Executive Summary Conditional Use

HEARING DATE: DECEMBER 1, 2011

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

Reception: 415.558.6378

ax:

415.558.6409

Planning Information: 415.558.6377

Date: November 17, 2011

Case No.: 2011.1067 C
Project Address: 1529 Polk Street

Zoning: Polk Street NCD (Neighborhood Commercial District)

65-A Height and Bulk District

Block/Lot: 0643/003

Project Sponsor: Mr. Ray Starbuck, The Sherwin Williams Company

101 West Prospect Avenue Cleveland, OH 44115

Staff Contact: Elizabeth Watty – (415) 558-6620

Elizabeth.Watty@sfgov.org

Recommendation: Approval with Conditions

PROJECT DESCRIPTION

The Project Sponsor proposes to establish a formula retail paint supply business, known as "Sherwin Williams" within the existing vacant 2,838 sf tenant space at 1529 Polk Street, pursuant to Planning Code Sections 303, 703.3(b), and 703.4. The Sherwin Williams paint supply store would sell paint and paint sundries to local homeowners and small-scale painting contractors; they will provide free deliveries of paint orders, which has proven to be a successful business model at their other San Francisco locations. There would be no expantion to the tenant space as part of this Project.

SITE DESCRIPTION AND PRESENT USE

The Project is located on the west side of Polk Street, between Sacramento and California Streets. The subject property is located within the Polk Street NCD (Neighborhood Commercial District) and 65-A Height and Bulk District.

Although the Project Site is located mid-block, the property has two street frontages in an "L-shaped" configuration: there is a commercial frontage on Polk Street and a residential/commercial frontage along California Street. The majority of the current structure at the Property was constructed within the last few years, obtaining its Certificate of Final Completion in November 2008; this new portion of the structure fronts California Street and is mixed-use, with five stories of residential over ground floor retail. The building also includes a one-story retail space at 1529 Polk Street (subject tenant space), which was previously occupied by the Royal Theater. As part of the construction that concluded in 2008, the theater was removed while much of the façade was retained. The remodel resulted in the creation of one off-street parking space dedicated to the subject tenant space; this space is accessed by vehicles off of

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California Street, but can be accessed by employees through the rear door of the tenant space. Since this remodel in 2008, the subject tenant space has been vacant (approximately three years).

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The surrounding properties on Polk Street include an adjacent four-story mixed-use building to the south occupied by Swan's Oyster Depot, Metro PCS, California Tobacco Center, T. Piaceri (restaurant), and Nara Sushi on the ground floor; and an adjacent one-story building to the north occupied by Spencer & Daniels Wine Outlet. Directly across the street are a Walgreens Pharmacy and a Chase Bank.

The Polk Street NCD, located in the gulch between Nob Hill, Russian Hill, and Pacific Heights, provides convenience goods and services to the residents of the Polk Gulch neighborhood and the west slopes of Nob and Russian Hill. The district has a very active and continuous commercial frontage along Polk Street, while the side streets have a greater proportion of residences. The zoning controls are designed to encourage residential development above neighborhood-serving commercial uses on the ground floor.

The surrounding development is a variety of multi-story, mixed-use buildings. Nearby ground-floor uses include eating and drinking establishments, small-scale retail stores, and nighttime entertainment. The upper stories are generally occupied by apartments, and residential hotels. The scale of development throughout the area varies widely, consisting of low- and mid-rise buildings (one- to four-story structures) as well as high-rise buildings exceeding 100 feet in height. The height limits in the area range from 65 to 130 feet.

ENVIRONMENTAL REVIEW

The Project was exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption on November 10, 2011.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	November 11, 2011	November 9, 2011	22 days
Posted Notice	20 days	November 11, 2011	November 11, 2011	20 days
Mailed Notice	20 days	November 11, 2011	November 8, 2011	23 days

The proposal requires a Section 312-neighborhood notification, which was conducted in conjunction with the Conditional Use Authorization process.

PUBLIC COMMENT

To date, the Department has received one letter opposing the Project, and one letter of support.

SAN FRANCISCO
PLANNING DEPARTMENT
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ISSUES AND OTHER CONSIDERATIONS

- The tenant space has been vacant for approximately three years; it has never been occupied since its renovation in 2008.
- With regard to Conditional Use authorizations for Formula Retail Uses, the Planning Commission is required to consider the following additional criteria [Section 303(i)] in addition to the standard Conditional Use findings:
 - o The existing concentrations of formula retail uses within the district.
 - o The availability of other similar retail uses within the district.
 - The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the district.
 - o The existing retail vacancy rates within the district.
 - The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the district.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must grant Conditional Use authorization to allow the establishment of a Formula Retail Use within the Polk Street NCD, pursuant to Planning Code Sections 303, 703.4 and 703.3(b).

BASIS FOR RECOMMENDATION

- Other Formula Retail witin Polk NCD: Currently, there are eight (8) other formula retail uses along the Polk NCD, between Sacramento and Post Streets. These businesses include two Walgreens, two Metro PCS stores, Subway, GNC, Max Muscle, and Out of the Closet Thrift Store. Please see attached map for locations.
- Similar Business Types in the Polk NCD: There are three other businesses within the entire Polk NCD that offer a similar product through a similar business model: G & R Paint Company (1238 Sutter Street), Fregosi & Company (1812 Polk Street), and Glidden Professional Paint Center (1580 Pacific Avenue). Only G&R Paint Company at 1238 Sutter Street is located between Sacramento and Post Streets. Although there has been some discussion as to whether any of these establishments are considered Formula Retail Uses, as of the date of this report, none of them have currently obtained a Conditional Use for Formula Retail. In addition, there are four hardware stores within the Polk NCD that stock paint and paint supplies as part of a larger offering of products and services: Brownies Hardware (1563 Polk Street), Polk Home Hardware True Value (1630 Polk Street), Nob Hill Hardware (1414 California Street), and Cole Hardware (2254 Polk Stret).
- Architectural Compatibility: The Project will be compatible with the architectural and aesthetic character of the neighborhood as there will be no exterior alterations to the building. Furthermore, the Conditions of Approval found in Exhibit A will require that the storefront remain visually open and transparent, through the use of clear glass and unobstructed windows.

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- Commercial Vacancy in Polk NCD: In addition to the subject tenant space, which has been vacant since 2008, there are approximately 12 other vacant commercial storefronts throughout the Polk Street NCD. Please attached map for locations of vacant storefronts.
- The Project would contribute to the diversity of retail businesses options in the area.
- The Project has been found to be both necessary and desirable at the proposed location as it would allow a storefront that has been vacant for the past three years to be occupied by an active use. Due to the existing vacancy rate in the area, the proposed business would not preclude a locally-owned, independent business from establishing their business in the area. Sherwin Williams would provide more paint supplies and services than any other retailer in the Polk Street corridor, and may boost customers and sales at nearby hardware stores, since many customers will need items beyond paint and paint supplies for their home improvement projects.
- The Project meets all applicable requirements of the Planning Code.

RECOMMENDATION: Approval with Conditions

Attachments:

Block Book Map
Sanborn Map
Zoning Map
Aerial Photographs
Site Photographs
Polk NCD Formula Retail and Vacancy Map
Project Sponsor Submittal, including:
- Reduced Plans

EW

Planner's Initials

Attachment Checklist

Executive Summary	Context Photos
Draft Motion	Project sponsor submittal
Block Book Map	Drawings: Existing Conditions
Sanborn Map	Check for legibility
Zoning District Map	Drawings: Proposed Project
Formula Retail/Vacancy Map	Check for legibility
Aerial Photo	Site Photos

Exhibits above marked with an "X" are included in this packet

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)	
☐ Affordable Housing (Sec. 415)	☐ First Source Hiring (Admin. Code)
☐ Jobs Housing Linkage Program (Sec. 413)	☐ Child Care Requirement (Sec. 414)
☐ Downtown Park Fee (Sec. 412)	☐ Other

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Planning Commission Draft Motion

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ADOPTING FINDINGS RELATING TO THE APPROVAL OF A CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303, 703.3(b). AND 703.4 OF THE PLANNING CODE TO ALLOW A FORMULA RETAIL USE (D.B.A. SHERWIN WILLIAMS) WITHIN THE POLK STREET NCD (NEIGHBORHOOD COMMERCIAL DISTRICT) AND THE 65-A HEIGHT AND BULK DISTRICT.

PREAMBLE

On September 15, 2011, John Kevlin of Reuben & Junius, LLP on behalf of Ray Starbuck of The Sherwin Williams Company (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use authorization under Planning Code Section(s) 303, 703.3(b), and 703.4, to allow a Formula Retail Use (d.b.a. Sherwin Williams) within the Polk Street Neighborhood Commercial District (NCD), and a 65-A Height and Bulk District.

On December 1, 2011, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2011.1067C.

On November 10, 2011, the Project was determined to be exempt from the California Environmental Quality Act ("CEQA") as a Class 1 Categorical Exemption under CEQA as described in the determination contained in the Planning Department files for this Project.

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 Conditional Use requested in Application No. 2011.1067C, 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 is located on the west side of Polk Street, between Sacramento and California Streets. The subject property is located within the Polk Street NCD (Neighborhood Commercial District) and 65-A Height and Bulk District.

Although the Project Site is located mid-block, the property has two street frontages in an "L-shaped" configuration: there is a commercial frontage on Polk Street and a residential/commercial frontage along California Street. The majority of the current structure at the Property was constructed within the last few years, obtaining its Certificate of Final Completion in November 2008; this new portion of the structure fronts California Street and is mixed-use, with five stories of residential over ground floor retail. The building also includes a one-story retail space at 1529 Polk Street (subject tenant space), which was previously occupied by the Royal Theater. As part of the construction that concluded in 2008, the theater was removed as part of an interior tenant improvement, while much of the façade was retained. The remodel resulted in the creation of one off-street parking space dedicated to the subject tenant space; this space is accessed by vehicles off of California Street, but can be accessed by employees through the rear door of the tenant space. Since this remodel in 2008, the subject tenant space has been vacant (approximately three years).

3. Surrounding Properties and Neighborhood. The surrounding properties on Polk Street include an adjacent four-story mixed-use building to the south occupied by Swan's Oyster Depot, Metro PCS, California Tobacco Center, T. Piaceri (restaurant), and Nara Sushi on the ground floor; and an adjacent one-story building to the north occupied by Spencer & Daniels Wine Outlet. Directly across the street are a Walgreens Pharmacy and a Chase Bank.

The Polk Street NCD, located in the gulch between Nob Hill, Russian Hill, and Pacific Heights, provides convenience goods and services to the residents of the Polk Gulch neighborhood and

the west slopes of Nob and Russian Hill. The district has a very active and continuous commercial frontage along Polk Street, while the side streets have a greater proportion of residences. The zoning controls are designed to encourage residential development above neighborhood-serving commercial uses on the ground floor.

The surrounding development is a variety of multi-story, mixed-use buildings. Nearby ground-floor uses include eating and drinking establishments, small-scale retail stores, and nighttime entertainment. The upper stories are generally occupied by apartments, and residential hotels. The scale of development throughout the area varies widely. The scale of development throughout the area consists of low- and mid-rise buildings (one- to four-story structures) and high-rise buildings exceeding 100 feet in height. The height limits in the area range from 65 to 130 feet.

- 4. **Project Description.** The Project Sponsor proposes to establish a formula retail paint supply business, known as "Sherwin Williams" within the existing vacant 2,838 sf tenant space at 1529 Polk Street, pursuant to Planning Code Sections 303, 703.4 and 703.3(b). The Sherwin Williams paint supply store would sell paint and paint sundries to local homeowners and small-scale painting contractors; they will provide free deliveries of paint orders, which have proven to be a successful business model at their other San Francisco locations. There would be no expansion to the tenant space as part of this Project.
- 5. **Public Comment.** To date, the Department has received one letter in opposition to the Project, and one letter of support.
- 6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Other Retail Sales and Services.** Planning Code Section 723.40 states that a retail use, as defined by Planning Code Section 790.102, is permitted-by-right at the ground floor.

The Project is a retail use proposed at the ground floor. Although permitted by right as a general use category, the Formula Retail Controls below require that this Project obtain a Conditional Use authorization.

B. Street Frontage in Neighborhood Commercial Districts. Section 145.1 of the Planning Code requires that NC Districts provide the following: 1) "active uses" within the first 25 feet of building depth on the ground floor from any facade facing a street at least 30 feet in width; 2) street-facing ground-level spaces that open directly onto the street; and 3) frontages that are fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and that allow visibility to the inside of the building.

The subject commercial space has approximately 23'-9" of frontage along Polk Street. This entire space will be occupied by the "active use" of Sherwin Williams, a Formula Retail Use. Nearly the entire façade is dedicated to clear, unobstructed clear-glass windows, including a flush entrance that opens

directly onto the sidewalk. The windows are all clear and unobstructed and are conditioned to remain as such.

C. **Use Size.** Planning Code Section 723.21 allows a use size up to 1,999 gsf as-of-right, and any use size 2,000 gsf and above requires a Conditional Use authorization.

The Project will occupy the entire vacant tenant space, which is 2,838 gsf. Since there will be no change to the existing gross square footage as a result of this Project, the change of use is "grandfathered-in" as having a Conditional Use for use size. A nonconforming use size that is discontinued and abandoned for a period three years and has not been reduced in size by a new tenant may be reoccupied by a new use at its original size, without seeking a new Conditional Use authorization for use size.

The Planning Commission approved the existing interior tenant space as part of a larger project in 2002 (Case No. 2000.718CEKV!). That project included the demolition of an existing 800-seat movie theatre (the Royal Theater) with retention of the historic façade, and construction of a new eight-story building with ground floor retail, 56 dwelling units on the seven upper floors, and 75 off-street parking spaces provided in three underground levels. There are no changes to the use size of the subject tenant space that differ from that approval.

D. **Parking**. Planning Section 151 of the Planning Code requires retail uses to provide one off-street parking for every 500 square-feet of occupied floor area, where the occupied floor area exceeds 5,000 square-feet.

The occupied floor area of the subject tenant space measures approximately 2,838 sf and thus does not require any off-street parking. Nonetheless, the tenant space does include one dedicated off-street parking space that will be used for paint deliveries, and this parking space is located behind the Polk Street tenant space, but accessed off of California Street.

E. **Loading**. Section 152 requires off-street freight loading for uses above a certain size. Retail establishments and uses primarily engaged in the handling of goods (such as the proposed business) are not required to provide off-street freight loading if they measure less than 10,000 square feet in gross floor area.

With a gross floor area of under 10,000 square feet, the Project is not required to provide any off-street loading.

F. **Hours of Operation.** Planning Code Section 722.27 allows hours of operation from 6:00 a.m. until 2:00 a.m. as-of-right in the Polk Street NCD, and requires Conditional Use authorization to operate between the hours of 2:00 a.m. and 6:00 a.m.

Sherwin Williams will operate within the permitted-by-right hours of operation, although will typically operate during regular business hours.

G. **Formula Retail.** Section 703.3(f) allows formula retail uses in the Polk Street NCD with a Conditional Use authorization.

The Project is considered to be a formula retail use as defined by Section 703.3 of the Planning Code, and as such, is seeking a Conditional Use authorization.

- H. **Signage**. Currently, there is not a proposed sign program on file with the Planning Department. Any proposed signage will be subject to the review and approval of the Planning Department.
- 7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the Project complies with said criteria in that:
 - A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project has been found to be desirable at the proposed location as it would allow a storefront that has been vacant for the past three years to be occupied by an active use. Due to the existing vacancy rate in the area, the proposed business would not preclude a locally-owned, independent business from establishing their business in the area.

Sherwin Williams offers a wide variety of unique and exclusive products and services not currently available in the local area. They provide more paint supplies and services than any other retailer in the Polk Street corridor. Furthermore, this Project may boost customers and sales at nearby hardware stores, since many customers will need items beyond paint and paint supplies for their home improvement projects.

The Project is desirable within the neighborhood as it would provide free delivery of paint orders, which would allow customers to walk, bike, or take public transit to the store and have their order delivered. This function of the business will help to keep paint sales within the City, bringing foot traffic to the corridor rather encouraging vehicular trips to big-box stores outside of the City.

- B. The proposed Project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the Project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:
 - i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The size and shape of the site and the size, shape, and arrangement of the building on the site are adequate for the Project. The Project would not physically expand the existing building or tenant space, and therefore would not alter the existing appearance or character of the Project vicinity.

ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project will not adversely impact public transit or overburden the existing supply of parking in the neighborhood. The publically-accessible portion of the business is relatively small, and the area is well-served by ample public transportation. The C cable care line runs along Californian Street, less than one block south of the Property, and nine bus lines (the 19, 76, 47, 49, 1, 27, 31, 38AX, and 38BX) have stops within two blocks of the Property. Off-street parking and loading are not required for the Project. The Project's one off-street parking space that will be used for deliveries will help minimize the number of vehicular trips coming to and from the Project Site. The proposed use is designed to meet the needs of the immediate neighborhood and should not generate significant amounts of vehicular trips from the immediate neighborhood or citywide.

iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The business is not expected to generate excessive noise or odors. No paint, nor any tool that has touched paint, is thrown away at Sherwin Williams's stores. Sherwin Williams has special disposal services so that paint is not dumped into a landfill. There are virtually no fumes that emanate from the store, as the products offered are low in VOC and most paint is water soluble. No paint (in cans or otherwise) will be left open per company policy. The Project will not produce, or include, uses that noxious or offensive emissions such as noise, glare, dust and odor. The proposed use is subject to the standard conditions of approval for controlling noise and odor, as outlined in Exhibit A.

iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project Site is completely built-out at the ground-floor level to all street-facing property lines, thus no landscaping will need to be provided. The one parking space for the tenant space is located mid-blocked, and screened from public view. Any future changes in lighting and signage would be required to comply with the requirements of the Planning Code, CEQA, the Urban Design Element of the General Plan, and other applicable regulations and policies, in accordance with Conditions of Approval contained in Exhibit A.

C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The Polk NCD functions as a neighborhood-serving shopping corridor, providing convenience goods and services to the residents of the Polk Gulch neighborhood and the west slopes of Nob and Russian Hill. The district has a very active and continuous commercial frontage along Polk Street, and is designed to encourage residential development above neighborhood-serving commercial uses on the ground floor. Ground-floor uses typically include eating and drinking establishments, small-scale retail stores, and nighttime entertainment. The scale of development throughout the area varies widely.

The Project Site is currently vacant and has been for years. The Project would result in the tenant space becoming activated as a neighborhood-serving retail use. Although the use size is larger than many along the corridor, the minimal amount of frontage (23'-9") makes the business feel like one of the many small-scale retail stores typically found mid-block. The Project would not expand the tenant space, retaining the small-scale and fine-grained mix of businesses in the area.

- 8. Planning Code Sections 303(i) and 703.4 require Conditional Use authorization for the establishment of a formula retail use in Neighborhood Commercial Districts. The Planning Commission shall consider the following criteria set forth in Section 303(i) in addition to the criteria set forth in Section 303(c):
 - A. The existing concentrations of formula retail uses within the Neighborhood Commercial District

A survey of the Polk Street NCD bounded by Sacramento Street to the north and Post Street to the south revealed that there are eight existing formula retail uses in the area. These businesses include two Walgreens, two Metro PCS stores, Subway, GNC, Max Muscle, and Out of the Closet Thrift Store.

- B. The availability of other similar retail uses within the Neighborhood Commercial District.
 - Within the survey area of the Polk Street NCD between Sacramento and Post Streets, there is only one similar retail use, G&R Paint Company, at 1238 Sutter Street. There are several general hardware stores, but only this one store that is dedicated to paint.
- C. The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the Neighborhood Commercial District.
 - No physical expansions of the subject building would be necessary to accommodate the proposed use, and thus the Formula Retail Use would remain compatible with the architectural and aesthetic character of the Neighborhood Commercial District. Any future signage would be review by historic preservation staff prior to approval.
- D. The existing retail vacancy rates within the Neighborhood Commercial District.
 - There are currently twelve (12) vacant commercial storefronts in the Polk Street NCD between Sacramento and Post Streets, in addition to the subject tenant space.
- E. The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the Neighborhood Commercial District.
 - The subject district contains eating and drinking establishments, retail, services and institutions that serve not only the immediate neighborhood, but also the City as a whole. There is a mixture of locally-

owned and independent uses, although there is a majority of independent uses along this portion of Polk Street. The proposed use is intended to be primarily neighborhood-serving.

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

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 2:

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

Policy 2.1:

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

The Project will attract a new commercial activity to a vacant commercial tenant space. By attracting a well-known paint supply store to this vacant tenant space, it will help to keep customers looking for paint and paint supplies in the City, and will bring foot traffic to the corridor rather encouraging vehicular trips to big-box stores outside of the City.

Neighborhood Commerce

OBJECTIVE 6:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.1:

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the City's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

In order for a Neighborhood Commercial District to remain viable and be compatible with the surrounding neighborhood, it must exhibit a healthy balance of different types of commercial uses. This policy includes guidelines that prioritize uses that will provide goods and services to serve residents of the area. The Project will provide goods - and a companion delivery service – that will serve the surrounding neighborhoods.

Policy 6.9:

Regulate uses so that traffic impacts and parking problems are minimized.

The Project is not expected to be a heavy vehicle trip generator, as many of the expected customers live or work in Polk Gulch, Russian Hill, Nob Hill, or Pacific Heights, and will travel to the bakery by foot, bicycle, or public transit. Furthermore, the Project plans to regulate any potential traffic volume by offering a delivery service for paint purchases.

- F. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Project complies with said policies in that:
- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The Project would not affect any neighborhood-serving retail use, as the proposed use will occupy a vacant store front. By occupying a vacant store front, the Project will activate the space, attracting pedestrian traffic that may patronize existing neighborhood businesses and increase demand for other existing businesses along Polk Street. It is also intended to be a neighborhood-serving use that will offer new employment opportunities for neighborhood residents.

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 will not have an adverse effect on neighborhood character or the cultural and economic diversity of the neighborhood. With the addition of subject business, the subject area of the Polk Street NCD would enjoy a greater mix of uses and greater choice for consumers. Furthermore, the addition of another formula retail use would not add to an overconcentration of formula retail uses in an area that features locally owned, independent businesses. The Project will have no effect on housing and will not significantly change the retail character of the Polk Street corridor.

C. That the City's supply of affordable housing be preserved and enhanced,

The Project would not affect the City's supply of affordable housing, as it is a retail paint store that will occupy a vacant commercial store front.

D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not adversely affect public transit or place a burden on the existing supply of parking in the neighborhood. The area is well-served by public transportation and many of the business' customers walk, bicycle, or take public transit to the paint sure. Furthermore, the delivery service offered by Sherwin Williams will enable customers not to drive when making a paint purchase.

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.

There is no commercial office development associated with the Project. No industrial or service sector uses would be displaced; however, the Project would enable the creation of several new service sector employment opportunities in the neighborhood.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project does not involve any construction activities that would compromise the structural integrity of the existing building. Any interior tenant improvements associated with this Project will conform to the structural and seismic safety requirements of the City's Building Code.

G. That landmarks and historic buildings be preserved.

No exterior changes are proposed for the Project. Any future storefront alterations or signage would be required to comply with applicable historic preservation standards.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project, which does not include any physical expansion of the building envelope, would not affect any parks or open spaces, or their access to sunlight.

- G. 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.
- H. The Commission hereby finds that approval of the Conditional Use authorization 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 Conditional Use Application No. 2011.1067C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with floor plans on file, dated September 15, 2011, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on December 01, 2011.

Linda D. Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: December 01, 2011

EXHIBIT A

AUTHORIZATION

With Plans. This authorization is for a Conditional Use authorization to allow a Formula Retail Use (d.b.a. Sherwin Williams) located at 1529 Polk Street, Block 0643 in Assessor's Lot 003, pursuant to Planning Code Sections 303, 703.3(b), and 703.4 within the Polk Street NCD (Neighborhood Commercial District) and a 65-A Height and Bulk District; in general conformance with plans, dated September 15, 2011, and stamped "EXHIBIT B" included in the docket for Case No. 2011.1067C and subject to conditions of approval reviewed and approved by the Commission on December 01, 2011 under Motion No XXXXXX. 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 **December 01, 2011** under Motion No **XXXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXXX** 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 Conditional Use 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 Conditional Use authorization 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 three (3) years 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, <u>www.sf-planning.org</u>

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

DESIGN - COMPLIANCE AT PLAN STAGE

Garbage, composting and recycling storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

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

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, <u>www.sf-planning.org</u>

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

SAN FRANCISCO
PLANNING DEPARTMENT

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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, <u>www.sf-planning.org</u>

OPERATION

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, http://sfdpw.org

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

Noise Control. The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

For information about compliance with the fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

For information about compliance with the construction noise, contact the Department of Building Inspection, 415-558-6570, <u>www.sfdbi.org</u>

For information about compliance with the amplified sound including music and television contact the Police Department at 415-553-1012 or 415-5530123, <u>www.sf-police.org</u>

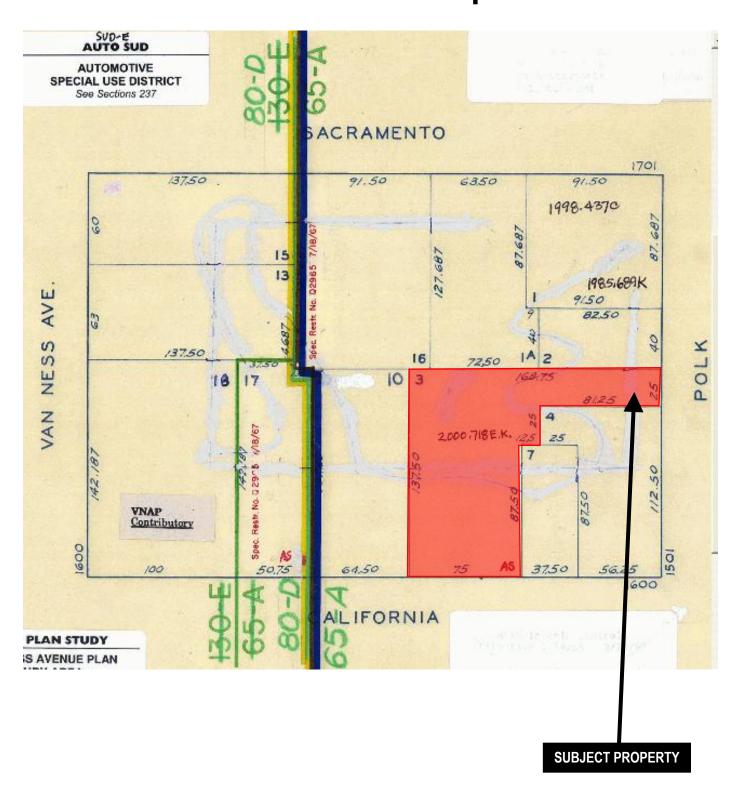
Community Liaison. Prior to issuance of a building permit to construct the Project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning 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, <u>www.sf-planning.org</u>

SAN FRANCISCO
PLANNING DEPARTMENT

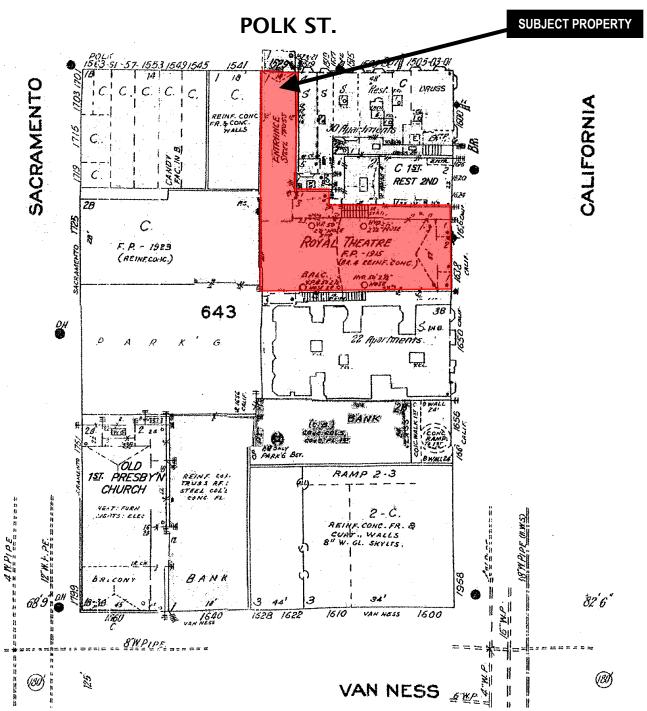
14

Block Book Map

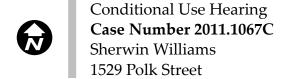




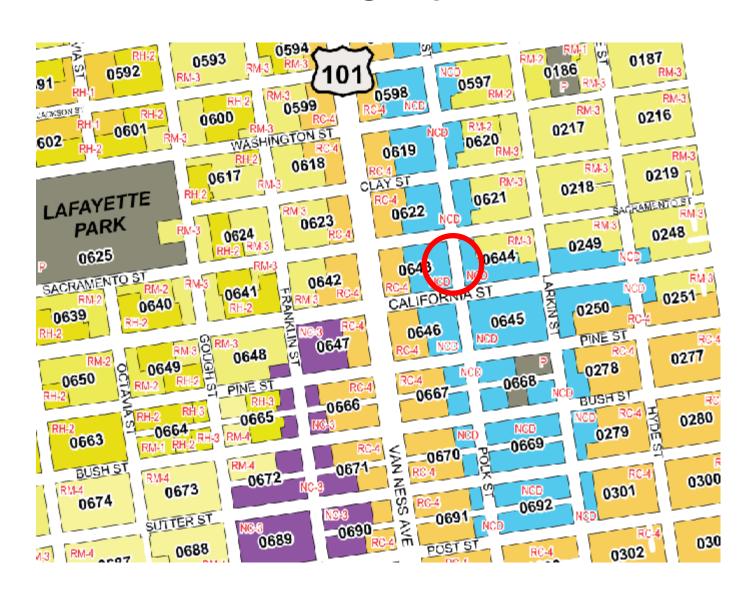
Sanborn Map*

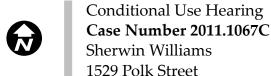


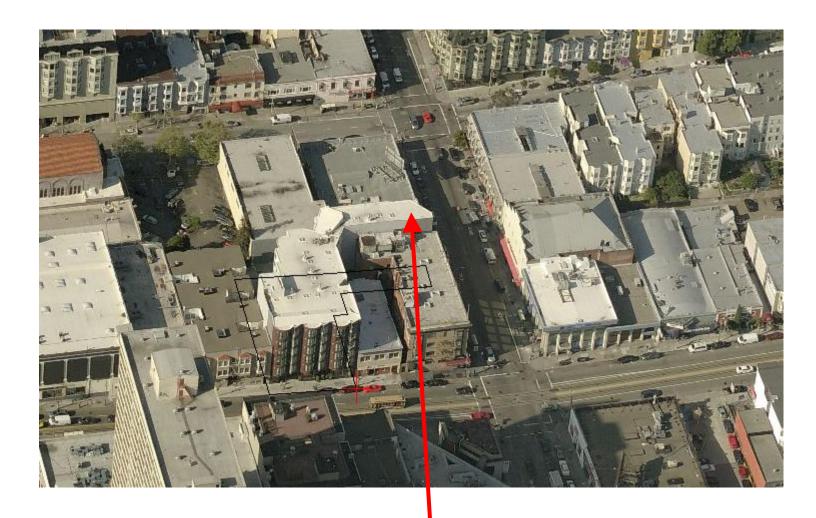
*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



Zoning Map

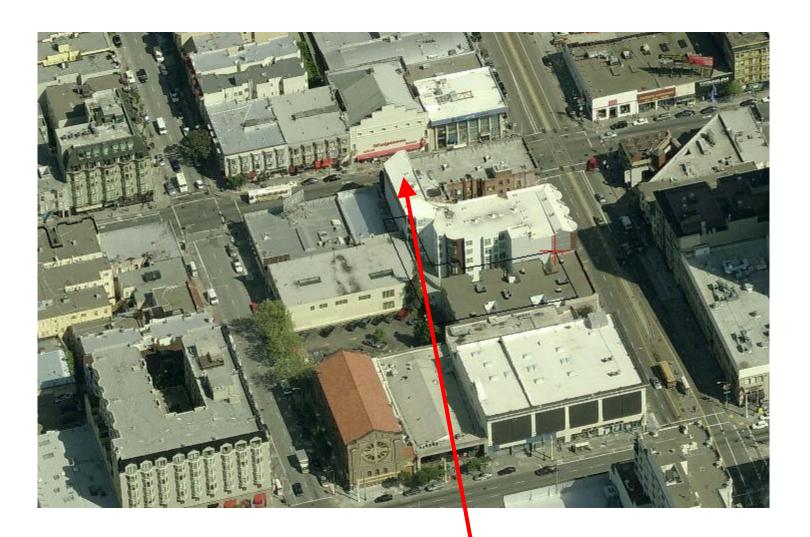






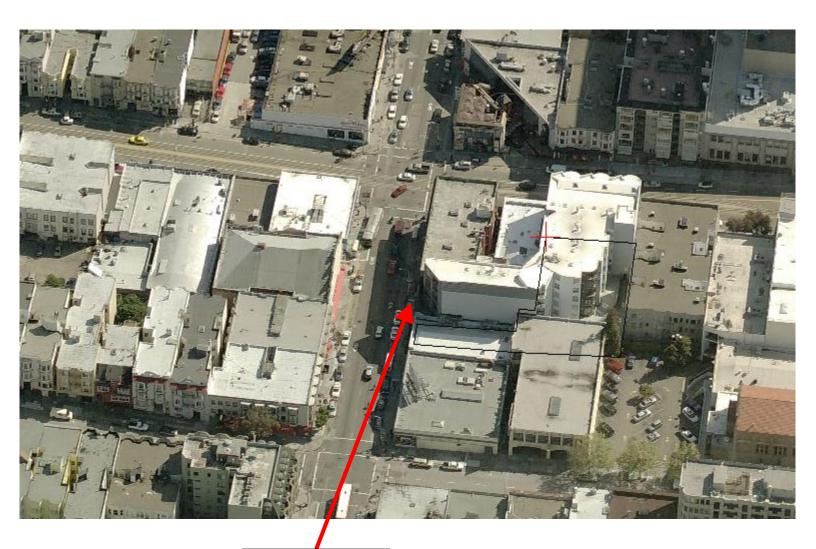
SUBJECT PROPERTY





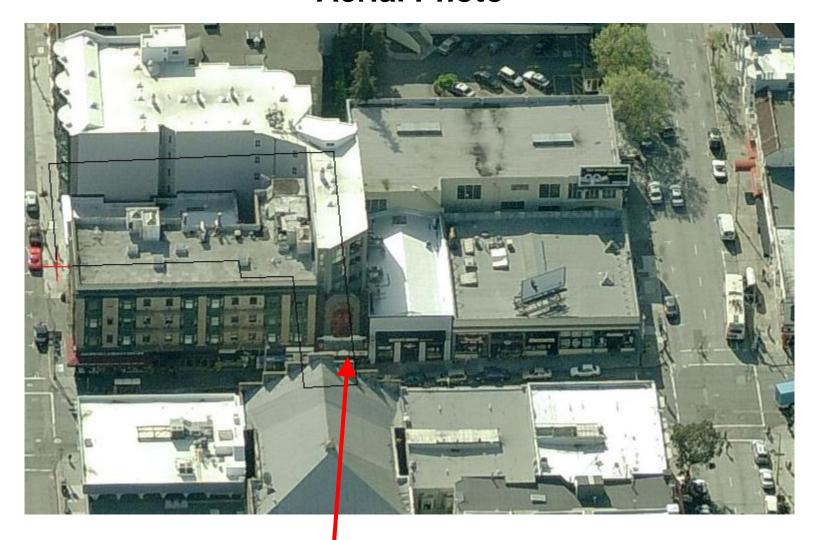
SUBJECT PROPERTY





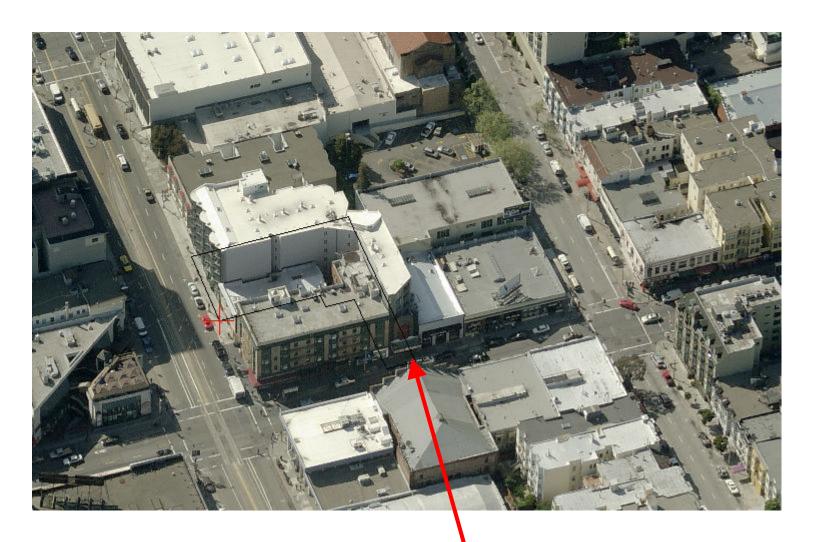
SUBJECT PROPERTY





SUBJECT PROPERTY

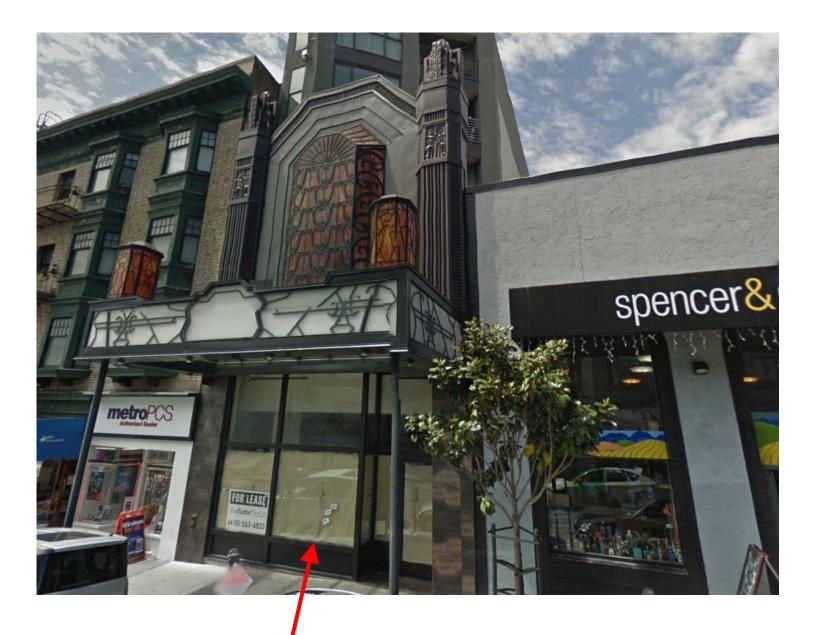




SUBJECT PROPERTY

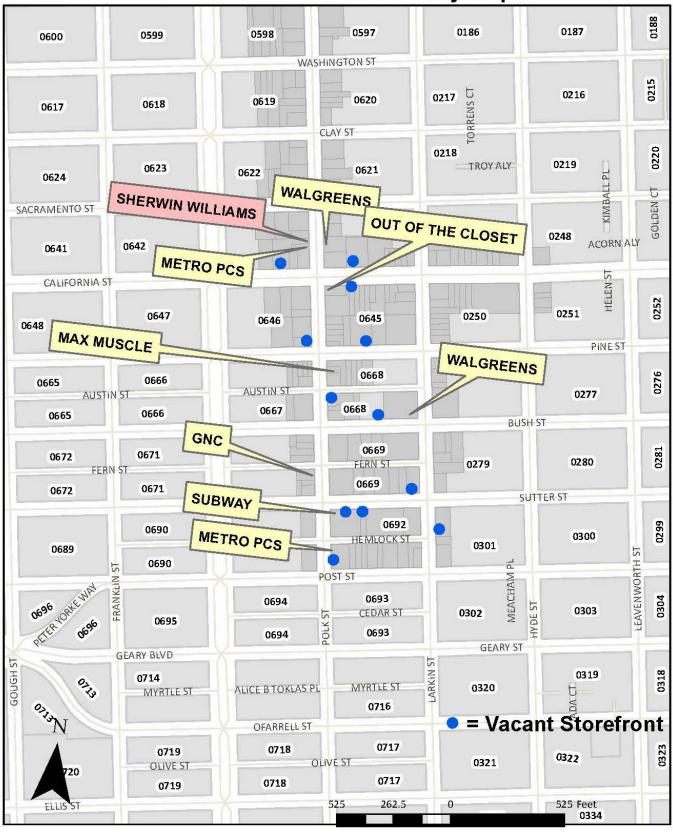


Site Photo



SUBJECT PROPERTY

Polk Street NCD (b/w Post and Sacramento Streets) Formual Retail and Vacancy Map



REUBEN & JUNIUS ...

November 10, 2011

VIA MESSENGER

Ms. Christina Olague, President San Francisco Planning Commission 1650 Mission Street, 4th Floor San Francisco, CA 94103

Re:

Sherwin-Williams – 1529 Polk Street

Planning Department Case No. 2011.1067C

Hearing Date: December 1, 2011

Our File No.: 6832.02

Dear President Olague and Commissioners:

This office represents the Sherwin-Williams Company, the project sponsor for a proposed Sherwin-Williams paint supply store (the "Project") to be located at 1529 Polk Street (the "Property"), between California and Sacramento Streets. The Project will not increase the floor area or otherwise expand the envelope of the existing vacant retail unit.

The Property has two street frontages: a commercial frontage on Polk Street and a residential/commercial frontage along California. The current structure at the Property was constructed in 2006. The structure mainly consists of a five-story residential over ground floor retail component fronting California Street, but also includes a one-story retail space at 1529 Polk Street. The Polk Street facade of the previous building at the Property, which once housed the Royal Theater, was maintained and renovated. The Polk Street retail unit is currently vacant and has been vacant since the 2006 completion of the mixed-use project.

The subject retail unit is one floor and consists of 2,838 square feet of space, with an entry on Polk Street and a rear exit that leads to a dedicated parking space.

The Property is located in one of the densest areas of San Francisco. There are roughly 14 census tracts within one-half mile of the Property, consisting of 52,665 residents, or 6.5% of the city's population - all within approximately one of San Francisco's 46 square miles. The average density of these 14 census tracts is 55,897 residents per square mile – more than three times the city average of 17,179 per square mile. As one of the densest areas in the city, the area surrounding Polk Gulch demands many more retail and other services than almost all other areas of the City.

> One Bush Street, Suite 600 San Francisco, CA 94104

tel: 415-567-9000

Ms. Christina Olague November 10, 2011 Page 2

A site plan and an exterior rendering for the proposed Sherwin-Williams Store are attached as $\underline{\text{Exhibit } A}$. Photographs of the interior of another Sherwin-Williams store, which resemble what the interior of the Project would look like, are attached as $\underline{\text{Exhibit } B}$.

A. Benefits of the Project

Benefits of the Project will include:

- Re-activating an existing retail space that has been vacant since its construction in 2006;
- Creation of new construction jobs during store construction;
- Creating 2 new store management and 2 entry-level jobs in the city;
- Due to its location in a high-density neighborhood and its offering of free delivery, the Project will reduce the number of automobile trips made by area residents and local paint contractors to big-box hardware stores for their paint and paint supplies;
- Generation of new economic activity and production of business tax revenue to the City.
- Providing a greater selection of paint products, supplies, and services than what is currently available to neighborhood residents.

B. The Project will Benefit the Neighborhood

The Project would establish a Sherwin-Williams paint supply store in an existing retail unit that has sat vacant since its construction in 2006. The store would occupy approximately 2,838 square feet. No new construction and no alteration or modification to the exterior of the existing building is proposed. Internal tenant improvements will be performed and new signage will be installed on the exterior.

The Sherwin-Williams paint supply store would sell paint and paint sundries to local homeowners and small-scale painting contractors. Sherwin-Williams places special emphasis on working with a customer to design a customized color scheme and product recommendations to match the customer's needs or existing colors in and around the subject household or project. Sherwin-Williams provides free delivery of paint orders, and roughly 50% of orders at other San Francisco locations are delivered rather than picked up by customers.

One Bush Street, Suite 600 San Francisco, CA 94104

tel: 415-567-9000 fax: 415-399-9480 Ms. Christina Olague November 10, 2011 Page 3

Sherwin-Williams will not directly compete with nearby hardware stores. The majority of Sherwin-Williams' business is wholesale paint and paint supply sales to small-scale painting contractors, offering a unique and diverse product assortment and services not available at local hardware stores. These customers generally shop at paint specialty or big box hardware stores, in order to access a larger variety of paints and to obtain wholesale pricing. In fact, it is expected that the establishment of a Sherwin-Williams store at the Property will increase business at local hardware stores. Sherwin-Williams has strong name and brand recognition, and will attract customers that would otherwise not travel to the neighborhood. Many of these customers will need items beyond paint and paint supplies and will likely visit these hardware stores to fulfill their needs.

Sherwin-Williams is a high-quality paint supply retailer and is a leader in the paint supply industry. It was established in 1866 and has been an innovative force since, providing a wide variety of unique and exclusive products and services not currently available in the local area. Sherwin-Williams provides more paint supplies and services than any other paint retailer in the Polk Street corridor. Sherwin-Williams has had a presence in the Bay Area since 1919, when it opened its first west coast manufacturing plant in Oakland. Today, Sherwin-Williams supplies paint for the Golden Gate Bridge.

C. Community Outreach

Sherwin-Williams has conducted community outreach for the Project. Several weeks prior to the Project's pre-application community meeting, Gary Garcia, District Manager for Sherwin-Williams, contacted the owner of Brownie's Hardware – the hardware store at the corner of Polk Street and Sacramento Street – to discuss the Project. Sherwin-Williams held a community meeting for the Project at the Property on August 25, 2011. At the meeting, Mr. Garcia and Sherwin-Williams' Director of Real Estate, Ray Starbuck, spoke extensively with the owner of Brownie's Hardware about the Project. Mr. Garcia and Mr. Starbuck also spoke with Jennifer Farris of the Polk Street Merchant's Association about the Project.

Since the community meeting, Sherwin-Williams has followed up with Ms. Farris several times to inquire about setting up a time for Sherwin-Williams to meet with the Polk Street Merchants. Despite several telephone calls and a letter, Ms. Farris has politely declined Sherwin-Williams' offer to date. The letter from Sherwin-Williams to Ms. Farris is attached as **Exhibit C**.

D. Conclusion

The Project requires conditional use authorization for a formula retail use. It provides substantial benefits to the City by reactivating a retail space along the Polk Street corridor that has sat vacant for several years. The store will benefit other hardware stores in the area, as local

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tel: 415-567-9000 fax: 415-399-9480

Ms. Christina Olague November 10, 2011 Page 4

residents and paint contractors will no longer travel to big box hardware stores for their paint. Sherwin-Williams only sells paint and paint supplies, so its customers are expected to solicit nearby hardware stores for their other home improvement needs. For all of these reasons and those listed in the application, we respectfully request this Commission grant this conditional use authorization for this Project.

Very truly yours,

REUREN & JUNIUS, LLP

Andrew J. Junius

Encls.

cc: Commissioner Michael Antonini

Commissioner Gwen Borden

Commissioner Rodney Fong

Commissioner Ron Miguel

Commissioner Kathrin Moore

Commissioner Hisashi Sugaya

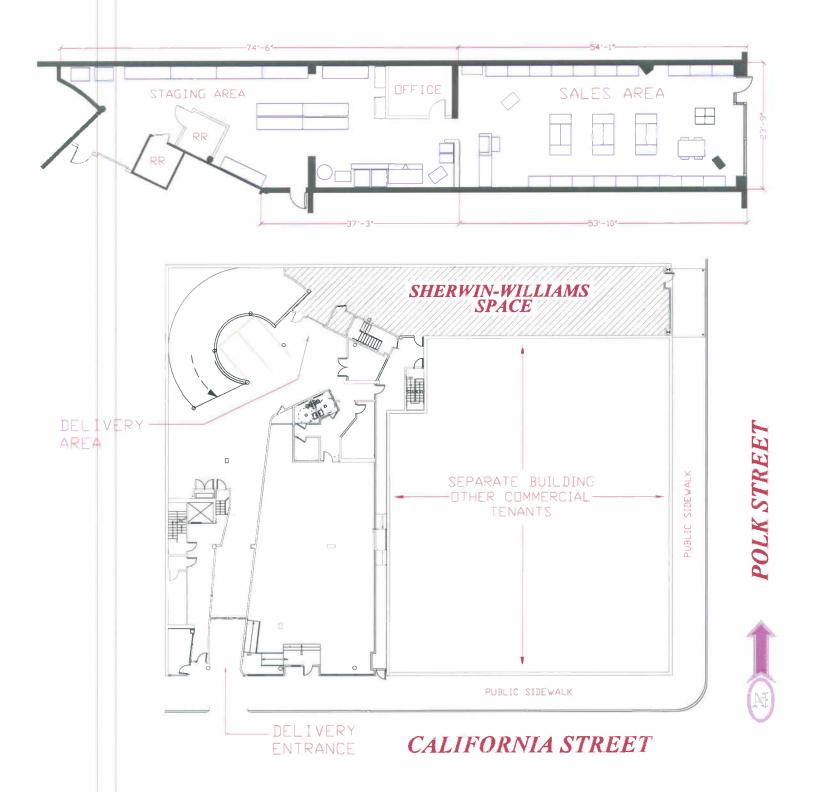
John Rahaim - Planning Director

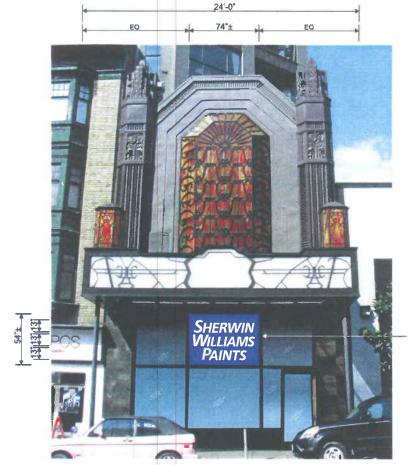
Scott Sanchez - Zoning Administrator

Linda Avery - Commission Secretary

Ray Starbuck - The Sherwin Williams Company

John Kevlin - Reuben & Junius, LLP







MANUFACTURE & INSTALL 2nd SURFACE WINDOW VINYLS.

- * VERIFY WINDOW OPENING BEFORE FABRICATION & APPLICATION.
- * #97 BRISTOL BLUE VINYL BACKGROUND.
- * HP WHITE VINYL COPY.





VIEWS OF CURRENT CONDITIONS

STOREFRONT ELEVATION

Scale: 3/16" = 1'-0"

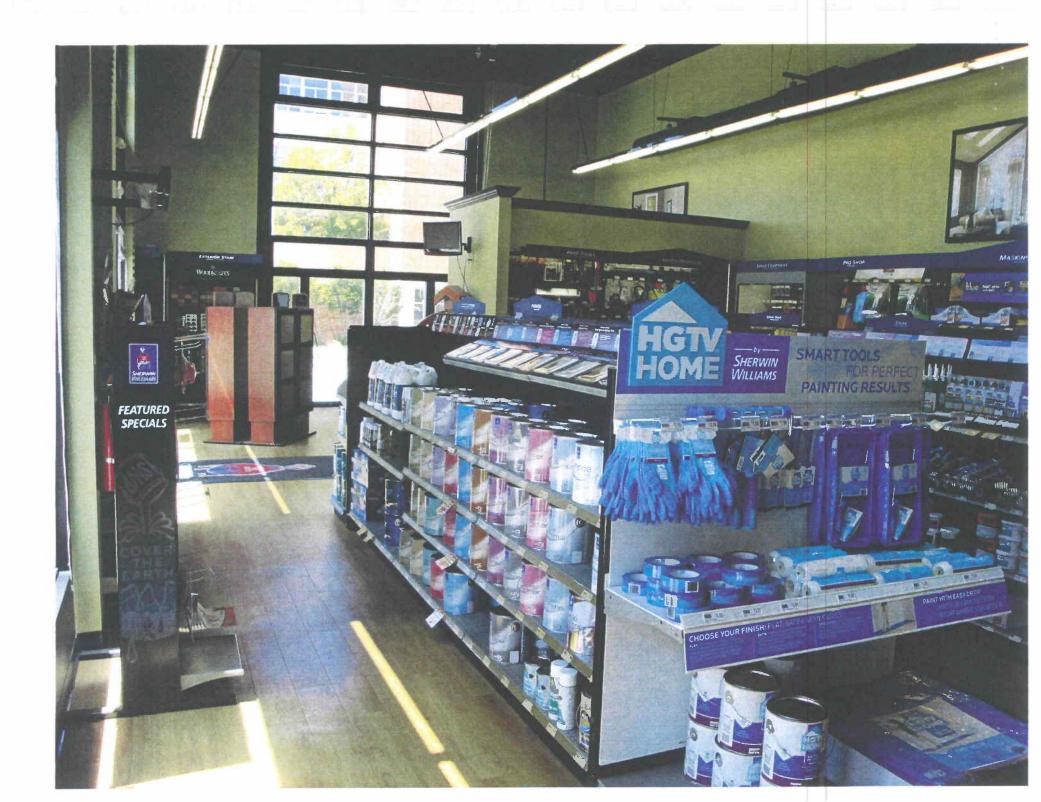
DATE	REVISIONS		AUTHORIZATION	
4-22-11	ADD LOGOS FOR ENDS OF ENTRANCE CANOPY STRUCTURE	KN		
4-27-11	REMOVE LOGOS / ADD "PAINTS" CHANNEL LETTERS	KN	CLIENT DATE	
11-8-11	ADD OPTONAL WINDOW VINYL SIGN	1 KN		
			ACCOUNT EXECUTIVE DATE	
			LANGLORD DATE ALL CHANGES MUST BE INITIALED BY CLIENT AND ACCOUNT EXECUTIVE ON FINAL APPROVED PRINT.	

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CLIENT SHERWIN WILLIAM	ASstore#
INSTALLATION ADDRESS	SAN FRANCISCO, CA
DESIGNER KN ACCOUNT EXI	
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523 E. ROCK ISLAND GRAND PRAIRIE, TX 75050	TOLL FREE	(800) 810-3044 (972) 399-0333
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Ray Starbuck
Director of Real Estate

September 26, 2011

Ms. Jennifer Farris Polk District Merchants Association 1815 Polk Street San Francisco, CA 94109

Dear Jennifer,

It was a pleasure speaking with you recently. As we discussed, I was hoping to have the opportunity for Gary Garcia (our San Francisco District Manager) or myself, to speak with the Polk District Merchants Association at one of your upcoming meetings. While you indicated it was not necessary, I just wanted to again say we are anxious and truly look forward to any opportunity to speak with your Association.

I hope you would reconsider my request, and I look forward hearing from you soon.

Very best,

Ray Starbuck

Director of Real Estate

cc: AJunius - Reuben & Junius LLP

G.Garcia

File