



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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| <input type="checkbox"/> Inclusionary Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" 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 checked="" type="checkbox"/> Other (Eastern Neighborhoods – Sec. 423) |
| <input checked="" type="checkbox"/> Transit Impact Development Fee (Sec. 411) | |

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Planning Commission Motion No. 18527

HEARING DATE: JANUARY 26, 2012

Date: January 19, 2012
Case No.: **2011.0583EBU**
Project Address: **850-870 (aka 888) Brannan Street**
Zoning: UMU (Urban Mixed Use District)
68-X Height and Bulk District
Block/Lot: 3780/006, 007, 007A and 072
Project Sponsor: 888 Brannan LP
601 California Street, Suite 1310
San Francisco, CA 94108
Staff Contact: Corey Teague – (415) 575-9081
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ADOPTING FINDINGS APPROVING ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2011-2012 ANNUAL OFFICE-DEVELOPMENT LIMITATION PROGRAM FOR A PROPOSED PROJECT LOCATED AT 850-870 (AKA 888) BRANNAN STREET THAT WOULD AUTHORIZE THE CONVERSION OF THE FIRST, SECOND, AND FIFTH FLOORS OF THE EXISTING FIVE-STORY BUILDING AT 870 BRANNAN STREET FOR A TOTAL OF 113,753 GROSS SQUARE FEET OF OFFICE USE, AND FOR AN EXCEPTION TO THE ACTIVE USE REQUIREMENT FOR A PORTION OF THE 8TH STREET FRONTAGE, PURSUANT TO PLANNING CODE SECTIONS 145.1(D), 321, 322, AND 803.9(c) ON ASSESSOR'S BLOCK 3780, LOTS 006, 007, 007A, AND 072, IN THE UMU (URBAN MIXED USE) DISTRICT AND WITHIN THE 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On June 30, 2011, Steve Vettel, on behalf of 888 Brannan LP (hereinafter "Project Sponsor") filed Application No. 2011.0583BU (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to establish the first, second and fifth floors of the existing five-story building at 870 Brannan Street as 113,753 gross square feet of legal office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095, the retention of the Gift Center and Jewelry Mart in other portions of the 850 and 870 Brannan buildings, and 31 new off-street valet parking spaces on the first floor of the 870 Brannan building, and for an exception to the active use requirement for a portion of the 8th Street frontage.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Plan Environmental Impact Report (hereinafter "Eastern Neighborhoods EIR"). The Eastern Neighborhoods EIR was prepared, circulated for public review and comment, and, by Motion No. 17659 certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"). The Commission has reviewed the Eastern Neighborhoods Final EIR, which has been available for this Commission's review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, and (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

Pursuant to the Guidelines of the State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), on January 12, 2012, the Planning Department of the City and County of San Francisco determined that the proposed application was exempt from further environmental review per Section 15183 of the CEQA Guidelines and California Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

On January 26, 2012, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2011.0583EBU.

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 hereby authorizes the Office Development and active use exception requested in Application No. 2011.0583EBU, 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 project site is located on the northeast corner of Brannan Street at 8th Street on the block surrounded by Brannan, 7th, Bryant, and 8th Streets in San Francisco's Showplace Square neighborhood, and is commonly known as 888 Brannan Street. Decatur and Kate Streets also dead end into the northwestern portion of the site. The two adjoining buildings on the site – 850 Brannan Street and 870 Brannan Street – currently contain 9,079 square feet of retail, 4,910 square feet of office, and 409,144 square feet of showroom/accessory office uses, which are categorized by the Planning Department as production, distribution, and repair (PDR) use. However, there is a high vacancy rate within the existing PDR space. The 850 Brannan Street building is a three-story concrete building. The 870 Brannan Street building is a five-story, reinforced concrete building on three parcels. The two buildings are connected internally.
3. **Surrounding Properties and Neighborhood.** The Project site falls within the Showplace Square plan area, but is in an area that may also be considered the southern edge of the South of Market neighborhood. The small area of surrounding UMU zoning is a transitional area between the PDR districts to the south and the Mixed Use districts to the west, north, and east. The immediate area consists of similar, large, industrial/commercial buildings. Interstate 1-80 runs along the west elevation of the building, and the Concourse Exhibition Center is located across the street at the corner of 8th and Brannan Streets.
4. **Project Description.** The proposal is to convert the first, second and fifth floors of the existing five-story building at 870 Brannan Street from PDR to 113,753 gross square feet of office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095. The Gift Center and Jewelry Mart will be retained in other portions of the 850 and 870 Brannan buildings. The existing retail space will be reduced from 9,079 square feet to 4,682 square feet. A vehicular access point will be created off of Decatur Street to provide access to a 31 space valet

parking area within the 870 Brannan Street building. At least 74 Class 1 bicycle parking spaces will be provided off the main lobby and within the parking area.

5. **Public Comment.** The Department received an email of concern from one current tenant and a phone call from a representative of property owners and residents/tenants on Decatur Street with concerns about the potential impacts to Decatur Street from the additional traffic associated with the proposed parking in 870 Brannan Street.

6. **Planning Code Compliance.** The Commission finds and determines that the Project is consistent with the relevant provisions of the Code in the following manner:

A. **Office Space in a Historic Building.** Section 803.9(c) permits all uses in buildings that are a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation. However, each project must meet the following criteria:

i. The building is a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation;

The 870 Brannan Street building is listed in the California Register of Historical Resources by virtue of its designation in the National Register of Historic Places. No new office space is proposed in the 850 Brannan Street building.

ii. The project does not contain nighttime entertainment;

The project does not contain any nighttime entertainment.

iii. Prior to the issuance of any necessary permits, the Zoning Administrator, with the advice of the Landmarks Preservation Advisory Board (*now the Historic Preservation Commission (HPC)*), determines that allowing the use will enhance the feasibility of preserving the building;

The Zoning Administrator determined that allowing the additional office space at 870 Brannan Street will enhance the feasibility of preserving the building, based in part on the Historic Preservation Commission's review of the project, which is detailed in subsection v below.

iv. Residential uses meet the affordability requirements of the Planning Code;

The project does not include any residential uses.

v. The Landmarks Preservation Advisory Board (*now the Historic Preservation Commission (HPC)*) shall review the proposed project for compliance with the

Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)) and any applicable provisions of the Planning Code.

The project was reviewed by the HPC on November 16, 2011, and the HPC adopted Resolution No. 668. The resolution found that:

- *The proposed project complies with the Secretary of the Interior's Standards for the Treatment of Historic Properties.*
- *The proposed project enhances the feasibility of preserving the building by repairing deteriorated aspects of the subject building and installing new features (such as windows and doors), which are compatible with the building's historic character. The project would rectify serious material issues, including the painted glazing and window sashes, and rust jacking evident around the window frames. In addition, the project would remove a non-historic canopy and also restore the sense of the original rail spur opening along the Brannan Street façade.*
- *The building's new uses would provide for the repair and rehabilitation of the exterior, while maintaining the building's historic integrity and eligibility for listing in the National Register of Historic Places.*

B. **Open Space.** Section 135.3 requires conversions to new office space in Eastern Neighborhoods Mixed Use Districts to provide and maintain usable open space for that new office space at a ratio of one square foot per 50 square feet of new office space, and/or pay an in-lieu fee of \$76 per square foot. The project proposes 113,753 square feet of new office space. Additionally, Planning Commission Motion No. 18095 authorized another 143,490 square feet of office space in 2010. The total amount of new office space requires at least 5,145 square feet of open space to be provided.

The 870 Brannan Street building includes an approximately 5,700 square foot atrium. The project will also create a new courtyard of approximately 4,000 square feet in a portion of the existing loading area.

The open space(s) must meet the following criteria:

- i. Be appropriately landscaped;

The existing atrium is lined with planter beds with small shrubs and trees, and it also includes a three-story palm tree. The new courtyard will also be appropriately landscaped.

- ii. Be protected from uncomfortable wind;

The existing atrium is located on the ground floor just inside the main entrance to the 870 Brannan Street building. The new courtyard will be at the interior of the project site and surrounded by building walls on each side. As such, the open spaces are well protected from uncomfortable wind.

- iii. Incorporate ample seating and, if appropriate, access to food service, which will enhance public use of the area;

The existing atrium includes ample seating and is very near a restaurant space on the ground floor. The new courtyard will also include ample seating. The final design of such seating will be finalized before the issuance of the Building Permit.

- iv. Have adequate access to sunlight if sunlight access is appropriate to the type of area;

The existing atrium is capped by a glass roof above the fifth floor of the 870 Brannan Street building. It provides adequate sunlight to the atrium and the glass roof is only covered during severe weather. The new courtyard will be open to the sky and allow adequate sunlight.

- v. Be well lighted if the area is of the type requiring artificial illumination;

The existing atrium is adequately lighted by both the glass roof above and artificial illumination within the building. The courtyard will have ample natural light, and may also include appropriate artificial lighting.

- vi. Be designed to enhance user safety and security;

The existing atrium is located on the ground floor just inside the main entrance to the 870 Brannan Street building. The proposed courtyard will be on the ground floor between 850 and 870 Brannan Street. Neither space will be open to the public, which will enhance user safety for the tenants of the buildings.

- vii. Be of sufficient size to be attractive and practical for its intended use; and

The existing atrium is nearly 5,700 square feet and the proposed courtyard is approximately 4,000 square feet. Each space is of sufficient size for practical open space.

- viii. Have access to toilets, if feasible.

Restrooms are provided throughout the ground floor and the rest of the buildings.

- C. **Street Trees and Streetscape Plan.** Section 138.1 requires new buildings or major conversions to have one street tree for every 20 feet of street frontage. As such, the Project requires 15 street trees along 8th Street and 21 street trees along Brannan Street.

The Project site already includes 6 street trees along 8th Street and 13 street trees along Brannan Street. Additional trees will be added to meet the minimum Planning Code requirement.

- D. **Active Uses and Parking Setback.** Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor and that active uses must be provided within that first 25 feet. Section 145.1(d) allows the Planning Commission to grant a modification to this control for historic buildings if complying with specific street frontage requirements would adversely affect the landmark, significant, contributory, or meritorious character of the structure, or that modification or waiver would enhance the economic feasibility of preservation of the landmark or structure.

The project proposes to convert the northwest corner of the 870 Brannan Street building into a parking area for 31 spaces, a car share space, and a portion of the project's bicycle parking. The parking area directly abuts the 8th Street façade for a length of approximately 75 feet. The 8th Street façade does not include any storefront systems that would permit visibility into potential active uses, and the floor level within the building at this point is approximately 2 feet 6 inches above the sidewalk grade. Additionally, the steel-sash windows on the ground floor level of the 8th Street facade will be preserved and rehabilitated along with the buildings' other windows. Based on the existing character of the historic 870 Brannan Street building, it is not reasonable to require active uses along the entire frontage. Not permitting the relatively small parking area along the most northwest portion of the 8th Street frontage would adversely affect the landmark, significant, contributory, or meritorious character of the structure, and the modification or waiver would enhance the economic feasibility of preservation of the structure.

- E. **Parking.** Section 151.1 does not require any off-street parking, and provides maximum parking amounts based on land use type. The office space alone in this project is permitted to have up to one parking space per 500 square feet, which amounts to 473 parking spaces.

The project proposes to add a new parking area within northwest corner of the existing 870 Brannan Street building that will include 31 valet parking spaces. The parking will be accessed from Decatur Street.

- F. **Loading.** Section 152.1 requires certain amounts of off-street freight loading spaces based on the type and size of uses in a project. The proposed size and mix of uses requires at least six loading spaces.

The project site currently contains an exterior loading dock with two loading spaces, accessed from Brannan Street. As part of the proposed project, the existing loading dock will be redesigned to

create an open-air courtyard, while keeping the two existing loading spaces. Based on existing uses, the project site has a legal deficiency of seven loading spaces. With the proposed project's change of use (reduction of PDR to office and IPDR), the project site will require six spaces. Thus, the loading space deficit at the project site will be reduced from seven to four. Per Planning Code Section 150(c)(1), the loading deficiency may be carried forward for the proposed change of use.

- G. **Bicycle Parking.** Section 155.4 requires at least 12 Class 1 or Class 2 bicycle parking spaces be provided.

The Planning Department intends to introduce legislation in early 2012 (Case No. 2011.0397T) that will update bicycle parking requirements for various project types in the City. Based on the preliminary draft of that legislation, the Project would require 74 Class 1 bicycle parking spaces and 12 Class 2 bicycle parking spaces. The Project proposes 74 Class 1 bicycle parking spaces and will work with the Planning Department and the Municipal Transportation Agency to provide up to 12 Class 2 bicycle spaces.

- H. **Child Care.** Section 414 requires office developments of more than 50,000 gross square feet to 1) construct or provide a child-care facility on or near the site of the development project, either singly or in conjunction with the sponsors of other office or hotel development projects, 2) arrange with a nonprofit organization to provide a child-care facility at a location within the City, or 3) pay an in-lieu fee to the City Treasurer which shall thereafter be used exclusively to foster the expansion of and ease access to child-care facilities affordable to households of low or moderate income.

The Project does not include on-site child care. Therefore, the Project Sponsor shall pay an in-lieu pursuant to Planning Code Section 414.4, prior to the issuance by DBI of the first certificate of occupancy for the development project.

- I. **Development Fees.** The Project is subject to the Transit Impact Development Fee per Planning Code Section 411, the Jobs-Housing Linkage Fee per Planning Code Section 413, and the Eastern Neighborhoods Community Impact Fee per Planning Code Section 423.

The Project Sponsor shall pay the appropriate Transit Impact Development, Jobs-Housing Linkage and Eastern Neighborhoods Community Impact fees, pursuant to Planning Code Sections 411, 413 and 423, at the appropriate stage of the building permit application process.

- J. **Office Allocation.** Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH

ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

The existing buildings have been used as a wholesale design center and showroom space, with small amounts of retail on the ground floors. There is currently more than 3.9 million gross square feet of available "large cap" office space in the City. Additionally, the Project is subject to various development fees, plus the Child Care in-lieu fee, that will benefit the surrounding community. Therefore, the Project will help maintain the balance between economic growth, housing, transportation and public services.

II. THE CONTRIBUTION OF THE OFFICE DEVELOPMENT TO, AND ITS EFFECTS ON, THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN.

The Project is consistent with the General Plan, as outlined in Section 7 below.

III. THE QUALITY OF THE DESIGN OF THE PROPOSED OFFICE DEVELOPMENT.

The proposed office space is within two existing buildings. The proposed reclassification of use includes no exterior additions to the existing buildings. Additionally, the Historic Preservation Commission determined that the proposed alterations and rehabilitation are consistent with the Secretary of the Interior's Standards for the rehabilitation of historic buildings (Resolution No. 688).

IV. THE SUITABILITY OF THE PROPOSED OFFICE DEVELOPMENT FOR ITS LOCATION, AND ANY EFFECTS OF THE PROPOSED OFFICE DEVELOPMENT SPECIFIC TO THAT LOCATION.

- a) Use. *The Project is within the UMU (Urban Mixed Use) Zoning District, which permits office use only on certain floors, and in relation to the number of stories in the building. Planning Code Section 843 states that the UMU District promotes "a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area." It also states that office uses are permitted, but limited to the upper floors of buildings.*

Additionally, Section 803.9(c) permits office uses in the entire building if it is either a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation. This project meets all the requirements of Section 803.9(c), as outlined above in subsection 6(A), and will enhance the feasibility of preserving the historic building at 870 Brannan Street.

- b) Transit Accessibility. *The area is served by a variety of transit options. The Project site is approximately six blocks from the Civic Center MUNI and BART station, and the CalTrain Depot at 4th and King Streets. It is also within three blocks from six MUNI bus lines, and a Golden Gate Transit bus line.*

- c) Open Space Accessibility. *The project is located in the Showplace Square neighborhood, which includes very little open space. The nearest significant open spaces are Franklin Square and Jackson Park, each being further than six blocks away. However, the existing atrium on the ground floor of the 870 Brannan Street building, along with the proposed courtyard, will provide more than 10,000 square feet of open space for tenants of the buildings.*
- d) Urban Design. *The proposed office space is in existing structures. The building at 870 Brannan Street was constructed in 1917, with additions in 1920, and is listed on both the National Register of Historic Places and the California Register of Historical Resources. It is an excellent example of the character of the built environment in the area. The building at 850 Brannan Street was originally built in 1920, but was substantially altered in 1944 and 1984-5. It compliments the adjacent historic structure and is representative of the low, industrial building type of the area.*
- e) Seismic Safety. *The Project includes limited construction within the interior of the existing buildings. It will not create any new space that does not meet current seismic safety standards.*

V. THE ANTICIPATED USES OF THE PROPOSED OFFICE DEVELOPMENT IN LIGHT OF EMPLOYMENT OPPORTUNITIES TO BE PROVIDED, NEEDS OF EXISTING BUSINESSES, AND THE AVAILABLE SUPPLY OF SPACE SUITABLE FOR SUCH ANTICIPATED USES.

- a) Anticipated Employment Opportunities. *The Project includes a total of 113,753 gross square feet of new office space. Based on the Project Sponsor's analysis, the total office space would employ nearly 1,300 people at full occupancy.*
- b) Needs of Existing Businesses. *The Project will supply office space in the Showplace Square area, which limits or prohibits office use, depending on the Zoning District. In contrast to the downtown area, office rents in this area are generally lower and provide valuable space for smaller and/or younger businesses. Based on the Project Sponsor's analysis, the total office space would employ nearly 1,300 at full occupancy. Since office space is limited in this area, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.*
- c) Availability of Space Suitable for Anticipated Uses.

The project will provide quality office space that is suitable for a variety of office uses and sizes.

VI. THE EXTENT TO WHICH THE PROPOSED DEVELOPMENT WILL BE OWNED OR OCCUPIED BY A SINGLE ENTITY.

The buildings are currently under single ownership. They are currently divided into a large number of small tenant spaces. However, the project includes a reorganization to combine much of

the existing PDR into the basement level and creates a floor plan suitable for one or more large office tenants.

VII. THE USE, IF ANY, OF TRANSFERABLE DEVELOPMENT RIGHTS ("TDR's") BY THE PROJECT SPONSOR.

The Project does not include any Transfer of Development Rights.

- K. **Vertical Office Controls.** Section 803.9(h) limits office use in the UMU Zoning District based on a building's number of stories. A building with 2 to 4 stories may have only one floor designated for office use. A building with 5 to 7 stories may have up to two floors designated for office use.

Pursuant to this Section, the third and fourth floors of the existing five-story building at 870 Brannan Street, and the third floor of the existing three-story building at 850 Brannan Street were previously approved as office space (Motion No. 18095). The newly proposed office space falls on the first, second, and fifth floors of the 870 Brannan Street building, and is subject to the controls of Section 803.9(c), as discussed in subsection 6(A) above.

7. **Section 101.1 Priority Policy Findings.** Section 101.1(b)(1-8) establishes Eight Priority Planning Policies and requires review of permits for consistency with said policies.

The Commission finds and determines that the Project is consistent with the eight priority policies, for the reasons set forth below.

- a) That Existing Neighborhood-Serving Retail Uses be Preserved and Enhanced and Future Opportunities for Resident Employment in and Ownership of Such Businesses Enhanced.

The existing restaurant space within 870 Brannan Street, which is currently vacant, will be reduced from 9,079 square feet to 4,682 square feet. However, the remaining retail space will be directly accessible to Brannan Street next to the main office entrance. Additionally, the conversion to office space within the building will create new demand for neighborhood-serving retail use in the building and surrounding neighborhood.

- b) That Existing Housing and Neighborhood Character be Conserved and Protected in Order to Preserve the Cultural and Economic Diversity of Our Neighborhoods.

The Project includes no exterior additions to the existing buildings and will not remove or add any housing. The Project falls in the Showplace Square area, which limits or prohibits office use, depending on the Zoning District. As such, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.

- c) The City's Supply of Affordable Housing be Preserved and Enhanced.

There is no existing affordable or market-rate housing on the Project Site. The development will contribute fees to the Jobs-Housing Linkage Program. Therefore, the Project is consistent with this priority policy.

- d) That Commuter Traffic not Impede Muni Transit Service or Overburden our Streets or Neighborhood Parking.

The area is served by a variety of transit options, including MUNI, BART and Golden Gate Transit. The proposal includes only 31 off-street parking spaces, which will be accessed from Decatur Street. Additionally, a "Right Turn Only" sign will be installed for cars turning onto Bryant Street from Decatur Street to ensure safety. Therefore, the Project should have no significant impact on transit or neighborhood parking.

- e) That a Diverse Economic Base be Maintained by Protecting our Industrial and Service Sectors from Displacement due to Commercial Office Development, and that Future Opportunities for Resident Employment and Ownership in these Sectors be Enhanced.

The existing buildings are quite large and currently have a high vacancy rate. The additional office space will help ensure that the historic building at 870 Brannan Street remains economically viable, and continues to contribute to the economic base of the surrounding neighborhood and the City. The existing Gift Center and Jewelry Mart will be retained and relocated within the existing buildings. Additionally, the change of use will help reduce the vacancy rate and create new opportunities for local resident employment.

- f) That the City Achieve the Greatest Possible Preparedness to Protect Against Injury and Loss of Life in an Earthquake.

The Project includes minor interior construction in the existing buildings. Therefore, the Project will not create any new space that does not meet current seismic safety standards.

- g) That Landmarks and Historic Buildings be Preserved.

Permitting office use on the Project site, per Planning Code limitations, will help preserve the historic building at 870 Brannan Street.

- h) That our Parks and Open Space and their Access to Sunlight and Vistas be Protected from Development.

The proposed Project does not include any exterior additions to the existing buildings, and there will be no impact to parks, open space, access to sunlight, or vista views.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 1.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The Project will preserve two existing buildings, including a historic building at 870 Brannan Street, that are currently facing high vacancy rates. It will allow for one or more sizeable office tenants to sign a long-term lease, which will increase economic vibrancy in the area. Authorization of the office space will also result in the collection of significant development fees that will benefit the community and would not otherwise be required.

SHOWPLACE SQUARE/POTRERO HILL AREA PLAN

Objectives and Policies

OBJECTIVE 1.1:

ENCOURAGE THE TRANSITION OF PORTIONS OF SHOWPLACE / POTRERO TO A MORE MIXED USE AND NEIGHBORHOOD-SERVING CHARACTER, WHILE PROTECTING THE CORE OF DESIGN-RELATED PDR USES.

Policy 1.2:

In the northern part of Showplace Square (around 8th and Brannan, east of the freeway and along 16th and 17th Streets) revise land use controls to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

OBJECTIVE 6.1:

SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS.

The increased economic viability of the buildings provided through additional office space will reduce the vacancy rate and help retain the existing PDR uses within the buildings. Additionally, the intensification of use will help the remaining retail space on the ground floor more viable over the long term. The overall result is a project with a mix of office, PDR, and retail uses that support the economic wellbeing of the area.

9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. The Commission finds that granting the Project Authorization in this case would promote the public welfare, convenience and necessity of the City for the reasons set forth above.

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. 2011.0583EBU** 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 January 18, 2012, on file in Case Docket No. 2011.0583EBU.

The Planning Commission hereby adopts the AIMM attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods EIR and contained in the AIMM are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 and 322 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. Any aggrieved person may appeal this active use exception from Planning Code Section 145.1 by appealing the associated Building Permit to the Board of Appeals fifteen (15) days after the issuance of such permit. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on January 26, 2012.

Linda D. Avery
Commission Secretary

AYES: Commissioners Antonini, Borden, Miguel, Moore, and Sugaya

NAYS:

ABSENT: Commissioner Fong

ADOPTED: January 26, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for an office allocation to establish the first, second and fifth floors of the existing five-story building at 870 Brannan Street as 113,753 gross square feet of legal office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095, the retention of the Gift Center and Jewelry Mart in other portions of the 850 and 870 Brannan buildings, and 31 new off-street parking spaces on the first floor of the 870 Brannan building, and for an exception to the active use requirement for a portion of the 8th Street frontage, located at 850-870 (aka 888) Brannan Street, Block 3780, Lots 006, 007, 007A and 072, pursuant to Planning Code Section(s) **145.1(d), 321, 322, and 803.9(c)** within the **UMU** District and a **65-X** Height and Bulk District; in general conformance with plans, dated **January 18, 2012**, and stamped "EXHIBIT B" included in the docket for Case No. **2011.0583EBU** and subject to conditions of approval reviewed and approved by the Commission on **January 26, 2012** under Motion No **18527**. 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 **January 26, 2012** under Motion No **18527**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **18527** 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 to the Conditional Use 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 and Expiration. The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Office Development is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within eighteen months of the date of the Motion approving the Project. 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. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

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

Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

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 Conditional Use authorization.

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

Mitigation Measures. Mitigation measures described in the *Agreement to Implement Mitigation Measures* (AIMM) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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

DESIGN – COMPLIANCE AT PLAN STAGE

Streetscape Plan. Pursuant to Planning Code Section 138.1 and the Better Streets Plan, the Project Sponsor shall submit a pedestrian streetscape improvement plan to the Planning Department for review in consultation with the Department of Public Works and the Department of Parking and Traffic prior to Building Permit issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

PARKING AND TRAFFIC

Car Share. Pursuant to Planning Code Section 166, no fewer than **one (1)** car share space shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers.

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

Bicycle Parking. Pursuant to Planning Code Sections 155.1 and 155.4., the Project shall provide no fewer than **74** Class 1 bicycle parking spaces and will work with the Planning Department and the Municipal Transportation Agency to provide up to **12** Class 2 bicycle parking spaces.

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

Traffic Design. The project sponsor will work with SFMTA to install a "Right Turn Only" sign for vehicles exiting Decatur Street so that traffic leaving the project site does not exacerbate congestion at the intersection of Decatur Street, 8th Street, Bryant Street, and the I-80 onramp.

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

Decatur Street Improvements. The project sponsor will work with the owners and occupants of properties fronting on Decatur Street, in coordination with SFMTA and DPW, to seek City approval to enhance the streetscape and improve the safety of the street, including such measures as the installation of additional street trees, street lighting, traffic calming, "Children Playing" signage, and/or other similar features.

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

PROVISIONS

Transportation Brokerage Services - C-3, EN, and SOMA. Pursuant to Planning Code Section 163, the Project Sponsor shall provide on-site transportation brokerage services for the actual lifetime of the project. Prior to the issuance of any certificate of occupancy, the Project Sponsor shall execute an agreement with the Planning Department documenting the project's transportation management program, subject to the approval of the Planning Director.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Transit Impact Development Fee. Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Jobs Housing Linkage. Pursuant to Planning Code Section 413 (formerly 313), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Childcare Requirements for Office and Hotel Development Projects. Pursuant to Section 414 (formerly 314), the Project Sponsor shall pay the in-lieu fee as required. The net addition of gross floor area subject to the fee shall be determined based on drawings submitted with the Building Permit Application.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Eastern Neighborhoods Infrastructure Impact Fee. Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, 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>

Emissions Reduction. The project sponsor shall incorporate the following construction design features into the project to reduce emissions: (1) the 130 horsepower (hp) forklifts and 49 hp boom lifts will run on propane, (2) the 50 hp compressor will be electrified, and (3) diesel particulate filters will be installed on the 85 hp bobcat loader and on the 200 hp backhoe/loader.

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



SAN FRANCISCO PLANNING DEPARTMENT

Agreement to Implement Mitigation Measures

Case No.: 2011.0583E
Project Title: 850–870 Brannan Street
 (aka 888 Brannan Giftcenter & Jewelrymart)
BPA Nos.: 201112281420 and 201112140669
Zoning: UMU (Urban Mixed Use); 68-X Height and Bulk District
 Showplace Square/Potrero Hill Subarea of the Eastern
 Neighborhoods Rezoning and Area Plan
Block/Lot: 3780/006, 007, 007A, and 072
Lot Size: 115,973 square feet
Project Sponsor: Steven Vettel, Farella Braun + Martel, LLP
 (415) 954-4902
 (415) 391-1339
Lead Agency: San Francisco Planning Department
Staff Contact: Jeanie Poling – 415 575-9072
 jeanie.poling@sfgov.org

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

MITIGATION MEASURES

Mitigation Measure 1 – Archeological Resources. The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archeological resource “ALERT” sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the “ALERT” sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is

warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archaeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Environmental Planning division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.

The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

Project Mitigation Measure 2 – Hazardous Building Materials. The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

I agree to implement the above mitigation measure(s) as a condition of project approval.



Property Owner or Legal Agent Signature

1/12/12

Date