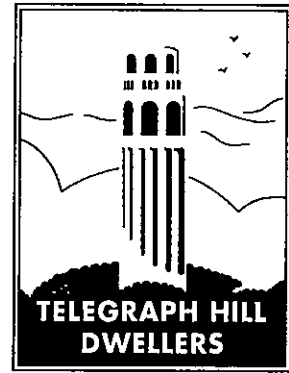


September 20, 2007



Douglas Rosenberg
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Dan DiBartolo
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Re: Musto Building – 717 Battery Street, San Francisco

Dear Mr. Rosenberg and Mr. DiBartolo:

We thank the project sponsor for presenting the proposed project to the Planning & Zoning Committee in June 2007. From the presentation, we understand that the project has been under review for many months prior to our first opportunity to review and provide our comments and recommendations on the proposal. We therefore address this letter to the project sponsor and the Planning Department jointly.

Based on our review of the Conceptual Design dated June 6, 2007, and as set forth in greater detail below, we believe the project as currently proposed will **significantly impact** the historic Musto Building located 717 Battery Street, at the corner of Battery and Pacific, owned by the Italian master-stonecutting Musto family for 134 years.

The Joseph Musto Steam Marble Mill was established in San Francisco in 1868 and Musto Sons were responsible for the acclaimed marble work at the California Palace of Legion of Honor and San Francisco City Hall.

Further, we believe the new structure will substantially **impair** the potentially National Register-eligible Northeast Waterfront Historic District, as well as the Jackson Square National Register Historic District.

Although the primary purpose of this letter is to urge the project sponsor to significantly reduce the scale and severity of the proposed project, modifying the design to avoid significant adverse impacts on this historic resource, we are certain that **unless such changes are made an Environmental Impact Report (EIR) would be required** under the California Environmental Quality Act (CEQA).

Project Description

As presented to the Committee, the project would involve the adaptive re-use of the Musto Building, constructed in 1907 as a large three-story warehouse with three shops on the ground level, including major exterior alterations and additions to the historic structure.

The proposal is to add a 54-unit residential development with 36 parking spaces. The residential area would be accommodated both by adding a two-floor "penthouse structure" and by new construction of a four-story building fronting Pacific Avenue, joined to the Musto Building at the ground floor. The parking area would be accomplished by filling the open public plaza presently facing Pacific Avenue.

As a result of the project, garage entrances would dominate the ground floor level at Pacific Avenue and new construction would demolish the ground floor of the intact west and south facades of the original Musto Building, permanently obscuring these at the second and third levels.

Summary of Recommendations to Eliminate Significant Impacts

• Musto Building:

1. Eliminate the second floor of the addition to the Musto Building and reduce the first floor of the proposed addition so that it is not visible from any public right of way – changing it into a true "penthouse" addition. The story poles were very helpful in showing the high degree of visibility of the proposed addition and we would be happy to work with you to "move" these back to determine the appropriate location of the penthouse addition.
2. Restore the original windows pursuant to the original 1906 drawings, which are available.
3. Restore the Battery Street storefronts pursuant to the original 1906 drawings and include retail uses in these spaces.
4. Disconnect the proposed new structure/parking garage from the Musto Building, so that the original west and south facades can be retained and restored.
5. With the above changes to the project, we would **recommend that you consider taking advantage of the federal tax credits** available for historic rehabilitation. Your preservation architect, Bruce Judd, indicated at the Planning and Zoning Committee meeting that this was possible.

• Proposed New Structure:

1. "Disconnect" any proposed new structure/parking garage from the Musto Building, leaving space between the new and historic structure.
2. Redesign this structure to be compatible with contributing structures in the Jackson Square Historic District and the Northeast Waterfront Historic District, as well as the nearby buildings of the same period in the block. Use real brick, redesign the pattern of the fenestration, eliminate the balconies and the vertical glass window/panels, and eliminate the predominance of garage openings at street level, which would create an unattractive pedestrian dead zone. Everything about this design is incompatible with its setting and context and inappropriate for Pacific Avenue.
3. Reconsider the necessity of a parking garage given the close proximity to downtown and transit. We would support an exemption from parking requirements in the interest of promoting the City's Transit First Policy.

• Historic Designation of Musto Building:

Although whether a historic resource is designated or not does not affect CEQA requirements, we recommend that the Musto Building be designated as a landmark and that the Northeast Waterfront Historic District be expanded to include this block.

The Musto Building is Clearly a Historic Resource for Purposes of CEQA

A review of the Historic Resource Evaluation Report dated 3 October 2006 (the "Report"), reveals a striking inconsistency between the CEQA analysis contained in Sections 6, 7 and 8 and the "Evaluation of the Existing Structure" and "Context and Relationship" set forth as Sections 4 and 5. As described below, the person who wrote the CEQA "analysis" sections completely failed to account for contradictions with the professional report's context and relationship findings.

The fact that the Musto Building is an historic resource is not in dispute. The Evaluation of the Existing Structure (Section 4) clearly concludes (at pages 11 and 12) that the Musto Building is eligible for the California Register (and the National Register), and that, in addition, the Musto Building and the other buildings on this block of Battery Street appear to be contributors to the Northeast Waterfront Historic District either as outliers or if the boundary were expanded.

Thus, in addition to considering the significant impacts that this proposed project would have on these historic resources, we urge the City to initiate preparation of landmark designation for the Musto Building, as well as extension of the Northeast Waterfront Historic District to formally include the Musto Building and the other buildings on this block of Battery Street.

1. Character-Defining Features identified in the Evaluation of the Resource will be destroyed or demolished by the Proposed Project.

A list of *character-defining features* is set forth in the Evaluation of the Resource (on page 6). Of these features, three of the four "General" character-defining features will be destroyed by the proposed project, including the following:

"L"-shaped footprint: will be destroyed by filling in the plaza with the proposed new building, including a new connecting parking structure that will destroy the first level of the Musto Building's facades (west & south) on Pacific Avenue

Three-story massing: will clearly be destroyed by the addition of two new floors

Flat roof surrounded by simple parapet: -- the flat roof will clearly will be destroyed by the addition of two new floors to the roof

In addition, all of the *character-defining features* of the secondary facades (west & south) on Pacific Avenue will be permanently destroyed by the proposed project as they will be obscured or demolished by the proposed addition of a garage and new structure.

Remarkably, there is a statement in the Summary (on page 2) that: "The project would not involve demolition, destruction, or relocation of *character-defining features*." As pointed out above, this statement is plainly incorrect given the historic resource evaluation contained in the same report. The permanent destruction of such critical features is unacceptable.

2. The Building's Integrity as established by the Evaluation of the Resource will be seriously impacted by the Proposed Project.

The Evaluation of the Existing Structure (at pages 12-14) finds that the Musto Building possesses all seven aspects of *integrity* recognized and employed by the National Register and the California Register.

At least three of the seven aspects of the building's *integrity* would be seriously impaired by the proposed project, including the following:

Design: the integrity of the building's form, plan, space and structure will all be significantly impacted by the proposed project.

Feeling: the many of the characteristics that make 717 Battery a good example of a post 1906 earthquake warehouse will not longer be in tact since the secondary facades will be completely destroyed or obscured.

Association: as a significant work of William Mooser II, the building will lose its original overall form and massing as a result of the addition to the height and the infill for a parking level as well as the addition of the new proposed building that will be connected to the original work.

3. The Proposed New Building would destroy the South and West Elevations of the Musto Building.

Not only will the new structure fronting on Pacific Avenue block all views of the south and west elevations of the Musto Building, which we believe were designed to be viewed and in fact have always been visible from Pacific Avenue, but it will completely destroy/demolish the ground level of these elevations with the construction of the new infill parking structure. Although the south and west elevations are not the primary facades, they were clearly not designed to be the "rear" or "side walls" of the building – their historic significance as a part of the original William Mooser II design cannot be ignored for purposes of CEQA evaluation. Construction of the new building and parking structure as proposed would therefore significantly impact the Musto Building, a historic resource under CEQA.

4. Proposed Design of the New Building is Incompatible with the Musto Building, Jackson Square Historic District and other Nearby Buildings from the same period.

As pointed out in the Context and Relationship section of the Report (at page 14) the new structure will be clearly visible from the intersection of Pacific and Sansome Streets, and from the 700 block of Sansome Street located within the Jackson Square National Register Historic District. The proposed design of the new structure is clearly incompatible with the Musto Building and Jackson Square, as well as the nearby buildings of the same period. The thin brick, the pattern of the fenestration, the balconies, the mass of vertical glass, street level garage openings – all these design features are wrong. Consider the height, scale, massing and materials of the buildings directly across the street and next door to the east and historic structures in Jackson Square and in the Northeast Waterfront Historic District. Not only is the proposed design inconsistent with the Secretary of the Interior's Rehabilitation Standards, this design could not even pass muster under the City's Residential Design Guidelines (which we acknowledge do not apply). The design of this building is so clearly incompatible as to

significantly impact not only the Musto Building but also surrounding historic resources, even absent the particular impacts discussed above.

5. The Proposed Project will impact the Physical Integrity of the largely intact Setting of the other buildings on the block from the same period.

As identified in the Evaluation of the Resource (Section 4), a review of the historic information indicates that the setting of 717 Battery Street is largely intact -- the other buildings on the block are from roughly the same period and of the same materials, detailing, massing, etc. and together appear to be potential contributors to the Northeast Waterfront Historic District if the district is expanded.

As identified in the Context and Relationship (Section 5), the eastern boundary of the Jackson Square National Register Historic District is located one block to the west, on the western side of Sansome Street, and the southern boundary of San Francisco's Northeast Waterfront Historic District boundary is demarcated by Broadway, to the north, a half block from the subject property. All five of the buildings on the block (including the Musto building) were built prior to the 1906 Earthquake or in the decade after and constitute a cohesive block. Three of the buildings were originally factories or warehouses, and two of the buildings were restaurants/saloons.

Given the context and relationship of the Musto Building and the proposed new structure on Pacific Avenue to these other resources, the proposed project would impact not only the Musto Building, but would impact the physical integrity of Jackson Square and the largely intact setting and potential addition to the Northeast Waterfront Historic District as well. This is clearly an impact that must be addressed under the requirements of CEQA.

Restoration/Federal Tax Credit Alternative Should be Considered

Even though your preservation architect stated that the original plans for the building do not exist and that as a result a restoration of the original windows was not possible, the Evaluation of the Resource (page 14) states that a set of the original 1906 drawings, in fact, *do exist and are available*. Therefore a restoration of the building, including the windows -- presently altered with dark aluminum divided-lite sash with tinted glazing from a reversible 1969 remodel-- is clearly possible.

The Evaluation of the Resource (page 9) states that the first floor of 717 Battery housed three shops from the time it was rebuilt after the Earthquake in 1907. So in addition, our recommendation that the proposed project include retail uses on the ground floor is therefore consistent with the historic use of ground floor.

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Restoration/Federal Tax Credits reward private investment in the rehabilitation of historic properties. The California Mills Act, which allows property tax relief, can be linked with federal tax credits so developments realize substantial property tax savings. A project that would qualify for the use of the federal tax credits should be considered as an alternative in the EIR.

Conclusion

The project as proposed is unacceptable because not only does it present an unwelcome presence at the street level, it needlessly and bluntly damages a building which is both a potential contributor to historic districts and an historic resource in its own right. By virtue of the substantive requirements of CEQA, such significant impacts must be avoided. Clearly the project requires preparation on an EIR in spite of the erroneous analysis.

To the sponsor, we recommend removal of a parking structure from the Musto Building site programming, disconnection of any new construction to retain the façades of the original building, use of original building plans to rehabilitate the structure, provide for retail uses of the Musto Building and qualify for restoration/federal tax credits. We further recommend that you replace the proposed materials of any new building with genuine brick and a design consistent with the existing fenestration patterns and preserving the historic visual character of the Musto Building and its setting, while allowing a vibrant new use of the property.

To the City, we urge the preparation of an EIR to properly analyze the impacts of the project and to study the alternative we have described above. We recommend support of such alternative in the EIR, approval of use of the Mills Act to support this alternative development, designation of the Musto Building as a landmark and the extension of the Northeast Waterfront Historic District to formally include the identified Battery Street contributors.

Sincerely,



Vedica Puri
President

cc: Kwan Henmi Architects
Bruce Judd, Architectural Resources Group
Susan Brandt-Hawley, Esq.
Lisa Gibson, Planning Department