



## FREQUENTLY ASKED QUESTIONS

- **Q** What is being proposed for the Design Center?
- A District 10 Supervisor Malia Cohen who has been an advocate for the Design Center throughout this process recently announced her plan to move forward with landmarking 2 Henry Adams. Once landmarked, floors four and five would be eligible for office conversion and the existing uses of every other floor of both 2 and 101 Henry Adams will be preserved and showrooms will be protected.
- Why is this happening now?
- A This is the result of several years of combined effort by the Design Center, Supervisor Cohen and the Showrooms. In 2013 SFDC ownership applied to designate 2 Henry Adams as a city landmark. The Historic Commission voiced full support for landmarking but the Supervisor and the Showrooms were concerned over potential displacement and loss of PDR space. To prevent displacement and protect existing uses Supervisor Cohen imposed new legislation restricting office conversion and requiring compatible uses. With these protections in place it is the recommendation of the Supervisor that landmarking occurs.
- **Q** Why are these changes needed?
- Allowing office uses via the landmarking process will provide one more tool to successfully preserve the building. It provides the financial resources to proceed with needed building improvements and upgrades, including many that have been requested by our Showplace tenants, including a new lobby and elevators, and improved sidewalks and outdoor space.
- **Q** Why convert to office? Why not lease to PDR tenants?
- A For two years the owners of SFDC have marketed the top-two floors of 2 Henry Adams to the broader PDR market with little success. While interest was significant, the PDR uses were not complementary or compatible with the existing showrooms: noise-producing manufacturers, truck heavy distribution companies and loading intensive warehouses would create a detrimental impact on the showrooms, designers and clientele that make up the Design Center.

Our focus is on compatible tenants and we will not accept any new occupant that disrupts the building's harmony or is detrimental to the center's overall atmosphere. Our priority has always been to think holistically about the whole Design Center's well-being, to preserve the showrooms, and to position the designers to succeed in a rapidly changing environment.



- **Q** Will any current tenants be forced to leave 2 Henry Adams if it is landmarked?
- A No, the top two floors of 2 Henry Adams are already entirely vacant.
- **Q** How will bringing in office use benefit the existing Showrooms?
  - 1. The ability to lease to office uses (on the top-two floors of 2 Henry Adams only) will allow the owners of SFDC to pursue compatible uses outside the light industrial category of PDR. Part of the reason for the long existing vacancy is the lack of compatibility with PDR. With the current use, the owners cannot lease to design use offices or complementary uses like architectural firms.
    - 2. Office use is more expensive than PDR use and will allow the owners of SFDC to collect greater rent on the existing vacancy, which can be used for building upgrades and improvements. These upgrades are a key component of the economic need requirement of landmarking.
    - 3. 2 Henry Adams will be upgraded inside and out. The historical elements of the building are what make it so unique and they will be the first priority. The brick façade, classic exterior windows and roof will be repaired and upgraded. Entry ways will be modernized and brought up to ADA compliance. Outside walkways and sidewalks will be beautified, landscaped and brought up to SF standards. Inside the building, the electrical, heating/cooling, plumbing and elevators will be modernized. Additional benefits will include converting the existing gravel lot to a public space.