous years, this yields a total office square footage authorization of 1,322,980 square feet. Pursuant to the terms of the Motion, this authorized space is yours to be allocated within the District as you see fit.
2. Your December 7th letter indicated that you have chosen to allocate 1.1 million square feet of authorized office space to properties which are in the District but are no longer owned by the Project Sponsor or its subsidiaries. Deducting this allocation from the total 1,322,980 authorized square feet of office space yields 222,980 remaining authorized square feet to be allocated within the District as you see fit.
3. The most recent Report indicated that a total of 87,567 authorized square feet of office space has been allocated to properties which are in the District and that continue to be owned by the Project Sponsor. Deducting this allocation from the remaining 222,980 authorized square feet of office space yields 135,413 remaining authorized square feet for your allocation within the District.
4. Under the terms of the Motion, 27,020 additional authorized square feet will become available at your request and for your exclusive allocation on October 18, 2011. When aggregated with the current remaining 135,413 authorized office square feet, a total of 162,433 authorized office square feet will be available for allocation within the District as you see fit.
5. Aggregating the current remaining 135,413 square feet of authorized (but unallocated) office square feet along with the presumed future authorization of 27,020 office square feet and the 87,567 square feet of office space already allocated but still within the Sponsor's control yields a total of 250,000 square feet of future remaining cumulative authorization. The Motion explicitly allows for flexibility and future transfers of both authorized *and allocated* office space. For example, if you should wish to re-allocate some or all of the 87,567 square feet of office space that is currently allocated to properties that you own within the District, you are free to do so, so long as you report any such re-allocation to the Department pursuant to the terms of the Motion.

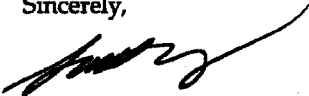
Requirements. As set forth in Condition 3 of the Motion, please submit a revised report at your earliest convenience. Additionally, we would ask that you please transmit to us copies of the NSR's recorded in connection with the recent property transfers.

We appreciate your continued compliance with the terms of the Motion and look forward to further discussions as the District matures. If you have questions about this letter or other issues relating to the District, please contact Daniel Sider of my staff at (415) 558-6697 or at dan.sider@sfgov.org.

Ms. Terezia Nemeth
Alexandria Real Estate Equities
Page 3 of 3

APPEAL: If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,



Scott F. Sanchez
Zoning Administrator

cc: Daniel A. Sider, Planning Department

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ALEXANDRIA.

December 7, 2010

1700 OWENS STREET
SUITE 590
SAN FRANCISCO, CA 94158
TEL: 415 554 8844
FAX: 415 554 0142

VIA OVERNIGHT COURIER

Mr. Scott Sanchez
Acting Zoning Administrator
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94103-2479

Re: Planning Code Sections 321 and 322
Notice of Transfer / Allocation of Office Space
Alexandria Mission Bay Life Sciences and Technology Development District

Dear Mr. Sanchez:

Alexandria Real Estate Equities, Inc. ("Project Sponsor"), is providing this notice in connection with 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. Enclosed, for your convenient reference, is a copy of the Motion.

In accordance with Item 4 set forth in the Conditions of Approval for the Motion (the "Conditions"), Project Sponsor hereby advises the Zoning Administrator of the following transfers of property:

- (a) On November 1, 2010, ARE-San Francisco No. 16, LLC, a Delaware limited liability company and an affiliate of Project Sponsor, transferred the property commonly referred to as Mission Bay South Development Blocks 29, 30, 31, and 32 to Bay Jacaranda No. 2932, LLC, a Delaware limited liability company that is unaffiliated with Project Sponsor. The transferred property is more particularly described on Exhibit A-1 attached hereto. Project Sponsor allocated **677,020 square feet** of office space authorizations to the transferred property. For your convenience, the contact information for the transferee is set forth below:

Bay Jacaranda No. 2932, LLC
c/o salesforce.com, inc.
The Landmark @ One Market, Suite 300
San Francisco, California 94105
Attention: Mr. Tim Alonso
Re: Mission Bay (Blocks 29-32), SF, CA
Facsimile No.: 415-901-4616

- (b) On November 1, 2010, ARE-San Francisco No. 19, LLC, a Delaware limited liability company and an affiliate of Project Sponsor, transferred the property commonly referred to as 1455 Third Street and 1515 Third Street to Bay Jacaranda No. 2627, LLC, a Delaware limited liability company that is unaffiliated with Project Sponsor. The transferred property is more particularly described on Exhibit A-2 attached hereto. Project Sponsor allocated **422,980 square feet** of office space authorizations to the transferred property. For your convenience, the contact information for the transferee is set forth below:

Bay Jacaranda No. 2627, LLC
c/o salesforce.com, inc.
The Landmark @ One Market, Suite 300
San Francisco, California 94105
Attention: Mr. Tim Alonso
Re: Mission Bay (Blocks 26-27), SF, CA
Facsimile No.: 415-901-4616

- (c) On November 1, 2010, ARE-San Francisco No. 22, LLC, a Delaware limited liability company and an affiliate of Project Sponsor, transferred the property commonly referred to as Mission Bay South Development Blocks 33 and 34 to Bay Jacaranda No. 3334, LLC, a Delaware limited liability company that is unaffiliated with Project Sponsor. The transferred property is more particularly described on Exhibit A-3 attached hereto. Project Sponsor allocated **no** office space authorizations to the transferred property. For your convenience, the contact information for the transferee is set forth below:

Bay Jacaranda No. 3334, LLC
c/o salesforce.com, inc.
The Landmark @ One Market, Suite 300
San Francisco, California 94105
Attention: Mr. Tim Alonso
Re: Mission Bay (Blocks 33-34), SF, CA
Facsimile No.: 415-901-4616

In accordance with Item 4 set forth in the Conditions, (i) Project Sponsor and each buyer of a transferred property will record a Notice of Special Restrictions against such transferred property explicitly limiting the office space allowed on such transferred property, and (ii) Project Sponsor will record new Notices of Special Restrictions against the remaining properties in the Development District reflecting the office space authorizations allocated to such remaining properties after deducting the office space authorizations allocated to the transferred properties.

Mr. Scott Sanchez
San Francisco Planning Department
December 7, 2010
Page 3

Thank you for your assistance and feel free to contact me at 415-554-8847 or at tnemeth@labspace.com at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terezia Nemeth', written in a cursive style.

Terezia Nemeth
Vice President Asset Services and Development
Mission Bay

Encl.

cc: John Rahaim, Planning Director
Kelley Kahn, SFRA
Tim Alonso
Paul Luongo
Steve Richardson
David Meyer, Esq.
Leaselegal

EXHIBIT A-1

Legal Description of Mission Bay Blocks 29, 30, 31, and 32

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

LOT 1, BLOCK 8722, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-119, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002, IN BOOK I223, PAGE 596, AS INSTRUMENT NUMBER 2002-H244619 AND IN BOOK/REEL I926, PAGE/IMAGE 0376, AS INSTRUMENT NUMBER 2005-H985511, IN THE OFFICE OF SUCH RECORDER.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN GRANT DEED DATED OCTOBER 25, 2002, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED DECEMBER 11, 2002, IN BOOK I281, PAGE 340, INSTRUMENT NO. 2002-H309022, IN THE OFFICE OF SUCH RECORDER.

ASSESSOR'S PARCEL NUMBER: LOT 001, BLOCK 8722 (A PORTION)

PARCEL TWO:

THAT CERTAIN REAL PROPERTY DESCRIBED IN THAT CERTAIN QUITCLAIM DEED DATED NOVEMBER 5, 2002, EXECUTED BY THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, TO CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 11, 2002, IN BOOK I281, PAGE 341, INSTRUMENT NO. 2002-H309023-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE LOT AND BLOCK HEREINAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-119, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF PARCEL 28, AS SAID PARCEL IS DESCRIBED IN THE QUITCLAIM DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED JULY 19, 1999, IN BOOK H429, PAGE 512 (INSTRUMENT NO. 99-G622160) OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID POINT OF COMMENCEMENT ALSO BEING THE MOST

SOUTHWESTERLY CORNER OF BLOCK 8722, LOT 2 AS SHOWN ON SAID MAP (Z MAPS 97);

THENCE, EASTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 28, SAID LINE ALSO BEING THE SOUTHERLY LINE OF SAID LOT 2, NORTH 86° 49' 04" EAST 10.91 FEET TO THE POINT OF BEGINNING;

THENCE, ALONG THE EXTERIOR BOUNDARY OF SAID PARCEL 28, SAID LINES ALSO BEING THE EXTERIOR BOUNDARY OF SAID LOT 2, THE FOLLOWING THREE (3) COURSES:

- 1) NORTH 86° 49' 04" EAST, 18.25 FEET,
- 2) NORTH 03° 10' 56" WEST, 20.00 FEET, TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 24.16 FEET, TO WHICH POINT A RADIAL LINE BEARS SOUTH 03° 10' 56" EAST,
- 3) WESTERLY AND NORTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 24.16 FEET, THROUGH A CENTRAL ANGLE OF 53° 55' 35", AN ARC DISTANCE OF 22.74 FEET, TO A POINT THAT BEARS NORTH 05° 37' 34" WEST FROM SAID POINT OF BEGINNING;

THENCE, LEAVING SAID EXTERIOR BOUNDARY OF PARCEL 28 AND SAID LOT 2, SOUTH 05° 37' 34" EAST, 29.96 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: LOT 008, BLOCK 8722

[The foregoing legal descriptions do not include any exceptions or reservations or any easements or other rights that may be appurtenant to such real property]

EXHIBIT A-2

Legal Description of 1455 Third Street and 1515 Third Street

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE (1455 THIRD STREET):

LOT 3, AS SHOWN ON FINAL MAP 5156, FILED NOVEMBER 25, 2009, IN BOOK CC OF SURVEY MAPS AT PAGES 197 THROUGH 201 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

ASSESSOR'S PARCEL NUMBER: LOT 033, BLOCK 8721

PARCEL TWO (1515 THIRD STREET):

ALL BLOCK AND LOT LINES HEREINAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "FINAL MAP 4141 – PLANNED DEVELOPMENT MISSION BAY (26-28)" IN BOOK BB OF MAPS AT PAGES 179 THROUGH 183, INCLUSIVE, RECORDED ON OCTOBER 16, 2007, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF BLOCK 8721 LOT 23 AS SHOWN ON SAID MAP; THENCE, NORTH 86°49'04" EAST, 157.50 FEET ALONG THE NORTH LINE OF SAID LOT 23 AND BLOCK 8721 LOT 27 AS SHOWN ON SAID MAP; THENCE, SOUTH 03°10'56" EAST, 275.02 FEET LEAVING SAID NORTH LINE TO A POINT ON THE SOUTH LINE OF SAID LOTS 23 AND 27; THENCE, SOUTH 86°49'04" WEST, 157.50 FEET ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID LOT 23; THENCE, NORTH 03°10'56" WEST, 275.02 FEET ALONG THE WEST LINE OF SAID LOT 23 TO THE POINT OF BEGINNING.

THE ABOVE DESCRIPTION IS IDENTICAL TO THE DESCRIPTION OF "NEW PARCEL BLOCK 8721 LOT 29" SET FORTH IN EXHIBIT B ATTACHED TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, ON APRIL 24, 2009, AS DOCUMENT NO. 2009-I752211.

ASSESSOR'S PARCEL NUMBER: LOT 029, BLOCK 8721

[The foregoing legal descriptions do not include any exceptions or reservations or any easements or other rights that may be appurtenant to such real property]

EXHIBIT A-3

Legal Description of Mission Bay Blocks 33 and 34

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

LOT 1, BLOCK 8725, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY" RECORDED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-119, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002, IN REEL I223, IMAGE 596, AS INSTRUMENT NUMBER 2002-H244619-00, IN THE OFFICE OF SUCH RECORDER.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN GRANT DEED DATED OCTOBER 25, 2002, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED DECEMBER 11, 2002, IN REEL I281, IMAGE 340, DOCUMENT NO. 2002-H309022-00 IN THE OFFICE OF SUCH RECORDER.

ASSESSOR'S PARCEL NUMBER: LOT 001, BLOCK 8725 (A PORTION)

PARCEL TWO:

THAT CERTAIN REAL PROPERTY DESCRIBED IN THAT CERTAIN QUITCLAIM DEED DATED NOVEMBER 5, 2002, EXECUTED BY THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, TO CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 11, 2002 IN REEL I281, IMAGE 341, DOCUMENT NO. 2002-H309023-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE LOT AND BLOCK HEREAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED JULY 19, 1999 IN BOOK Z OF MAPS, AT PAGES 97-119, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COMMENCING AT THE MOST NORTHWESTERLY CORNER OF PARCEL 29, AS SAID PARCEL IS DESCRIBED IN THE QUITCLAIM DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED JULY 19, 1999 IN REEL H429, PAGE 512 (DOCUMENT NUMBER 99-G622160), OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID POINT OF COMMENCEMENT ALSO BEING THE MOST NORTHWESTERLY CORNER OF BLOCK 8725, LOT 2 AS SHOWN ON SAID MAP (Z MAPS 97);

THENCE, EASTERLY ALONG THE NORTHERLY BOUNDARY LINE OF SAID PARCEL 29, SAID LINE ALSO BEING THE NORTHERLY LINE OF SAID LOT 2, NORTH 86 DEG. 49' 04" EAST 15.00 FEET TO THE POINT OF BEGINNING.

THENCE, ALONG THE EXTERIOR BOUNDARY OF SAID PARCEL 29, SAID LINES ALSO BEING THE EXTERIOR BOUNDARY OF SAID LOT 2, THE FOLLOWING TWO (2) COURSES:

1) NORTH 86 DEG. 49' 04" EAST, 42.21 FEET, TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL 29 AND SAID LOT 2, SAID CORNER ALSO BEING A POINT OF CUSP ON THE ARC OF A TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 44.21 FEET, TO WHICH POINT A RADIAL LINE BEARS NORTH 03 DEG. 10' 56" WEST,

2) WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 72 DEG. 42' 00", AN ARC DISTANCE OF 56.10 FEET, TO A POINT THAT BEARS SOUTH 03 DEG. 10' 56" EAST, FROM SAID POINT OF BEGINNING.

THENCE, LEAVING SAID EXTERIOR BOUNDARY LINE OF PARCEL 29 AND SAID LOT 2, ALONG A LINE PARALLEL WITH AND DISTANT 15.00 FEET EASTERLY, MEASURED AT A RIGHT ANGLE, FROM THE WESTERLY BOUNDARY LINE OF SAID PARCEL 29 AND SAID LOT 2, NORTH 03 DEG. 10' 56" WEST, 31.06 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: LOT 004, BLOCK 8725

[The foregoing legal descriptions do not include any exceptions or reservations or any easements or other rights that may be appurtenant to such real property]



ALEXANDRIA.

August 27, 2013

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, 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 April 1st, 2011 as follows:

1. 455 Mission Bay Blvd. South, East Wing, 1st Floor. In the 2011 report the EW 1st floor was only partially occupied and contained NO office allocation. The EW 1st floor is now 100% leased and occupied.
2. 455 Mission Bay Blvd. South, East Wing, 5th Floor: In the 2011 report, the EW 5th floor was completely vacant. The EW 5th floor is now 100% leased and occupied.
3. 1500 Owens Street, 3rd Floor: In the 2011 report, the 3rd floor was completely vacant. The 3rd floor is now 100% leased and occupied.
4. 1500 Owens Street, 4th Floor: In the 2011 report, the 4th floor was partially occupied and had some office space. The 4th floor is now 100% leased and occupied.
5. 1600 Owens Street: At the time the 2011 report was submitted, construction on the building had been paused. At this time, we can report that (i) ARE-San Francisco No. 15, LLC, has 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, has 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 use of Section 321 office allocation is limited only to the required offices within the planned building and associated support spaces as shown in the attached diagrams and detailed floor by floor summary of uses.

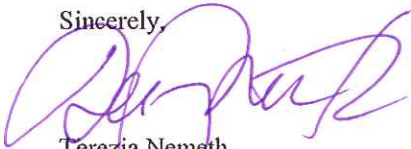
Mr. Scott Sanchez
San Francisco Planning Department
August 27, 2013
Page 2

As you know, the San Francisco Department of Building Inspection has previously issued a Site Permit and Addenda 1 for development of a 10-story office / laboratory building on the 1600 Owens Street parcel (the "Previously Approved Building"). Kaiser has requested confirmation (1) that the Previously Approved Building substantially conforms with all Planning Commission actions that are applicable to such Previously Approved Building (including, but not limited to, Planning Commission Motions 14702, 17332, and 17709), and (2) that Alexandria Real Estate Equities, Inc., is in substantial compliance with all reporting requirements set forth in any Planning Commission actions that are applicable to the 1600 Owens Street parcel and/or the Previously Approved Building (including, but not limited to, Planning Commission Motions 14702, 17332, and 17709).

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 September 13, 2013, we will assume that this Report is acceptable and can be considered final, and that the above items (1) and (2) are confirmed.

Thank you for your assistance and feel free to contact me at 415-559-1732 or at tnemeth@are.com at any time.

Sincerely,



Terezia Nemeth
Vice President Asset Services and Development

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

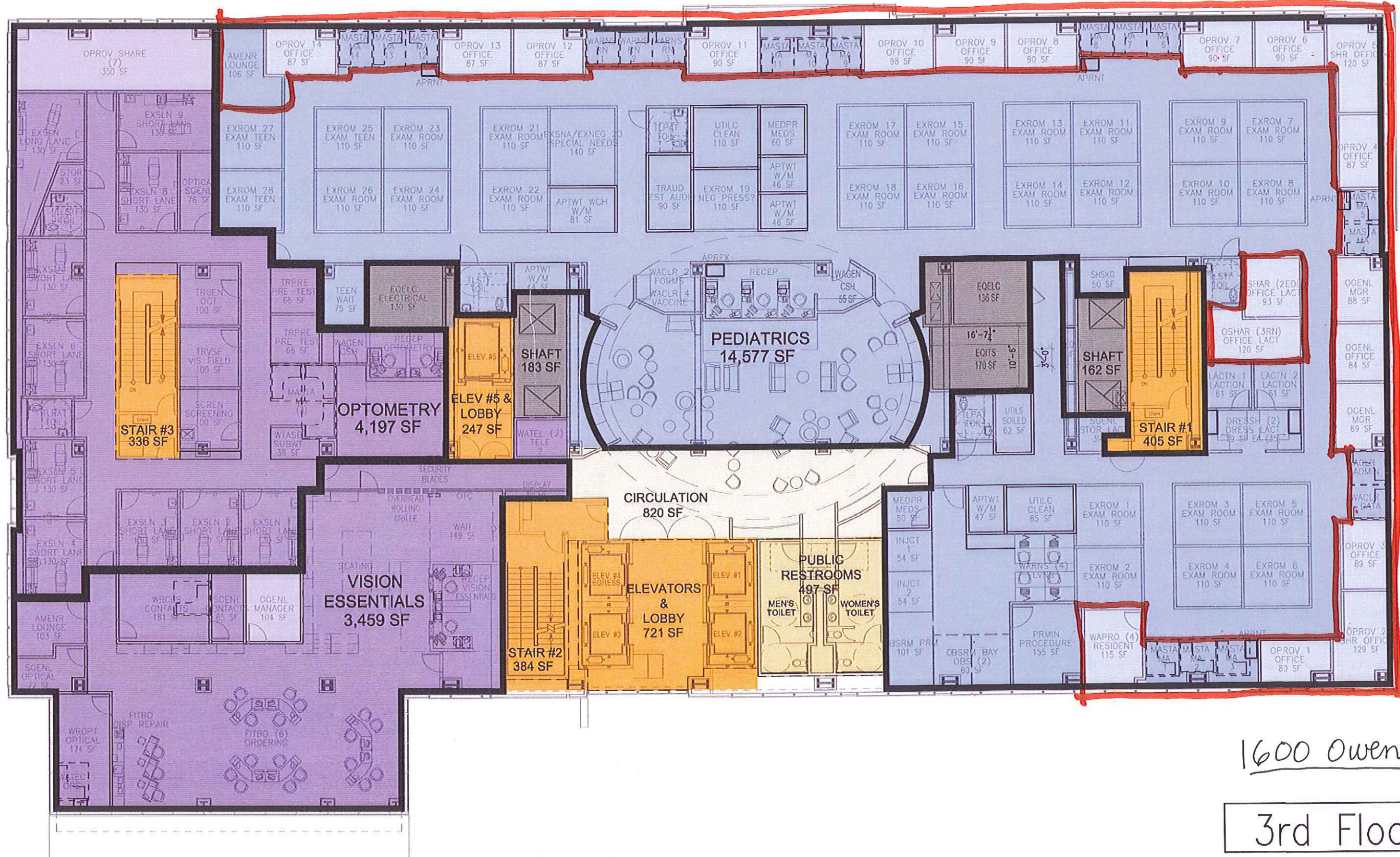
2013 Revisions as marked

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		80,833	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			11,309		Fully occupied	Primarily labs w/lab support and some office
	Fourth Floor			10,252		Fully occupied	Primarily labs w/lab support and some office
	Fifth Floor			32,784		Fully occupied	Office only
41-43/4	1600 Owens Street	10/26/2006	228,000		179,951	Piles in the ground	
	First Floor			1,625		Under construction	Retail, clinic, circulation, service yard/loading
	Second Floor			2,142		Under construction	Medical Clinics w/ some doctor's offices
	Third Floor			2,679		Under construction	Medical Clinics w/ some doctor's offices
	Fourth Floor			3,769		Under construction	Medical Clinics w/ some doctor's offices
	Fifth Floor			4,211		Under construction	Medical Clinics w/ some doctor's offices
	Sixth Floor			7,381		Under construction	Medical Clinics w/ some doctor's offices
	Seventh Floor			18,642		Under construction	Shell condition - assumed 100% office for planning purposes
	Eighth Floor			2,655		Under construction	Medical Clinics w/ some doctor's offices
	Ninth Floor			4,945		Under construction	Medical Clinics w/ some doctor's offices
	Tenth Floor			-		abandoned	No tenth floor, building was reduced in size
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		373,487	Land parcel was Sold to Salesforce.com	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						
	Seventh Floor						
	Eighth Floor						
	Ninth Floor						
	Tenth Floor						
26	455 Mission Bay Blvd South	3/22/2007	-		-	Completed shell	
	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 - expansion Bayer			1,948		Fully occupied	Lab with some office
	EW First Floor - expansion - Quswami			2,265		Fully occupied	Lab with some office
	EWS Second Floor			-		VACANT	Shell condition, unimproved
	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	3/22/2007	202,893		202,893	Land parcel was Sold to Salesforce.com	
	First Floor						
	Second Floor						
	Third Floor						
	Fourth Floor						
	Fifth Floor						
	Sixth Floor						
29	1655 Third Street	tbd	-		-	Sold to Salesforce.com	
30	600 Terry Francois Blvd	10/2/2008	-		-	Land parcel was 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	10/18/2009	100,000				
	Additional Allocation	10/18/2010	100,000				
	ARE Allocation that was Sold to Salesforce.com	11/1/2010	(1,100,000)				
	Additional Allocation	10/18/2011	27,020				
CURRENT SECTION 321 SF DISTRICT ALLOCATION AND STATUS			250,000	228,311	21,690		

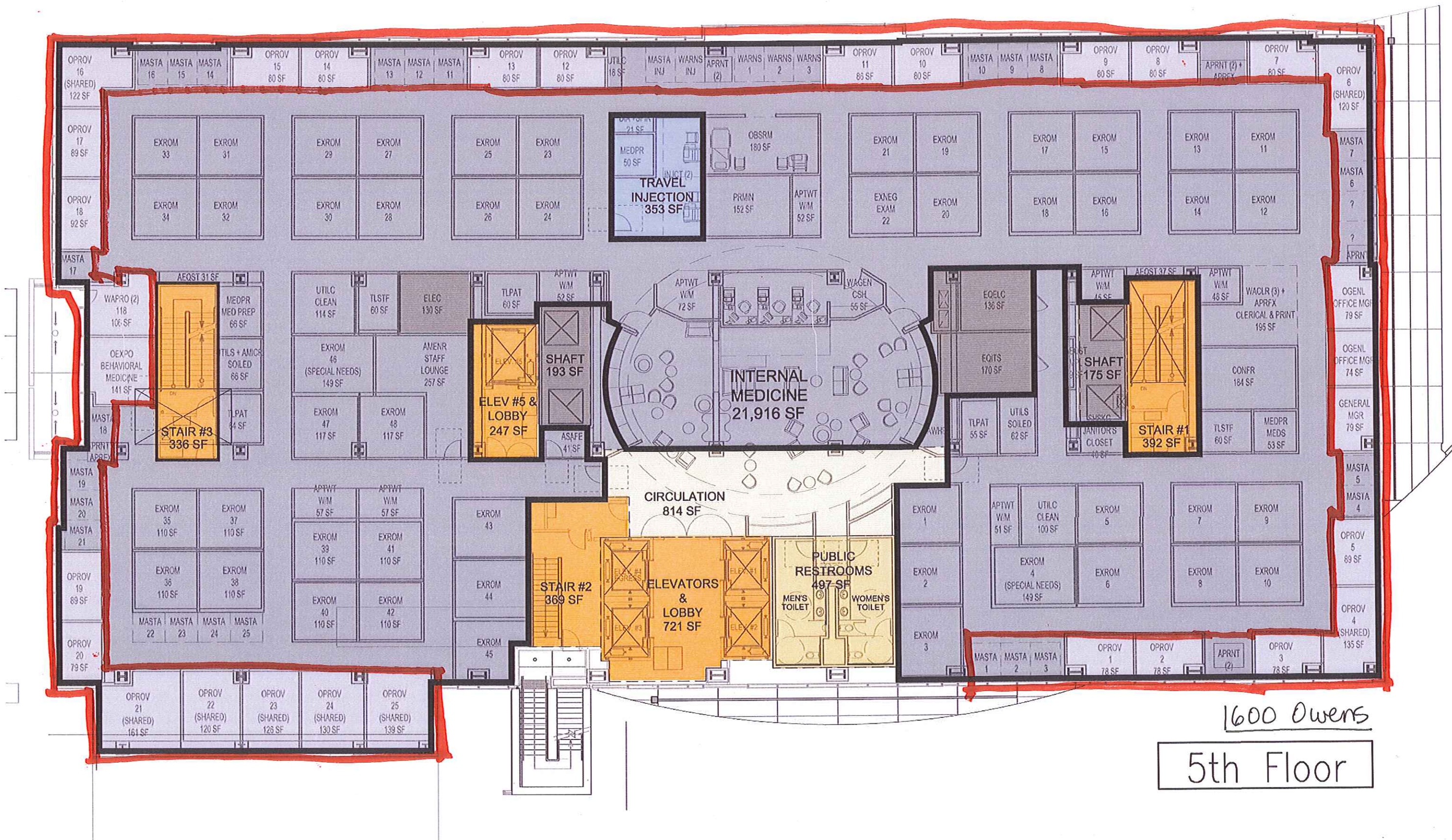
KAISER
1600 Owens Street
Section 321 calculations

	Total	Core & support uses	Section 321 only	Circulation allocation	Total Section 321	Notes
First Floor	25,225	8,471	-	1,625	1,625	Allocates 1st flr core to Sec 321 over entire bldg
Second Floor	26,456	4,050	1,858	284	2,142	
Third Floor	25,988	3,755	2,341	338	2,679	
Fourth Floor	25,857	3,737	3,293	476	3,769	
Fifth Floor	26,013	3,744	3,681	530	4,211	
Sixth Floor	17,811	3,185	6,261	1,120	7,381	
Seventh Floor	18,642	3,611	15,031	3,611	18,642	Assumes entire flr potential office
Eight Floor	17,950	3,108	2,263	392	2,655	
Ninth Floor	18,256	3,969	4,062	883	4,945	
TOTALS	202,198	37,630	38,790	9,259	48,049	







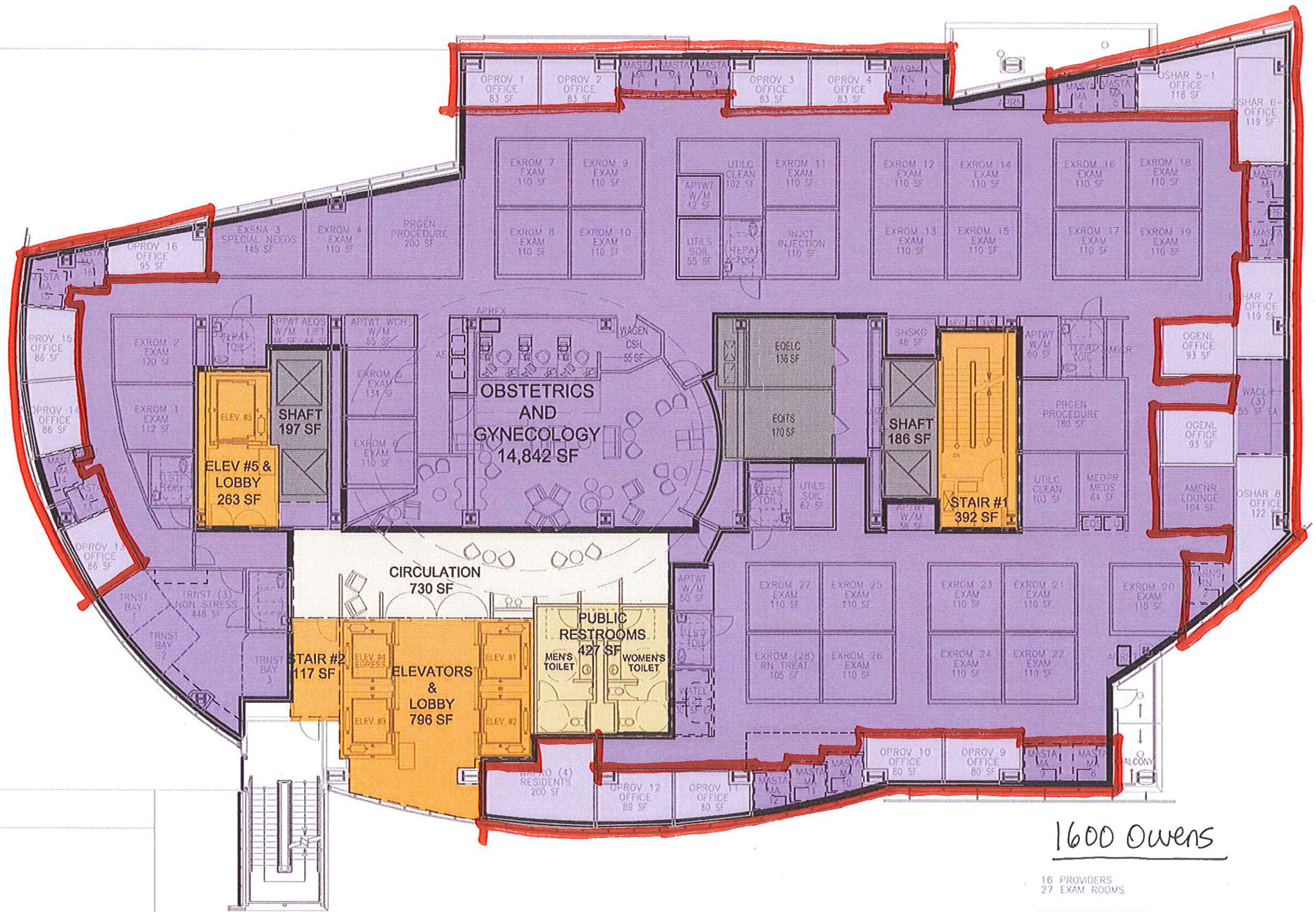


1600 Owens

5th Floor



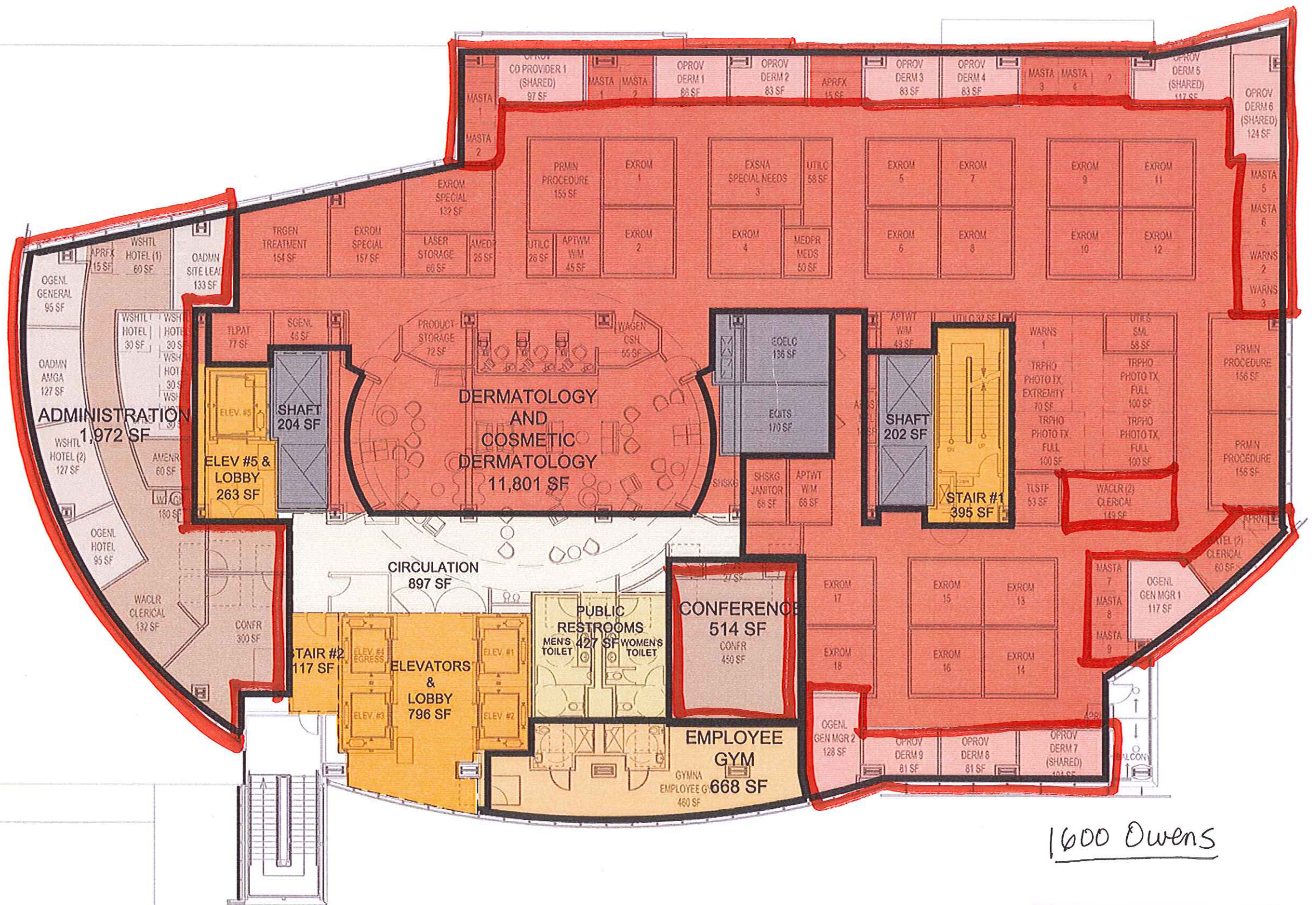
7th Floor



1600 Owens

16 PROVIDERS
27 EXAM ROOMS

8th Floor



1600 Owens

9th Floor



SCALE:
$1/8" = 1'-0"$

455 MBBS
EW-First F/

2,265 SF
of office use

additional to
prior report

A-2.4



DGA planning | architecture | interiors

550 Ellis Street
Mountain View, CA 94043 F-650.943.1660
201 Filbert St., 3rd Floor
San Francisco, CA 94133 F-415.477.2700
445 West Ash Street
San Diego, CA 92101 F-619.685.3990



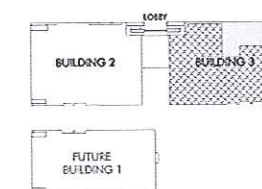
ALEXANDRIA.
REAL ESTATE

BAYER
TENANT IMPROVEMENT
SUITE 145

REFERENCE ONLY

RECORD DOCUMENTS:
THESE DOCUMENTS HAVE BEEN PREPARED IN PART FROM
INFORMATION COMPILED AND FURNISHED BY THE
GENERAL CONTRACTOR. DGA HAS NOT VERIFIED THIS
INFORMATION. FUTURE CONSTRUCTION PLANNING MUST
INCLUDE FIELD VERIFICATION OF EXISTING CONDITIONS.

MISSION BAY
BLOCK 26 BLDG. 3
455 MISSION BAY BLVD SOUTH
SAN FRANCISCO, CA
project



key plan

stamp

RECORD
DRAWINGS:
10-15-2012

ISSUE FOR CONSTRUCTION 04.03.12
ISSUE FOR PERMIT 03.16.12

no. description date

scale: AS NOTED

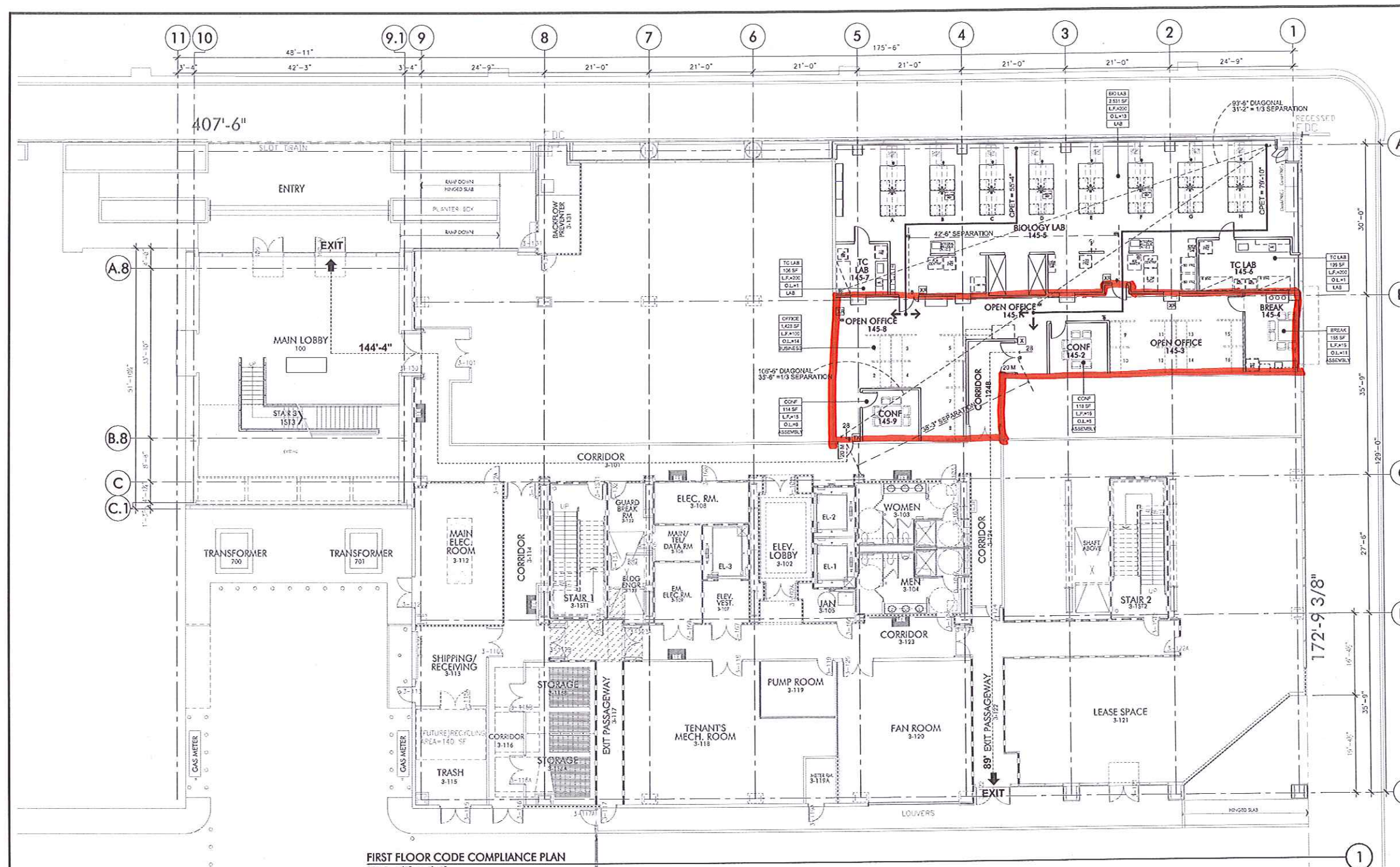
job no.: 12002

BUILDING 3
FIRST FLOOR
CODE COMPLIANCE
& OCCUPANCY TYPES

sheet name:

AI-A2.1x

sheet no.:



FIRST FLOOR CODE COMPLIANCE PLAN
SCALE: 1/8" = 1'-0"

CODE COMPLIANCE PLAN NOTES

1. INCLUDES ACCESSORY USE STORAGE, AND EQUIPMENT ROOMS, ASSEMBLY GROUP SPACES WITH AREAS LESS THAN 750 SF OR WITH AN OCCUPANCY LOAD OF LESS THAN 50 PERSONS SHALL BE CLASSIFIED AS A GROUP "B" OCCUPANCY PER CBC EXCEPTIONS 303.1, 2 AND 3.
2. EXISTING AUTOMATIC FIRE SPRINKLER SYSTEM TO BE MODIFIED UNDER SEPARATE PERMIT BY DESIGN-BUILD SPRINKLER CONTRACTOR.
3. B OCCUPANCY AREAS ARE NOT ALLOWED TO HAVE STORED OR HANDLED HAZARDOUS MATERIALS OTHER THAN TRANSPORTING TO LAB AREAS.
4. HANDLING AND TRANSPORT OF HAZARDOUS MATERIALS WILL COMPLY WITH 2010 C.F.C. SECTION 2703.10.

COMMON PATH OF TRAVEL (CPET)

(CBC 1014.3)

	MAX DISTANCE ALLOWED	ACTUAL MAXIMUM
B OCCUPANCY, FULLY SPRINKLERED BUILDING	100'-0"	79'-10"

REQUIRED EXIT WIDTH

(CBC TABLE 1005.1)

TOTAL CALCULATED OCCUPANT LOAD	REQUIRED EGRESS WIDTH PER EXIT	TOTAL WIDTH
56 (SEE SHEET A2.1x)	(56 X 0.15)/2 EXITS = 8.4" PER EXIT	36" MIN. PROVIDED Ø 2 EXITS = 72"

MIN. EGRESS WIDTH PROVIDED AT EACH EXIT = 36" > 8.4" REQUIRED => OK

CODE COMPLIANCE PLAN LEGEND

ROOM NAME	AREA/ROOM INFO.
ROOM NAME	RM. AREA (SQ. FT.)
LOAD FACTOR (L.F.)	LOAD FACTOR (L.F.)
(2010 CBC, TABLE 1034.1.1)	(2010 CBC, TABLE 1034.1.1)
OCC. LOAD (O.L.)	OCC. LOAD (O.L.)
OCCUPANCY CLASSIFICATION	OCCUPANCY CLASSIFICATION

#	OCC. LOAD AT EXIT	BUILDING EXIT
#	OCC. LOAD AT ROOM	ROOM EXIT
TO	TO	TO
TO = EXIT ACCESS TRAVEL DISTANCE (FT.)	TO = EXIT ACCESS TRAVEL DISTANCE (FT.)	TO = EXIT ACCESS TRAVEL DISTANCE (FT.)
CPET	CPET	CPET
CPET = COMMON PATH OF TRAVEL DISTANCE (FT.)	CPET = COMMON PATH OF TRAVEL DISTANCE (FT.)	CPET = COMMON PATH OF TRAVEL DISTANCE (FT.)

CEILING MOUNTED EXIT SIGN	CEILING MOUNTED EXIT SIGN
WALL MOUNTED EXIT SIGN	WALL MOUNTED EXIT SIGN
FIRE EXTINGUISHER CABINET (SEMI-RECESSED)	FIRE EXTINGUISHER CABINET (SEMI-RECESSED)

TACTILE 'EXIT' SIGN	TACTILE 'EXIT' SIGN
TACTILE 'EXIT ROUTE' SIGN	TACTILE 'EXIT ROUTE' SIGN
TACTILE 'TO EXIT' SIGN	TACTILE 'TO EXIT' SIGN
EXIT DEVICE	EXIT DEVICE
DOOR ASSEMBLY FIRE RATING	DOOR ASSEMBLY FIRE RATING

WALL TYPE LEGEND

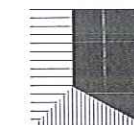
NOTE: SEE SHEET AI-A3.2 FOR WALL TYPES SCHEDULE

(E) WALL, TYP., U.O.N.	(E) WALL, TYP., U.O.N.
(E) FIRE PARTITION (1 HOUR RATED)	(E) FIRE PARTITION (1 HOUR RATED)
(E) FIRE BARRIER (2 HOUR RATED)	(E) FIRE BARRIER (2 HOUR RATED)
(E) FIRE BARRIER (2 HOUR RATED)	(E) FIRE BARRIER (2 HOUR RATED)
(N) NON-FIRE RATED WALL	(N) NON-FIRE RATED WALL
(N) FIRE BARRIER (1 HOUR RATED)	(N) FIRE BARRIER (1 HOUR RATED)
(N) FIRE BARRIER (2 HOUR RATED)	(N) FIRE BARRIER (2 HOUR RATED)
(N) FIRE BARRIER (2 HOUR RATED)	(N) FIRE BARRIER (2 HOUR RATED)

455 MBBS
EW-First Floor

1,948 SF
of office use

additional to
prior report



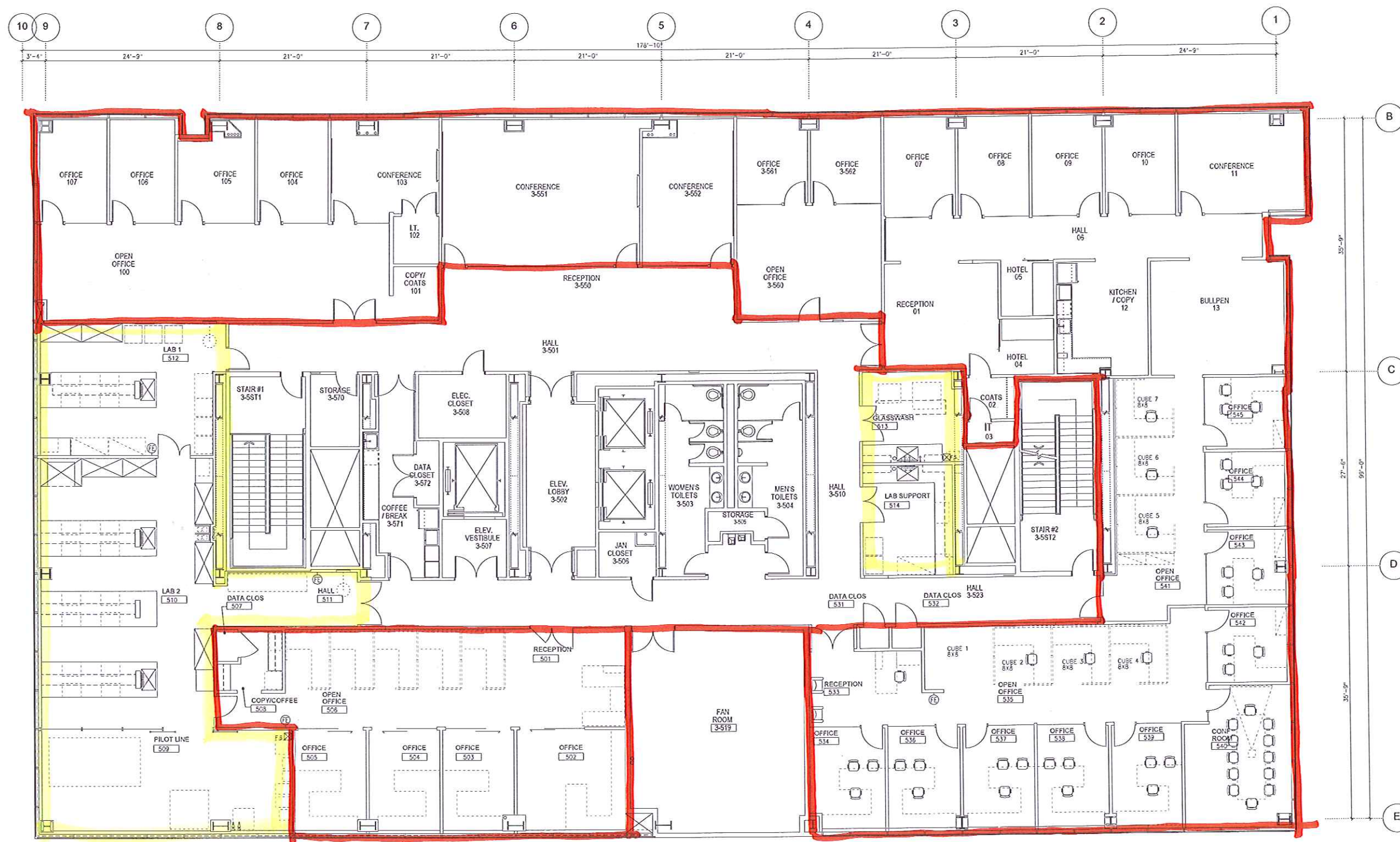
GREG BUNTUN
ARCHITECTURE
1 3 3 7 0
SKYLINE
BOULEVARD
WOODSIDE
CALIFORNIA
9 4 0 6 2
650 851 6834
FAX 650 560 6179
gbuntun@comcast.net



ALEXANDRIA

THIRD ROCK VENTURES
455 MISSION BAY BLVD
5TH FLOOR
SAN FRANCISCO, CA
5TH FLOOR PLAN

scale
1/8" = 1'-0"
date
4 APRIL, 2012
revisions



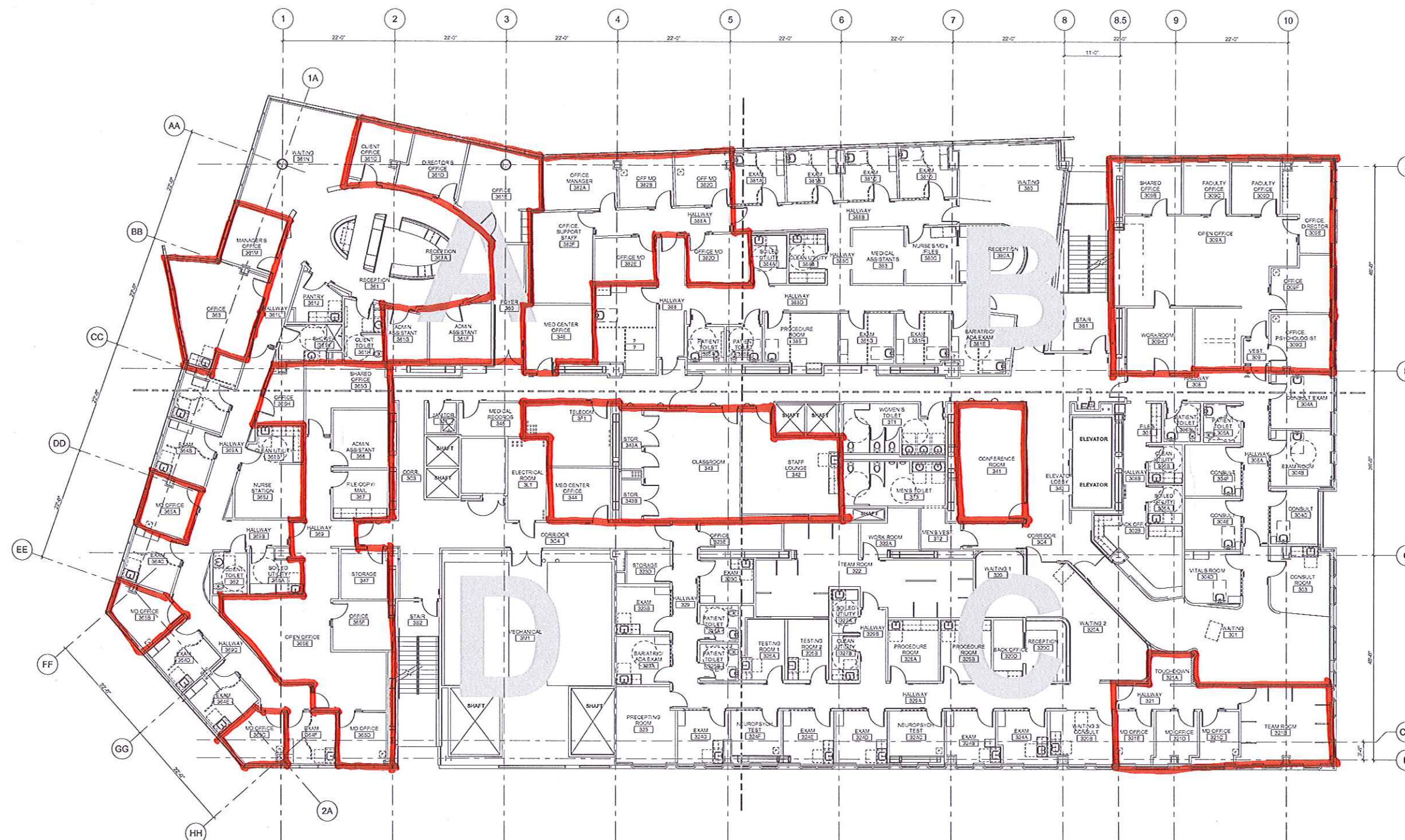
455 MBBS
EW- Fifth Flr.

Lab space : 1,620 SF
Office space : 11,065 SF
Common : 3,400 SF
+ 2,339 SF allocated common = 13,404 SF



ISSUES DATE
PERMIT SUBMISSION 04/02/2012
ISSUED FOR CONSTRUCTION "FC" SET 06/11/2012

REVISION LIST DATE



① OVERALL GRAPHIC FLOOR PLAN
1/8" = 1'-0"

1500 Owens - Third Floor - Total: 28,172 SF
 Medical Clinic: 14,398 SF
 Office: 8,450 SF
 Common: 5,324 SF
 + 1,597 SF = 10,047 SF Sec 321 allocation

SIGNAGE LOCATION PLAN GENERAL NOTES

1. REFER TO SHEET AQ-01 SERIES FOR SIGNAGE MESSAGE SCHEDULE
2. REFER TO SHEET AQ-01 SERIES FOR SIGNAGE DETAILS
3. SIGN CONTRACTOR SHALL VERIFY INSTALLATION CONDITION AND DIMENSIONS PRIOR TO FABRICATION OF ANY SIGNAGE
4. SIGN CONTRACTOR SHALL NOTIFY ARCHITECT SHOULD ANY DISCREPANCIES BE FOUND
5. SIGN QUANTITIES ARE ESTIMATES ONLY. CONTRACTOR SHALL VERIFY FINAL SIGN COUNT.

SIGN TYPES REFERENCE

THE FOLLOWING SIGN TYPES ARE INCLUDED IN THIS PROJECT:

- | | |
|-----------------------|---------------------|
| W3 DEPARTMENT ID | 16 RESTROOM BLADE |
| 17 ROOM ID | 17 EXIT PLAQUE |
| 18 CONFERENCE ROOM ID | 18 STAR INFORMATION |
| 19 OFFICE ID | 19 EVACUATION MAP |
| 20 PATIENT ID | 20 EXAM ROOM ID |
| 21 RESTROOM ON DOOR | |

SIGNAGE LOCATION PLAN LEGEND

1A.000 SIGNAGE LOCATIONS MARKER

UCSF 1500 OWENS

1500 OWENS ST
3RD FLOOR
SAN FRANCISCO CA 94115

KEY PLAN



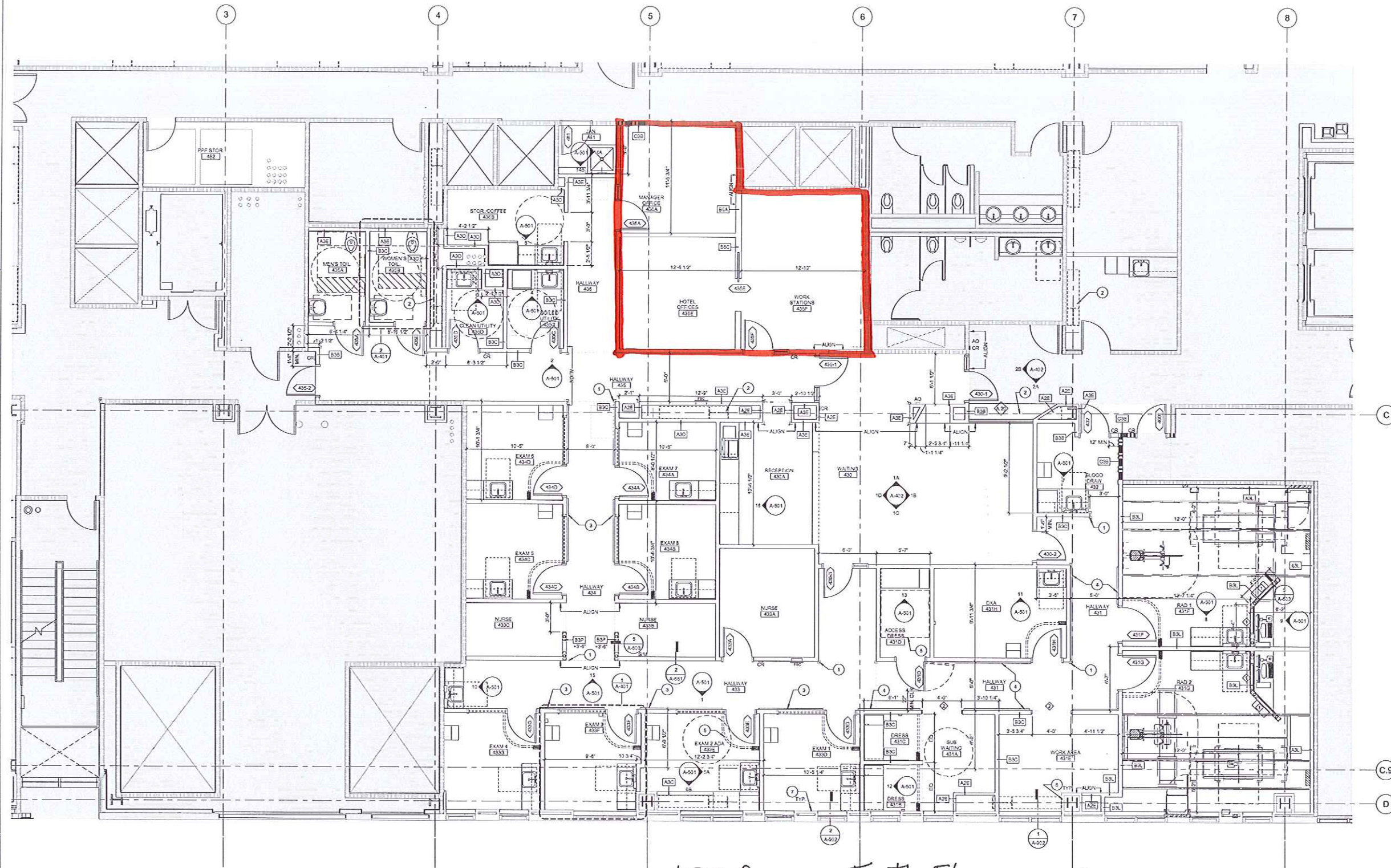
PROJECT NO.: 11024.01
DATE: JUNE 11, 2012
SCALE: 1/8" = 1'-0"

SHEET TITLE

OVERALL GRAPHIC
FLOOR PLAN

SHEET NO.

AG-101



1 FLOOR PLAN-LEVEL 4
1/4" = 1'-0"

1500 Owens - Fourth Floor expansion
573 SF beyond prior report

UCSF 1500 OWENS

1500 OWENS ST
4TH FLOOR
SAN FRANCISCO CA 94158

KEY PLAN



PROJECT NO.: 11024.02
DATE: APRIL 17, 2012
SCALE: As Indicated

SHEET TITLE
FLOOR PLAN - LEVEL 4

SHEET NO.

A-101A

KEY NOTES

- 1 CORNER GUARD TYP.
- 2 (E) BRACED FRAME
- 3 HANDRAIL ONLY
- 4 HAND GRASP RAIL
- 5 PRIVACY CURTAIN, SEE REFLECTED CEILING PLAN FOR ADDITIONAL INFORMATION
- 6 EXISTING GYP. BOARD COLLUM ENCLASURE TO REMAIN, VERIFY DIMENSION IN FIELD
- 7 EXISTING PER METER PURRED GYP. BOARD WALL TO REMAIN
- 8 5'-0" X 5'-0" CLEAR FLOOR SPACE, DOOR MAY NOT SWING OVER CLEAR FLOOR SPACE

FLOOR PLAN NOTES

1. REFER TO SHEET A-101 FOR PLAN NOTES
2. ALL PARTITION TYPE TO BE BSA, U.O.N

FLOOR PLAN LEGEND

- | | | | |
|-----------------------------------------------------------|-------------------------------------|----|----------------------------|
| 1 HR RATED PARTITION WITH 20 MIN. FIRE RESISTIVE OPENINGS | FLOOR DRAIN - SEE PLUMBING DRAWINGS | AO | AUTO OPENER PUSH PLATE |
| 2 HR PARTITION WITH 90 MIN. RESISTIVE OPENINGS | FLOOR SINK - SEE PLUMBING DRAWINGS | CR | CARD READER |
| EXISTING RATED PARTITION TO REMAIN | RECESSED FIRE EXTINGUISHER CABINET | HO | HOLD-OPEN |
| WINDOW TYPE TAG | FIRE EXTINGUISHER | LS | STAINLESS STL CORNER GUARD |
| WALL TYPE TAG | EXISTING AREA, N.I.C | J | HIGH STRENGTH CORNER BEAD |
| DOOR TYPE TAG | | | |

BAY JACARANDA NO. 2932, LLC,
c/o salesforce.com, inc.
The Landmark @ One Market, Suite 300
San Francisco, California 94105

September 15, 2015

VIA OVERNIGHT COURIER

Mr. Scott Sanchez
Zoning Administrator
Office of the Zoning Administrator
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94103-2479

RECEIVED

SEP 16 2015

**CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
ZA OFFICE**

Re: Planning Code Sections 321 and 322
Semi-Annual Report on Allocation of Office Space
Alexandria Mission Bay Life Sciences and Technology Development District

Dear Mr. Sanchez:

Bay Jacaranda No. 2932, LLC, a Delaware limited liability company ("Bay 2932"), is providing this semi-annual report to the Zoning Administrator in connection with 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 and attached as Exhibit A hereto.

Pursuant to a letter dated December 7, 2010, Alexandria Real Estate Equities, Inc. ("Project Sponsor") notified the Zoning Administrator of Project Sponsor's transfer of allocated office space to Bay 2932.

In accordance with Item 3 set forth in Exhibit A to the Motion (the "Conditions of Approval"), Bay 2932 hereby advises the Zoning Administrator of the status of the following allocations:

1. Bay 2932

On November 1, 2010, Bay 2932 acquired the property commonly referred to as Mission Bay South Development Blocks 29, 30, 31, and 32 ("Blocks 29-32") from Project Sponsor. In conjunction with this transaction, the Project Sponsor allocated 677,020 square feet of office space authorizations to Blocks 29-32 (the "Blocks 29-32 Allocation"). As of the date hereof, there is no built out space, buildings or leasable square footage on Blocks 29-32.


Bay 2932 is in the process of selling Blocks 29-32 (including the entirety of the Blocks 29-32 Allocation) to a party not affiliated with the Bay Owners. Bay 2932 will provide the Zoning Administrator notice of transfer when such transaction is complete.

Sincerely,

BAY JACARANDA NO. 2932, LLC,
a Delaware limited liability company

By: Bay Jacaranda Holdings, LLC,
a Delaware limited liability company,
Its Sole Member

By: salesforce.com, inc.,
a Delaware corporation,
Its Sole Member

By: 

Amy Weaver
EVP & General Counsel

Attachment