



SAN FRANCISCO PLANNING DEPARTMENT

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Executive Summary Conditional Use Authorization/Office Allocation

HEARING DATE: JUNE 14, 2018

Record No.: 2015-015010CUA/OFA
Project Address: 1 De Haro Street/552 Berry Street
Zoning: PDR-1-G (Production, Distribution & Repair - 1 - General) District
58-X Height and Bulk District
Block/Lot: 3800/003 & 004
Applicant: John Fisher
SKS Partners, LLC
601 California Street, Ste. 1310
San Francisco, Ca 94108
Staff Contact: Doug Vu – (415) 575-9120
doug.vu@sfgov.org
Recommendation: **Approval with Conditions**

PROJECT DESCRIPTION

The Project includes demolition of approximately 10,620 gross sq. ft. of existing industrial use, construction of a new 129,619 sq. ft., four-story and 58-ft tall mixed use building containing 86,301 gross sq. ft. of office and 43,318 gross sq. ft. of industrial or PDR (Production, Distribution & Repair) uses, fourteen off-street parking, two off-street loading and 36 Class 1 bicycle parking spaces. The project also includes streetscape improvements along all street frontages, including four Class 2 bicycle parking spaces, and the merger of Lots 003 and 004 on Block 3800.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must grant a Conditional Use Authorization, pursuant to Planning Code Section 210.3C and 303, to allow office use in the PDR-1-G Zoning District, which would support the development of new PDR space, and an Office Development Allocation, pursuant to Planning Code Section 210.3, 321 and 322, to authorize 86,301 sq. ft. of office space.

ISSUES AND OTHER CONSIDERATIONS

- *Public Comment & Outreach.* The Department has received one correspondence requesting more information about the proposed off-street parking. Aside from the mandatory pre-application meeting held on June 26, 2017, the Project Sponsor has engaged the community and conducted fifteen meetings and/or presentations to nearby residents, homeowners associations, and organizations including 888 7th Street HOA, Walk SF, Potrero Boosters, SFMade, and Friends of

Jackson Park. This outreach has resulted in additional publicly accessible open space as part of the Project, and shared findings about potential shadow, glare, privacy, and light pollution impacts.

- *Ordinance to Support Development of New PDR Space.* The Project requires a Conditional Use Authorization to allow office use in the PDR-1-G Zoning District, which would support the development of new PDR space, pursuant to Planning Code Section 210.3C and 303. This Planning Code Section originally expired on December 31, 2017. Supervisor Cohen introduced legislation on February 27, 2018 (Board File No. 180187) to remove the sunset provision and allow this incentive to remain permanently. The Planning Commission reviewed this legislation and recommended approval on May 3, 2018. The Board of Supervisors Land Use and Transportation Committee reviewed the legislation June 4, 2018 and recommended approval to the full Board of Supervisors, which is anticipated to be considered on June 12, 2018.
- *PDR Business Plan.* Planning Code Section 210.3C requires the Project Sponsor to submit a PDR Business Plan with the purpose to maximize the potential for the Project to produce new PDR space that is viable and affordable. As required, the Business Plan was developed in collaboration with the Office of Economic and Workforce Development (OEWD) in order to inform the Sponsor of existing programs and requirements relevant to PDR businesses, including any existing economic incentive and hiring programs.

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Objectives and Policies of the General Plan and Showplace Square/Potrero Hill Area Plan. The Project will replace a vacant and underutilized PDR space with a well-designed and vibrant mixed-use building containing PDR and office space that will provide a dynamic space for emerging economic activities to flourish and promote business growth and innovation. The Department also finds the project to be necessary, desirable, and compatible with the surrounding neighborhood, and not be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

Draft Motion – Office Development Allocation and Conditions of Approval

Draft Motion – Conditional Use Authorization and Conditions of Approval

Exhibit A – Maps and Context Photos

Exhibit B – Environmental Determination

Exhibit C – Land Use Data

Exhibit D – First Source Hiring Affidavit

Exhibit E – Project Sponsor Brief

- PDR Business Plan
- Letters of Support
- Public Outreach Summary
- Plans and Renderings



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

HEARING DATE: JUNE 14, 2018

Case No.: **2015-015010OFA**
Project Address: **1 De Haro Street/552 Berry Street**
Zoning: PDR-1-G (Production, Distribution & Repair – General) Zoning District
58-X Height and Bulk District
Block/Lot: 3800/003 & 034
Project Sponsor: John Fisher
SKS Partners, LLC
601 California Street, Suite 130
San Francisco, CA 94108
Property Owner: One De Haro, LLC
San Francisco, CA 94108
Staff Contact: Doug Vu – (415) 575-9120
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ADOPTING FINDINGS RELATING TO THE APPROVAL OF AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2017-2018 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO SECTIONS 321 AND 322 OF THE PLANNING CODE TO ALLOW CONSTRUCTION OF A 129,619 SQUARE FEET, FOUR-STORY AND 58-FT. TALL MIXED-USE BUILDING CONTAINING 86,301 GROSS SQUARE FEET OF OFFICE USE AND 43,318 SQUARE FEET OF PDR USE LOCATED AT 1 DE HARO STREET/552 BERRY STREET, LOTS 003 & 004 IN ASSESSOR'S BLOCK 3800, WITHIN THE PDR-1-G (PRODUCTION, DISTRIBUTION & REPAIR – GENERAL) ZONING DISTRICT AND A 58-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On May 25, 2017, John Fisher of SKS Partners, LLC on behalf of One De Haro, LLC (hereinafter "Project Sponsor") filed applications with the Planning Department (hereinafter "Department") for a Conditional Use Authorization and Office Allocation pursuant to Planning Code Sections 210.3C, 303, 321, and 322 to demolish 10,620 sq. ft. of existing industrial use and construct a new 129,619 sq. ft., four-story and 58-ft tall mixed-use building containing 86,301 sq. ft. of office and 43,318 sq. ft. of production, distribution and repair uses with fourteen off-street parking and two off-street loading spaces (hereinafter "Project") at 1 De Haro Street and 552 Berry Street, Block 3800 and Lots 003 & 004, within the PDR-1-G (Production, Distribution & Repair – General) Zoning District and 58-X Height and Bulk District (hereinafter "Project Site").

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on August 7, 2008, by Motion No. 17661, 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 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 of a proposed project, 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 a streamlined 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, or (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.

On June 7, 2018, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and 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.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as "EXHIBIT C."

The Planning Department Commission Secretary is the custodian of records; the File for Case No. 2015-015010OFA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On June 14, 2018, the San Francisco Planning Commission (hereinafter "Commission") adopted Motion No. XXXXX, approving a Conditional Use Authorization for the Project (Application No. 2015-015010CUA). Findings contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On June 14, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2015-015010OFA.

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 Allocation as requested in Application No. 2015-015010OFA, 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. **Project Description.** The Project includes demolition of approximately 10,620 gross sq. ft. of existing industrial use, construction of a new 129,619 sq. ft., four-story and 58-ft tall mixed use building containing 86,301 gross sq. ft. of office and 43,318 gross sq. ft. of industrial or PDR (Production, Distribution & Repair) uses, fourteen off-street parking, two off-street loading and 36 Class 1 bicycle parking spaces, streetscape improvements at all street frontages including four Class 1 bicycle parking spaces, and the merger of Lots 003 and 004 on Block 3800.
3. **Site Description and Present Use.** The Project Site is located on two lots totaling 43,350 sq. ft. that are bounded by De Haro Street to the west, King Street to the north, 7th Street to the east, and Berry Street to the south. The Project Site contains 275 ft. of frontage on De Haro Street, 416 ft. of frontage on Berry Street that remains largely unimproved, and contains three 25-ft. tall, single-story warehouse buildings totaling 10,620 sq. ft. along with surface parking and storage areas. The buildings were constructed in 1926, 1947 and 1989 that were most recently occupied by the San Francisco Gravel Company, and have been vacant since 2015.
4. **Surrounding Properties and Neighborhood.** The Project Site is located in the PDR-1-G Zoning District and also in the Showplace Square/Potrero Hill Area Plan. The surrounding context contains a broadly mixed pattern of light industrial, office, wholesale commercial, retail sales, and residential uses commonly found on UMU (Urban Mixed-Use), PDR-1-D (Production, Distribution & Repair – Design), and MB-RA (Mission Bay Redevelopment) zoned properties. The adjacent properties include a two-story multi-unit commercial building at 25 Division Street containing restaurant and retail sales uses across De Haro Street to the west, Recology's Golden Gate administrative office and collection truck yard across Berry Street to the south and east, and the 601 King Street mixed-use development containing 226 dwellings to the north. Other

landmarks close to the Project Site include the core design and showroom area of Showplace Square immediately south, Interstate 80 three blocks west, China Basin Water Channel of Mission Creek 800 ft. east, and the southern boundaries of the East SoMa neighborhood 0.6 miles north.

5. **Public Outreach and Comments.** The Department has received one correspondence requesting more information about the proposed off-street parking. Aside from the mandatory pre-application meeting held on June 26, 2017, the Project Sponsor has engaged the community and conducted fifteen meetings and/or presentations to nearby residents, homeowners associations, and organizations including 888 7th Street HOA, Walk SF, Potrero Boosters, SFMade, and Friends of Jackson Park. This outreach has resulted in additional publicly accessible open space as part of the Project, and shared findings about potential shadow, glare, privacy, and light pollution impacts.
6. **Office Development.** Planning Code 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:
 - A. The 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 Project Site contains several dilapidated open storage sheds and vacant warehouses formerly occupied by the San Francisco Gravel Company, and the Project would transform this underutilized site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. The apportionment of office space in this instance would enable the Project Sponsor to create a development that includes increasing the amount of PDR on this site by nearly four times using Section 210.3C of the Planning Code. There are currently 2,032,886 sq. ft. of "large cap" space available in the Office Development Annual Limitation Program as of January 12, 2018. With a request of 86,301 sq. ft., the Project would utilize 4.2% of the space available for allocation and would also provide increased PDR use in the neighborhood, including 10,500 sq. ft. of subsidized space for an education and job training non-profit that will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

The Project Site's neighborhood has experienced a significant increase of housing development, but the creation of new commercial and industrial space has not kept pace with demand, as evidenced by increasing rental rates in those asset classes. The Project's new PDR and office space would help alleviate pressure on rents and locate jobs near housing. While the Project will not contain residential uses, the Project Sponsor will pay the Jobs-Housing Linkage fee, which will provide funding towards the City's affordable housing program.

The Project will replace this underutilized, low-density gravel yard with a four-story mixed-use building that will add density and employment opportunities in an appropriate location that is accessible by public transportation and connected to the City's extensive bicycle network. The Project will also include two plazas at the perimeter of the Project Site that will increase the amount of

publicly accessible open space and help activate the adjacent street and public greenway and improve pedestrian safety along with new and widened sidewalks, street trees, landscaping, and other streetscape improvements in accordance with the Better Streets Plan to further help maintain the balance between economic growth, housing, transportation, and public services.

- B. 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.

- C. The quality of the design of the proposed office development;

The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

- D. The suitability of the proposed office development for its location, and any effects of the proposed office development specific to that location;

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The intention of the Project is to draw on each of the surrounding neighborhoods' distinctive qualities.

- E. 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;

The Project provides a unique economic growth opportunity due to the adjacency of PDR and office space in the same building. This combination of uses will allow for workers with a variety of skills to interact with innovative technologies, and seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. This organization's clients will also add to the depth of employee pool for companies interested in doing business in the City. As companies look to expand to California and the Bay Area region, the Project will give San Francisco a competitive advantage as a unique venue for attracting innovative companies specializing in fabrication, research, and design. The potential uses for the Project are specifically diverse, spanning from innovative companies that pioneer technologies for advanced medical equipment such as Potrero Medical, landmark manufacturing for autonomous vehicle services such as Cruise Automation, and the product testing and hardware development from companies such as PCH International.

- F. The extent to which the proposed development will be owned or occupied by a single entity;

The Project will be owned by a single entity that is a joint venture between the longtime family owner and a development partner. The Project Sponsor is in discussions with potential tenants to occupy the entirety of the Project; however, these discussions are preliminary and no commitments have been made.

- G. The use, if any, of TDR by the project sponsor.

The Project does not include the use of TDRs.

7. **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 1:

MAINTAIN 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 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.4:

Establish commercial and industrial density limits as indicated in the Generalized Commercial and Industrial Density Plan map.

The Project adds density consistent with the use and FAR stipulated in the Land Use Plan and Density Plan maps, and will have a substantial net benefit to the City and neighborhood by transforming a functionally obsolete, low-density site into a well designed and constructed four-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services and amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels. In addition, the Project Sponsor anticipates leasing approximately 10,500 sq. ft. of PDR space to an education and job training non-profit that will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

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 proposed Project will utilize the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on an underutilized property. With a one-third PDR and two-thirds office use mix, the Project's office space will pay for the development of the PDR space that will improve this business sector in line with San Francisco's long range plan. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site, and the combination of these uses will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector.

OBJECTIVE 3:

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1:

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Policy 3.3:

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

Policy 3.4:

Assist newly emerging economic activities.

The allocation of "large cap" office square footage for the Project maximizes public benefit by providing a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. The Project Sponsor will also vet prospective

tenants, identifying companies that will put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. By creating an adjacency between PDR and office uses, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in the Project will attract tenants that are setting the benchmark of innovation that will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world. In addition, an education and workforce training non-profit located in the building will instruct the local workforce in emerging economic activities, allowing potential tenants to draw on a field of quality workers.

OBJECTIVE 4:

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.1:

Maintain and enhance a favorable business climate in the city.

Policy 4.2:

Promote and attract those economic activities with potential benefit to the City.

Policy 4.3:

Carefully consider public actions that displace existing viable industrial firms.

The Project Site contains several dilapidated open storage sheds and vacant warehouses formerly occupied by the San Francisco Gravel Company, which has ceased business operations as the owners have retired. These family property owners are now partners in a joint venture with the Project Sponsor with the goal to convert the Project Site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. The Project will not displace any permanent industrial businesses and will improve the viability of existing industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. The clients of an education and workforce training non-profit located in the building will also add to the depth of the employee pool for companies interested in doing business in the City.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.3:

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San

Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development and coordinate new facilities with public and private development.

The Project will add density and employment opportunities in an appropriate location that is accessible by multiple transportation options, including public transit and the City's extensive bicycle network.

SHOWPLACE SQUARE/POTRERO AREA PLAN

Land Use

Objectives and Policies

OBJECTIVE 1.1

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

Policy 1.1.3

Allow for active ground floor uses and a more neighborhood commercial character in newly designated mixed use areas within Showplace Square.

Policy 1.1.5

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

The Project is designed with strong consideration of its surroundings including a ground floor on De Haro Street that features significant fenestration to accommodate potential retail uses, and a Berry Street frontage that has five large overhead garage doors to allow for flexible access to the space by PDR tenants. With a one-third PDR and two-thirds office use mix, the Project's office space will pay for the development of the PDR space, injecting life into an underutilized property while growing the PDR business sector. The new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage, and potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. With the potential sponsoring of workforce development and skills training, future PDR and office tenants at One De Haro can bring hundreds of good paying positions to City, opening doors to the hands-on jobs of the future that do not require a college degree. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world.

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF SHOWPLACE SQUARE/POTRERO HILL.

Policy 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of Showplace Square/Potrero Hill.

Policy 1.4.2

Allow Knowledge Sector office-type uses in portions of Showplace Square/Potrero Hill where it is appropriate.

The Project sponsor will encourage prospective tenants to collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. By creating an adjacency between PDR and office uses, the Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The combination of these spaces will encourage manufacturing while also supporting Knowledge Sector jobs.

OBJECTIVE 1.7

RETAIN THE ROLE OF SHOWPLACE SQUARE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES, FOCUSING IN PARTICULAR ON DESIGN RELATED ACTIVITIES

Policy 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

Policy 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

The Project proposes to demolish 10,620 sq. ft. of industrial space, but will include 43,318 sq. ft. of replacement industrial space to protect the available stock of PDR space that will utilize the value of other non-residential space, such as office and institutional uses, to subsidize this PDR space at the underutilized Project Site. The new office space will allow nearly quadruple the existing PDR space to be subsidized, and the combination of these uses will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills.

The Project provides significant flexibility for all tenants, offering a generous 20-ft. ceiling height on the ground floor, 12-ft. on upper floors, large floor plates, and ample loading facilities on all building facades. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

Built Form

Objectives and Policies

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REFLECTS SHOWPLACE SQUARE AND POTRERO HILL'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

Policy 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

Policy 3.2.3

Minimize the visual impact of parking.

Policy 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

Policy 3.3.4

Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

The off-street parking will be shielded from the public right-of-way by landscaping and decorative fencing, and the loading court will be treated as a multi-use space, allowing tenants to enliven the space with outdoor activities while the area is not in use for freight loading and parking. Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will feature photovoltaic panels, a highly efficient glass curtainwall, and significant landscaping to retain storm water to embody the City's sustainable future and strive for LEED Gold certification.

Transportation

Objectives and Policies

OBJECTIVE 4.4

SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR USES IN SHOWPLACE SQUARE / POTRERO HILL

Policy 4.4.1

Provide an adequate amount of short-term, on-street curbside freight loading spaces throughout Showplace Square.

Policy 4.4.2

Continue to require off-street facilities for freight loading and service vehicles in new large non-residential developments.

Policy 4.4.3

In areas with a significant number of PDR establishments, design streets and sidewalks to serve the needs and access requirements of trucks while maintaining a safe pedestrian environment.

The Project includes three short-term, on-street curbside freight loading spaces that are designed to minimize impact on traffic circulation and the pedestrian realm. The Project will also contain two off-street freight loading spaces as required by the Planning Code.

OBJECTIVE 4.6

SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN SHOWPLACE SQUARE/POTRERO HILL AND TO OTHER PARTS OF THE CITY

Policy 4.6.2

Prioritize pedestrian safety improvements at intersections and in areas with historically high frequencies of pedestrian injury collisions

The Project's streetscape plan will provide ample freight loading access while also greatly improving the pedestrian environment. Publicly accessible open space on the Project Site will increase the amount of usable open space in the area and help activate the adjacent streets and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW to install bulb-outs at the intersection of Division, De Haro, and King Streets to improve traffic safety. The Project Sponsor will also include new and widened sidewalks, street trees, landscaping, and other streetscape improvements designed in collaboration with Walk SF and in accordance with the Better Streets Plan to activate the streets and improve pedestrian safety.

8. **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 Site does not contain any neighborhood-serving retail uses, and the Project could potentially accommodate retail uses as well as those accessory to the ground floor PDR suites in the future that comply with the underlying development controls.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

There is no existing housing at the Project Site but the Project will enhance the diverse neighborhood character through its exceptional design, high quality construction, and new streetscape improvements.

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

There is no existing affordable housing, and the Project does not propose residential uses. However, the Project will pay the appropriate Jobs-Housing Linkage impact fees associated with construction of the new PDR and office uses.

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

The Project's proximity to multiple modes of public transit including Muni bus lines, Caltrain 4th Street Station, and Muni Metro underground will minimize any additional traffic impacts that would overburden City streets. Additionally, the Project's location within the City's bicycle path network, its fourteen automobile, 36 Class 1 and six Class 2 bicycle parking spaces will minimize any negative impacts on 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 Project will replace 10,620 sq. ft. of existing industrial space with 43,318 sq. ft. of new industrial or PDR space to improve the available stock that will utilize the value of office and institutional uses to subsidize this PDR space at the underutilized Project Site to augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. Approximately 10,500 sq. ft. of the Project's PDR space will be occupied by an education and workforce training non-profit at reduced rent. This organization will provide opportunities for people in economically marginalized communities to gain the skills necessary to participate in San Francisco's growing manufacturing sector.

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

The Project will employ state of the art structural and seismic design, which will meet all aspects of the most up to date building, fire, accessibility, and life safety codes.

- G. That landmarks and historic buildings be preserved.

The Project Site does not contain any existing City Landmarks or historic buildings.

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

The Project will not have any impacts on any open space under the jurisdiction of the Recreation and Parks Department or publicly accessible open spaces.

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 hereby finds that approval of the Office Allocation would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Allocation Application No. 2015-015010OFA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated May 3, 2018, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP 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 MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 Office 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 appeal shall be made to the Board of Appeals, unless the associated Conditional Use Authorization is appealed to the Board of Supervisors, in which case the appeal of this Motion shall also be made to the Board of Supervisors (see Charter Section 4.135). 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 for the Board of Appeals, or the after the 30-day period has expired for the Board of Supervisors) OR the date of the decision of the Board of Appeals or Board of Supervisors. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103, or the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 14, 2018.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 14, 2018

EXHIBIT A

AUTHORIZATION

This authorization is for an Office Development Allocation to allow demolition of 10,620 sq. ft. of existing industrial use and the new construction of a 129,619 sq. ft., four-story and 58-ft, tall building containing 86,301 sq. ft. of office use and 43,318 sq. ft. of production, distribution and repair use with fourteen off-street parking and two off-street loading spaces located at Lots 003 and 004 in Parcel 3800, pursuant to Planning Code Sections 210.3C and 303 in the PDR-1-G Zoning District, and a 58-X Height and Bulk District, in general conformance with plans, dated May 3, 2018, and stamped "EXHIBIT B" included in the docket for Case No. 2015-015010OFA and subject to conditions of approval reviewed and approved by the Commission on June 14, 2018, under Motion No. XXXXX. 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 June 14, 2018 under Motion No XXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXX 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 Office Development Allocation 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 Allocation.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

- 1. Development Timeline - Office.** Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen (18) months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion shall be grounds to revoke approval of the office development under this Office Development Allocation.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
- 2. Extension.** All time limits in the preceding paragraph may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
- 3. Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
- 4. Additional Project Authorization.** The Project Sponsor must obtain a Conditional Use Authorization under Sections 210.3C & 303, and satisfy all the conditions thereof. The conditions set forth therein are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

In addition, the approval of this Project is contingent upon the adoption of legislation by the Board of Supervisors to continue, extend, or modify the ordinance under Planning Code Section 210.3C to allow the development of non-PDR uses on properties in the PDR-1-D or PDR-1-G Districts.

This approval is contingent on, and will be of no further force and effect until the date that the San Francisco Board of Supervisors has approved by resolution approving the Planning Code Text Amendment.

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

- 5. Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2015-015010ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

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



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

HEARING DATE: JUNE 14, 2018

Case No.: **2015-015010CUA**
Project Address: **1 De Haro Street/552 Berry Street**
Zoning: PDR-1-G (Production, Distribution & Repair – General) Zoning District
58-X Height and Bulk District
Block/Lot: 3800/003 & 034
Project Sponsor: John Fisher
SKS Partners, LLC
601 California Street, Suite 130
San Francisco, CA 94108
Property Owner: One De Haro, LLC
San Francisco, CA 94108
Staff Contact: Doug Vu – (415) 575-9120
doug.vu@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

ADOPTING FINDINGS RELATING TO THE APPROVAL OF A CONDITIONAL USE AUTHORIZATION, PURSUANT TO SECTIONS 210.3C AND 303 OF THE PLANNING CODE TO ALLOW DEMOLITION OF 10,620 GROSS SQUARE FEET OF EXISTING INDUSTRIAL USE AND NEW CONSTRUCTION OF A 129,619 SQUARE FEET, FOUR-STORY, 58-FT. TALL BUILDING CONTAINING 86,301 SQUARE FEET OF OFFICE USE AND 43,318 SQUARE FEET OF PRODUCTION, DISTRIBUTION AND REPAIR USE WITH FOURTEEN OFF-STREET PARKING AND TWO OFF-STREET LOADING SPACES LOCATED AT 1 DE HARO STREET AND 552 BERRY STREET, LOTS 003 & 004 IN ASSESSOR'S BLOCK 3800, WITHIN THE PDR-1-G (PRODUCTION, DISTRIBUTION & REPAIR – GENERAL) DISTRICT AND A 58-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On May 25, 2017, John Fisher of SKS Partners, LLC on behalf of One De Haro, LLC (hereinafter "Project Sponsor") filed applications with the Planning Department (hereinafter "Department") for a Conditional Use Authorization and Office Allocation pursuant to Planning Code Sections 210.3C, 303, 321, and 322 to demolish 10,620 sq. ft. of existing industrial use and construct a new 129,619 sq. ft., four-story and 58-ft tall mixed-use building containing 86,301 sq. ft. of office and 43,318 gross sq. ft. of production, distribution and repair uses with fourteen off-street parking and two off-street loading spaces (hereinafter "Project") at 1 De Haro Street and 552 Berry Street, Block 3800 and Lots 003 & 004, within the PDR-1-G (Production, Distribution & Repair – General) Zoning District and 58-X Height and Bulk District (hereinafter "Project Site").

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public

hearing on August 7, 2008, by Motion No. 17661, 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 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 of a proposed project, 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 a streamlined 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, or (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.

On June 7, 2018, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and 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.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as "EXHIBIT C."

The Planning Department Commission Secretary is the custodian of records; the File for Case No. 2015-015010CUA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On June 14, 2018, the San Francisco Planning Commission (hereinafter "Commission") adopted Motion No. XXXXX, approving an Office Allocation for the Project (Office Allocation Application No. 2015-015010OFA). Findings contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On June 14, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2015-015010CUA.

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 Authorization as requested in Application No. 2015-015010CUA, 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. **Project Description.** The Project includes demolition of approximately 10,620 gross sq. ft. of existing industrial use, and new construction of a 129,619 sq. ft., four-story, 58-ft tall mixed use building containing 86,301 gross sq. ft. of office and 43,318 gross sq. ft. of industrial or PDR (Production, Distribution & Repair) uses, fourteen off-street parking, two off-street loading and 36 Class 1 bicycle parking spaces. The project also includes streetscape improvements along all street frontages, including four Class 2 bicycle parking spaces, and the merger of Lots 003 and 004 on Block 3800.
3. **Site Description and Present Use.** The Project Site is located on two lots totaling 43,350 sq. ft. that are bounded by De Haro Street to the west, King Street to the north, 7th Street to the east, and Berry Street to the south. The Project Site contains 275 ft. of frontage on De Haro Street, 416 ft. of frontage on Berry Street that remains largely unimproved, and contains three 25-ft. tall, single-story warehouse buildings totaling 10,620 sq. ft. along with surface parking and storage areas. The buildings were constructed in 1926, 1947 and 1989 that were most recently occupied by the San Francisco Gravel Company, and have been vacant since 2015.
4. **Surrounding Properties and Neighborhood.** The Project Site is located in the PDR-1-G Zoning District and also in the Showplace Square/Potrero Hill Area Plan. The surrounding context contains a broadly mixed pattern of light industrial, office, wholesale commercial, retail sales, and residential uses commonly found on UMU (Urban Mixed-Use), PDR-1-D (Production, Distribution & Repair – Design), and MB-RA (Mission Bay Redevelopment) zoned properties. The adjacent properties include a two-story multi-unit commercial building at 25 Division Street

containing restaurant and retail sales uses across De Haro Street to the west, Recology's Golden Gate administrative office and collection truck yard across Berry Street to the south and east, and the 601 King Street mixed-use development containing 226 dwellings to the north. Other landmarks close to the Project Site include the core design and showroom area of Showplace Square immediately south, Interstate 80 three blocks west, China Basin Water Channel of Mission Creek 800 ft. east, and the southern boundaries of the East SoMa neighborhood 0.6 miles north.

5. **Public Outreach and Comments.** The Department has received one correspondence requesting more information about the proposed off-street parking. Aside from the mandatory pre-application meeting held on June 26, 2017, the Project Sponsor has engaged the community and conducted fifteen meetings and/or presentations to nearby residents, homeowners associations, and organizations including 888 7th Street HOA, Walk SF, Potrero Boosters, SFMade, and Friends of Jackson Park. This outreach has resulted in additional publicly-accessible open space, and shared findings about potential shadow, glare, privacy, and light pollution impacts.
6. **Planning Code Compliance.** The Commission finds and determines that the project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Office Development.** Planning Code Section 321 establishes standards for San Francisco's Office Development Annual Limit, and Code Section 322 establishes the procedure for the administration of office development limit.

The Project Sponsor submitted an Office Allocation Application No. 2015-015010OFA, and on June 14, 2018, the Commission adopted Motion No. XXXXX approving an Office Allocation for the Project, and the findings contained within Motion No. XXXXX are incorporated herein by this reference thereto as if fully set forth in this Motion.

- B. **Uses to Support Development of New PDR Space.** Planning Code Section 210.3C allows the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant or substantially underutilized and that do not contain significant PDR space that would be demolished. This provision of the Planning Code applies to parcels, which are:
 1. Are located in either the PDR-1-D or PDR-1-G Districts;
 2. Are located north of 20th Street;
 3. Contain a floor area ratio of 0.3 gross floor area or less as of January 1, 2014; and
 4. Are 20,000 square feet or larger.

The Project is located in the PDR-1-D District north of 20th Street and is 43,350 sq. ft. in area. As of January 1, 2014, the Project Site contains 10,620 sq. ft. of existing PDR space that is equal to a floor to area ratio of 0.24 and meets the applicable criteria for this provision of the Planning Code. Additional findings under this Planning Code Section are described below.

C. **Additional Findings: Uses to Support Development of New PDR Space District.** Pursuant to Planning Code Section 210.3C, the Planning Commission may permit certain non-PDR uses including, but not limited to, office and institutional uses to support the increase in the overall stock of PDR space on the Project Site pursuant to the following provisions:

5. At least 1/3 of the total gross floor area developed on the parcel shall contain PDR uses as defined in Section 102.

The Project proposes a total area of 129,619 sq. ft. that includes 43,318 sq. ft. for PDR uses that is equal to 33% or 1/3 of the total gross floor area to comply with this provision.

6. Every square foot of Small Enterprise Workspace, as defined in Section 102, shall count as 0.5 square feet of PDR space and 0.5 square feet of non-PDR space as specified in provision #3 below.

The PDR component of the Project will focus on two emerging elements in San Francisco's industrial economy: 1) a subsidized 10,500 sq. ft. non-profit maker/education facility that would provide both training opportunities and a maker space for individuals and start-up businesses space to grow; and 2) approximately 32,000 sq. ft. of Class A PDR space to provide space for the City's growing advanced manufacturing sector whose tenants may include companies that pioneer advanced technologies for medical equipment, landmark prototyping and design for autonomous vehicles, or space for start-up hardware/device manufacturers to grow. Although tenants have not been identified yet, any establishment of Small Enterprise Workspaces will comply with this provision.

7. The non-PDR space may contain one or a combination of office, institutional and gym uses as defined in Section 102.

The 86,301 sq. ft. of non-PDR space will include office uses for tenants, such as companies that create internet-connected devices and design-focused software, or house hardware-focused venture capital firms and industrial design companies.

8. Uses other than those listed in Subsections (2) and (3) above, such as retail, are subject to the controls of the underlying district.

The Project proposes only office and PDR uses, but will comply with the controls of the underlying PDR-1-G zoning district should other uses be established in the future.

9. No residential uses are permitted, even as part of Institutions as defined under Section 890.50, except as allowed pursuant to Section 204.4.

The Project does not propose any residential uses.

10. The PDR space in any building must be served by sufficient off-street loading and one or more freight elevators, in accordance with Code Section 155(j).

The Project includes two off-street loading spaces in the screened off-street parking area and three freight elevators at the west side of the building.

11. The project shall meet the Transportation Management Program requirements of Section 163(c) of the Planning Code.

The Project Sponsor submitted a completed Environmental Evaluation Application prior to September 4, 2016 on December 22, 2015, and is therefore required to achieve 50% of the point target established in the TDM Program Standards for a target of 8 points. The Project will comply with the TDM Program by achieving 16 points through the following TDM Measures: 1) Parking - Options D & G, 2) Improve Walking Conditions - Option A; 3) Bicycle Parking - Option A; and 4) Showers and Lockers.

12. Accessory parking for uses listed in subsection (2) above may be permitted up to one space per each 1,500 square feet of occupied floor area, and all such parking shall be subject to the pricing requirements of Section 155(g).

The Project includes fourteen off-street parking spaces for 86,301 gsf of office use and 43,318 gsf of PDR use, and currently complies with this provision.

13. The project sponsor must develop a "PDR Business Plan." The purpose of this PDR Business Plan is to maximize the potential for the project to produce new PDR space that is viable and affordable. The features of the PDR Business Plan should include, but are not limited to:

- a. Overall strategy to incorporate PDR businesses, including specifying which kinds of PDR businesses are the target for the development;

The Project Sponsor proposes to develop a vibrant new mixed-use creative campus that includes 43,318 sq. ft. of new PDR and 86,301 sq. ft. of office space. The entire development will provide an integrated ecosystem for innovative design, prototyping, and manufacturing companies to start and expand in San Francisco, offering employment and entrepreneurship opportunities for diverse residents.

The PDR component of the Project will focus on two emerging key elements in San Francisco's industrial economy: 1) a 10,500 sq. ft. below market rate/subsidized non-profit maker/education facility to provide both training opportunities and a robust maker space for individuals and start-up businesses space to grow; and 2) approximately 32,000 sq. ft. of Class A PDR use to provide much needed space for the City's growing advanced manufacturing sector. Potential tenants would include companies that pioneer advanced technologies for medical equipment (such as Potrero Medical and Invuity), to landmark prototyping and design for autonomous vehicles (such as Cruise Automation), and space for start-up hardware/device manufacturers to grow.

- b. A description of the kinds of non-PDR businesses intended for the site and a plan for how they will co-exist with the PDR businesses and any strategies required to achieve this balance;

The Project will house a variety of non-PDR tenants, drawing on the reservoir of innovative companies that call San Francisco home. These businesses would enhance the creativity and productivity of the PDR tenants. The Project will be designed to promote adjacencies between the PDR and non-PDR tenants to encourage cross-pollination between workers with a diversity of thinking and skill sets.

Potential non-PDR tenants include companies that create "Internet of Things" (IoT) internet-connected devices (example: Nest Labs, FitBit), design-focused software companies (example: Adobe, Autodesk), hardware-focused venture capital firms (example: Y Combinator, QB3), or industrial design companies example: IDEO, Frog Design, Lemnos Labs).

- c. A description of how the site's marketing and outreach plan will effectively target these same PDR businesses;

The Project Sponsor has been developing and leasing PDR space in San Francisco since the zoning designation was established under the 2008 Eastern Neighborhoods Plan, and has created deep relationships within the PDR community, ranging from industry support organizations (SFMade), educational institutions (CCA), City departments (OEWD), a range PDR companies, and community organizations, such as Young Community Developers and Arriba Juntos. SKS will leverage these relationships to market the project both to PDR tenants and to potential job seekers across San Francisco's diverse, low-income communities.

- d. A description of how the development's design is suited to PDR businesses;

The Project will be designed with strong consideration of the needs of PDR tenants. The ground floor on De Haro Street will feature significant fenestration to allow for ample daylighting or accommodate potential accessory retail uses. The Berry Street frontage will offer four large overhead garage doors to allow for flexible access to the space by PDR tenants. The ground floor will have a 20-ft. ceiling in some areas, while providing mezzanine space in areas closer to the building core. The upper floors of the building will be constructed of cross-laminated timber (CLT) panels, but the PDR spaces will be built out of concrete to ensure long-lasting durability. Additionally, the Project will have a private loading court on the north side of the building that will be a flexible outdoor space and provide off-street loading dock access to the building's PDR suites. The loading dock will be able to accommodate two full-sized semi-trucks.

- e. A description of the rent/purchase price proposed by the developer for the PDR spaces and the approach to keep these rents accessible to PDR tenants over time;

The Project includes 10,500 sq. ft. (or 25%) of PDR space that will be offered at a below-market rent and dedicated to house a non-profit organization with a mission to educate diverse individuals in the design-make-manufacturing competencies. The remainder of the PDR space will be rented at market rates for industrial space, sufficient to cover the

cost of new Class A PDR construction. All PDR rents will be significantly lower than office rents.

- f. A detailed overview of the workforce and hiring strategy for the PDR businesses on the site, as well as for the non-PDR businesses, including how the project sponsor will abide by City programs such as the First Source Hiring Program; how the project sponsor might utilize other local, State, and federal subsidized hiring programs such as work opportunity tax credits, Jobs Now!, Hire SF, and the California new employment tax credit set forth in Chapter 93 of the California 2013-2014 legislative session; and how the project sponsor will inform its tenants about other relevant public programs; and

Maker-education and workforce training will be a key component of the Project through a partnership with a non-profit maker/education provider (HumanMade). In addition, SKS will be partnering with SFMade to engage the PDR businesses on site in local hiring. Both SKS and SFMade will aim to work with Arriba Juntos in the Mission, and Young Community Developers in the Bayview to provide a pipeline for their clients to obtain free maker-manufacturing training on site, free access to equipment and makerspace, and to facilitate small business start-ups and connections to job opportunities both on-site and across the broader manufacturing sector in San Francisco.

In addition, SKS will seek market-rate PDR tenants that are willing to collaborate locally with economic empowerment nonprofits and local educational institutions to identify and train both adults and young people for the advanced manufacturing jobs needed now and in the future. The Project will also take part in the City's First Source Hiring Program and seek to advance the Program's goals wherever possible.

- g. A detailed community outreach plan, including a plan for engaging any specific community partners in the development, tenanting of the project, and ongoing management of the PDR portions of the property.

SKS is committed to working with its community partners to achieve sustained, effective community engagement during all stages of development, tenanting, and ongoing management. The development business plan for the Project is long-term ownership by SKS, further ensuring this PDR Business Plan will be adhered to over time.

14. The first Certificate of Occupancy for the PDR portion of the development must be issued by the Department of Building Inspection before or concurrently with the first Certificate of Occupancy for the non-PDR portion of the development unless the PDR and non-PDR portions are part of a single site or building permit.

The Planning Department will confirm that the Project complies with this provision at the time of occupancy.

In evaluating a proposed authorization under this Section, the Planning Commission shall consider:

15. The likely viability of the new PDR space created by the development, as influenced by such factors as the content of the project sponsor's PDR Business Plan, and whether the project sponsor has the commitments of established PDR tenants and/or a demonstrated relationship with organizations established in the PDR community.

As stated in the PDR Business Plan, the Project Sponsor is confident in the viability of the new PDR space due to: 1) the high quality of the space; 2) the Project Sponsor's track record in leasing with PDR tenants, and; 3) the presence of an on-site education and workforce training non-profit, to which the Project Sponsor anticipates leasing some of the Project's PDR space.

The Project provides significant flexibility for PDR tenants, offering generous ceiling heights on the ground floor at 20-ft., second floor at 12-ft., and large floor plates. The ground floor on De Haro Street features significant fenestration to accommodate potential accessory retail uses for PDR tenants. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

The Project Sponsor has experience in leasing space to a variety of PDR tenants from jewelers (888 Brannan) to genetic testing laboratories (The McClintock Building) to autonomous vehicle pioneers (The McGuire Building). The future tenants at One De Haro could be just as diverse. The Project Sponsor will focus on all open leads for filling the PDR space in the building and has instructed the leasing broker, Newmark, to conduct a broad search for all eligible users.

The Project Sponsor anticipates leasing approximately 10,500 sq. ft. of the PDR space in the building to an education and workforce training non-profit to provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector. The client pool of this organization can also be drawn from by the building's future PDR tenants, as these people will have received the relevant training to be attractive candidates for new jobs.

16. Whether the project is an appropriate location and intensity for the proposed non-PDR use, including but not limited to whether the location of non-PDR uses would be compatible with or disruptive to PDR uses on the site and in the vicinity, recognizing that PDR uses may generate noise, vibrations, odors, trucking activity, or other PDR-related operational characteristics.

The Project's office use is appropriate in this neighborhood and will not be disrupted by the PDR use. Rather, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish through the adjacency between PDR and office uses. In addition, the flexible facilities in the Project will attract tenants that are setting the benchmark of innovation in San Francisco.

The Project is located at an intersection that holds neighborhood significance in Potrero Hill/Showplace Square. As cars and pedestrians exit the traffic circle intersection and head east on Division Street, the western façade of One De Haro will greet them. Currently, those travelers are

welcomed to the Potrero Hill neighborhood with the view of a vacant warehouse at the site and the Project will project a vibrant image for one of the City's most dynamic neighborhoods.

- C. **Gross Floor Area.** The Project Site permits a maximum gross floor area ratio of 4 to 1, or 173,400 sq. ft. for the 43,350 sq. ft. area.

The Project proposes a total 129,619 gross sq. ft. that is equal to a FAR of 2.99 to 1, which complies with this requirement.

- D. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires one new street tree for every 20 feet of street frontage for projects proposing new construction. For a project that is greater than one-half acre in total area, contains 250 feet of total lot frontage on one or more publicly-accessible rights-of-way or encompasses the entire block face between the nearest two intersections with any other publicly-accessible rights-of-way, a streetscape plan in conformance with the adopted Better Streets Plan is required.

The Project includes a streetscape plan that was reviewed by the Streetscape Design Advisory Team (SDAT) on March 27, 2017 and approved upon subsequent review on September 11, 2017, which includes new sidewalk construction on Berry Street, sidewalk widening on De Haro Street, a new bulbout on Division Street, street lighting, street trees, landscaping, bicycle parking racks, and two publicly accessible open space plazas on the Project Site adjacent to Berry and De Haro Streets.

- E. **Parking Screening.** All vehicular use areas that are greater than 25 linear feet adjacent to the public right-of-way shall provide a screening feature around the perimeter of the lot adjacent to the public right-of-way that will add to the visual diversity of the use. This feature shall be 1) Ornamental fencing or a solid wall that is 4-ft. in height, and a 5-ft. deep permeable surface with landscaping along the perimeter of the lot that is adjacent to a public right-of-way and compliant with the applicable water use requirements of Administrative Code Chapter 63.

The Project includes an above-grade parking area along the northern perimeter of the Project Site for fourteen vehicles and two loading spaces that will be screened with 8-ft. high perforated decorative fences and landscaped areas adjacent to the public rights-of-way that are permeable and compliant with the applicable water use requirements of Administrative Code Chapter 63.

- F. **Better Roofs.** Pursuant to Planning Code Section 149, state law requires that certain new residential and nonresidential buildings set aside a "solar ready" portion of the roof equal to 15% of the total roof area. The solar ready area must be unshaded and free of obstructions, to allow that portion of the roof to be used for future installation of solar energy or heating systems.

The Project has a total roof area of approximately 30,398 sq. ft. that would require at least 4,560 sq. ft. to be designated as solar ready. The Project proposes to designate 10,833 sq. ft. as solar ready that is equal to 37% and complies with Planning Code Section 149.

- G. **Off-Street Parking.** Planning Code Section 151.1 principally permits one auto parking space for each 500 sq. ft. of occupied floor area for office use, and one parking space for each 1,500

sq. ft. of occupied floor area for PDR use. The Project includes 86,301 sq. ft. of office use and 43,318 sq. ft. of PDR use that would principally permit 202 parking spaces.

The Project proposes fourteen parking spaces in an off-street above-grade lot and complies with the off-street parking provisions of Planning Code Section 151.1.

- H. **Loading.** Planning Code Section 152.1 requires one off-street freight loading space for 10,001 to 60,000 occupied square feet of industrial, or PDR uses, and none for office uses less than 100,000 sq. ft. Every required off-street freight loading space shall have a minimum length of 35 feet, a minimum width of 12 feet, and a minimum vertical clearance including entry and exit of 14 feet.

The Project proposes two off-street freight loading parking spaces in an off-street above-grade lot and complies with the off-street parking provisions of Planning Code Section 152.1.

- I. **Bicycle Parking.** Planning Code Section 155.2 requires one Class 1 bicycle parking space for each 12,000 sq. ft. of PDR use and each 5,000 sq. ft. of office use. A minimum of two Class 2 spaces are required for PDR uses greater than 50,000 sq. ft. or between 5,000 and 50,000 sq. ft. of office use.

The Project proposes 36 Class 1 parking spaces and four Class 2 spaces that comply with the bicycle parking requirements.

- J. **Shower Facility and Clothes Locker Requirement in New Buildings.** Planning Code Section 155.4 requires at least four showers and 24 clothes lockers are provided when office square footage exceeds 50,000 gross square feet.

The Project proposes 86,301 sq. ft. of office space and includes four showers and at least 24 lockers at the ground floor of the building to comply with Planning Code Section 155.4.

- K. **Transportation Demand Management (TDM) Program.** The TDM Program seeks to promote sustainable travel modes by requiring new development projects to incorporate design features, incentives, and tools that support transit, ride-sharing, walking, and bicycle riding for the residents, tenants, employees, and visitors of their projects. The sponsor is required to submit a TDM Plan for Department review of compliance with Code Section 169, including the Planning Commission's TDM Program Standards.

The Project Sponsor submitted a completed Environmental Evaluation Application prior to September 4, 2016 on December 22, 2015, and is therefore required to achieve 50% of the point target established in the TDM Program Standards for a target of 8 points. The Project will comply with the TDM Program by achieving 16 points through the following TDM Measures: 1) Parking - Options D & G, 2) Improve Walking Conditions - Option A; 3) Bicycle Parking - Option A; and 4) Showers and Lockers.

- L. **Demolition of Industrial Buildings.** Pursuant to Planning Code Section 202.7, if an industrial building proposed for demolition represents 0.4 FAR or less, then the replacement

building shall include at least two square feet of Industrial Use for each square foot of Industrial Use in the building proposed for demolition.

The Project proposes to demolish 10,620 sq. ft. of industrial space, which is equal to a 0.24 FAR that would require at least 21,240 sq. ft. of replacement industrial space. The Project complies with this requirement by including 43,318 sq. ft. of replacement industrial space.

- M. **Shadow Analysis.** Pursuant to Planning Code Section 295, projects over 40 feet in height that will cast any shade or shadow upon any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission requires approval by the Planning Commission pursuant to the provisions of Section 295.

A preliminary shadow analysis conducted by the Planning Department based on the plans submitted indicates there would be no shadows cast on properties under the jurisdiction of the Recreation and Park Department, and the Project complies with Planning Code Section 295.

- N. **Transportation Sustainability Fee ("TSF").** Planning Code Section 411A applies to any development project that will result in new construction of a Non-Residential use in excess of 800 gross square feet, or new construction of a PDR use in excess of 1,500 gross square feet.

The Project includes 43,318 sq. ft. of net new PDR use, and 86,301 sq. ft. of new Non-Residential use that will be subject to the full TSF fee because the environmental review application was filed after July 22, 2015.

- O. **Jobs Housing Linkage Program.** Planning Code Section 413 applies to any development project that increases by 25,000 or more gross square feet the total amount of any combination of the following uses; entertainment, hotel, Integrated PDR, office, research and development, retail, and/or Small Enterprise Workspace.

- P. **Child-Care Requirements.** Pursuant to Section 414, office and hotel development projects proposing the net addition of 25,000 or more gross square feet of office or hotel space shall be subject to Child-Care Requirements.

The Project includes 86,301 sq. ft. of office use that will be subject to the Child-Care Requirement of Code Section 414.

- Q. **Eastern Neighborhoods Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project in the Eastern Neighborhoods Program Area which results in at least one net new residential unit or the new construction of a non-residential use.

The Project includes 43,318 sq. ft. of net new PDR use and 86,301 sq. ft. of new Non-Residential use that will be subject to Tier 1 of the Eastern Neighborhoods Impact Fee.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- (1) The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and also help activate the adjacent streets and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere for building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

- (2) Such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

- i. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The triangular-shaped, 43,350 sq. ft. Project Site is located at the center of Showplace Square and currently developed with several dilapidated warehouses and storage sheds that have been vacant since 2015. The proposed 129,619 sq. ft., four-story building's footprint follows the shape of the Project Site and has a FAR of 3 to 1 that is less than the permitted FAR of 4 to 1. The northern perimeter contains the parking lot for a nominal fourteen vehicles and loading access area, which will serve as a buffer to the adjacent mixed-use residential development at 888 7th Street that is screened with an existing 10-ft. high bamboo planted wall.

- 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 and of

proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code;

The Project is easily accessible to the City's public transit network and includes only fourteen off-street parking spaces that will be accessed through a 25-ft. driveway at the site's northern perimeter on Berry Street, which will also be used to access the two off-street freight loading spaces, which is consistent with the City's transit first policies. The Project would therefore 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 Project will comply with the City's requirements to minimize noise, glare, odors, or other harmful emissions. As a mixed-use building with PDR and office space containing anti-reflective glazing, the Project is not expected to emit noxious or offensive emissions, significant noise, or glare.

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

The Project's above-grade parking area for fourteen vehicles and access to freight-loading along the northern perimeter will be screened with 8-ft. high perforated decorative fences and landscaped areas adjacent to the public rights-of-way. At both ends of this parking area are two plazas that will increase the amount of publicly accessible open space and help activate the adjacent street, public greenway, and improve pedestrian safety along with new and widened sidewalks, street trees, landscaping, and other streetscape improvements in accordance with the Better Streets Plan.

- (3) Such use or feature as proposed will comply with the applicable provisions of this 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 described throughout this Motion.

- (4) Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District.

The Project is consistent with the stated purpose of the PDR-1-G (Production, Distribution and Repair – General) Zoning District as described in the Planning Code:

The intention of the District is to retain and encourage existing production, distribution, and repair activities and promote new business formation. Thus, this District prohibits Residential and Office uses, and limits Retail and Institutional uses. Additionally, this District allows for more intensive

production, distribution, and repair activities than PDR-1-B and PDR-1-D but less intensive than PDR-2. Generally, all other uses are permitted.

Additionally, the purpose of Planning Code Section 210.3C is to support the increase in the overall stock of PDR space in the City, and one way to make such development economically viable is to utilize the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant or substantially underutilized. The Project utilizes this ordinance to develop office space that will subsidize the 43,318 sq. ft. of new PDR space to improve economic activity and vitality to the neighborhood and immediate area.

8. **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 1:

MAINTAIN 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 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.4:

Establish commercial and industrial density limits as indicated in the Generalized Commercial and Industrial Density Plan map.

The Project adds non-residential density consistent with the use and FAR stipulated in the Land Use Plan and Density Plan maps, and will have a substantial net benefit to the City and neighborhood by transforming a functionally obsolete, low-density site into a well designed and constructed four-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services and amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels. In addition, the Project Sponsor anticipates leasing approximately 10,500 sq. ft. of PDR space to an education and job training non-profit that will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

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 proposed Project will utilize the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on an underutilized property. With a one-third PDR and two-thirds office use mix, the Project's office space will pay for the development of the PDR space that will improve this business sector in line with San Francisco's long range plan. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site, and the combination of these uses will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector.

OBJECTIVE 3:

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1:

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Policy 3.3:

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

Policy 3.4:

Assist newly emerging economic activities.

The allocation of "large cap" office square footage for the Project maximizes public benefit by providing a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. The Project Sponsor will also vet prospective tenants, identifying companies that will put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. By creating an adjacency between PDR and office uses, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in the Project will attract tenants that are setting the benchmark of innovation that will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world. In addition, an education and workforce training non-profit located in the building will instruct the local workforce in emerging economic activities, allowing potential tenants to draw on a field of quality workers.

OBJECTIVE 4:

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.1:

Maintain and enhance a favorable business climate in the city.

Policy 4.2:

Promote and attract those economic activities with potential benefit to the City.

Policy 4.3:

Carefully consider public actions that displace existing viable industrial firms.

The Project Site contains several dilapidated open storage sheds and vacant warehouses formerly occupied by the San Francisco Gravel Company, which has ceased business operations as the owners have retired. These family property owners are now partners in a joint venture with the Project Sponsor with the goal to convert the Project Site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. The Project will not displace any permanent industrial businesses and will improve the viability of existing industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. The clients of an education and workforce training non-profit located in the building will also add to the depth of the employee pool for companies interested in doing business in the City.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.3:

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades

are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

Voluntary and publicly-accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development and coordinate new facilities with public and private development.

The Project will add density and employment opportunities in an appropriate location that is accessible by multiple transportation options, including public transit and the City's extensive bicycle network.

SHOWPLACE SQUARE/POTRERO AREA PLAN

Land Use

Objectives and Policies

OBJECTIVE 1.1

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

Policy 1.1.3

Allow for active ground floor uses and a more neighborhood commercial character in newly designated mixed use areas within Showplace Square.

Policy 1.1.5

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their

production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

The Project is designed with strong consideration of its surroundings including a ground floor on De Haro Street that features significant fenestration to accommodate potential retail uses, and a Berry Street frontage that has five large overhead garage doors to allow for flexible access to the space by PDR tenants. With a one-third PDR and two-thirds office use mix, the Project's office space will pay for the development of the PDR space, injecting life into an underutilized property while growing the PDR business sector. The new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage, and potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. With the potential sponsoring of workforce development and skills training, future PDR and office tenants at One De Haro can bring hundreds of good paying positions to City, opening doors to the hands-on jobs of the future that do not require a college degree. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world.

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF SHOWPLACE SQUARE/POTRERO HILL.

Policy 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of Showplace Square/Potrero Hill.

Policy 1.4.2

Allow Knowledge Sector office-type uses in portions of Showplace Square/Potrero Hill where it is appropriate.

The Project sponsor will encourage prospective tenants to collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. By creating an adjacency between PDR and office uses, the Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The combination of these spaces will encourage manufacturing while also supporting Knowledge Sector jobs.

OBJECTIVE 1.7

RETAIN THE ROLE OF SHOWPLACE SQUARE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES, FOCUSING IN PARTICULAR ON DESIGN RELATED ACTIVITIES

Policy 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

Policy 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

The Project proposes to demolish 10,620 sq. ft. of industrial space, but will include 43,318 sq. ft. of replacement industrial space to protect the available stock of PDR space that will utilize the value of other non-residential space, such as office and institutional uses, to subsidize this PDR space at the underutilized Project Site. The new office space will allow nearly quadruple the existing PDR space to be subsidized, and the combination of these uses will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills.

The Project provides significant flexibility for all tenants, offering a generous 20-ft. ceiling height on the ground floor, 12-ft. on upper floors, large floor plates, and ample loading facilities on all building facades. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

Built Form

Objectives and Policies

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REFLECTS SHOWPLACE SQUARE AND POTRERO HILL'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

Policy 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project is located at the nexus of several neighborhoods, each with its own distinct character including Potrero Hill with its industrial past and creative present, Showplace Square that is the heart of San Francisco's design community, SOMA that is the diverse home of vibrant communities and the technology industry in the City, and Mission Bay which is a world leader in biotech and medical innovation. The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the intent to host a multitude of users; the adjacency of the office uses to the new PDR space which will encourage growth in PDR businesses and innovation. The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will also embody the City's sustainable future and strive for LEED Gold certification.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

Policy 3.2.3

Minimize the visual impact of parking.

Policy 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

Policy 3.3.4

Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

The Project is designed with consideration for its surroundings through a ground floor that features significant fenestration to accommodate potential retail uses and activate the pedestrian realm, a Berry Street frontage that has five large overhead doors to allow for flexible access to the space by PDR tenants, and upper floors that will be constructed of sustainable cross-laminated-timber (CLT) to create a warm space that will enhance the urban realm, which will be one of its first applications in the Bay Area. Additionally, the building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building tenants.

The off-street parking will be shielded from the public right-of-way by landscaping and decorative fencing, and the loading court will be treated as a multi-use space, allowing tenants to enliven the space with outdoor activities while the area is not in use for freight loading and parking. Voluntary and publicly accessible open space on the Project Site will increase the amount of usable open space in the neighborhood and help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW in order to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the Project Site to improve traffic safety. Additionally, there is currently no sidewalk on the Berry Street frontage so the construction of a new sidewalk along with

other streetscape improvements around the perimeter of the Project in accordance with the Better Streets Plan will significantly improve pedestrian safety. The Project will feature photovoltaic panels, a highly efficient glass curtainwall, and significant landscaping to retain storm water to embody the City's sustainable future and strive for LEED Gold certification.

Transportation

Objectives and Policies

OBJECTIVE 4.4

SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR USES IN SHOWPLACE SQUARE / POTRERO HILL

Policy 4.4.1

Provide an adequate amount of short-term, on-street curbside freight loading spaces throughout Showplace Square.

Policy 4.4.2

Continue to require off-street facilities for freight loading and service vehicles in new large non-residential developments.

Policy 4.4.3

In areas with a significant number of PDR establishments, design streets and sidewalks to serve the needs and access requirements of trucks while maintaining a safe pedestrian environment.

The Project includes three short-term, on-street curbside freight loading spaces that are designed to minimize impact on traffic circulation and the pedestrian realm. The Project will also contain two off-street freight loading spaces as required by the Planning Code.

OBJECTIVE 4.6

SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN SHOWPLACE SQUARE/POTRERO HILL AND TO OTHER PARTS OF THE CITY

Policy 4.6.2

Prioritize pedestrian safety improvements at intersections and in areas with historically high frequencies of pedestrian injury collisions

The Project's streetscape plan will provide ample freight loading access while also greatly improving the pedestrian environment. Publicly accessible open space on the Project Site will increase the amount of usable open space in the area and help activate the adjacent streets and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and pedestrians, and the Project Sponsor has engaged SFMTA and SFDPW to install bulb-outs at the intersection of Division, De Haro, and King Streets to improve traffic safety. The Project Sponsor will also include new and widened sidewalks, street trees, landscaping, and other streetscape

improvements designed in collaboration with Walk SF and in accordance with the Better Streets Plan to activate the streets and improve pedestrian safety.

9. **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 Site does not contain any neighborhood-serving retail uses, and the Project could potentially accommodate retail uses as well as those accessory to the ground floor PDR suites in the future that comply with the underlying development controls.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

There is no existing housing at the Project Site but the Project will enhance the diverse neighborhood character through its exceptional design, high quality construction, and new streetscape improvements.

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

There is no existing affordable housing, and the Project does not propose residential uses. However, the Project will pay the appropriate Jobs-Housing Linkage impact fees associated with construction of the new PDR and office uses.

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

The Project's proximity to multiple modes of public transit including Muni bus lines, Caltrain 4th Street Station, and Muni Metro underground will minimize any additional traffic impacts that would overburden City streets. Additionally, the Project's location within the City's bicycle path network, its fourteen automobile, 36 Class 1 and six Class 2 bicycle parking spaces will minimize any negative impacts on 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 Project will replace 10,620 sq. ft. of existing industrial space with 43,318 sq. ft. of new industrial or PDR space to improve the available stock that will utilize the value of office and institutional uses to subsidize this PDR space at the underutilized Project Site to augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. Approximately 10,500 sq. ft. of the Project's PDR space will be occupied by an education and

workforce training non-profit at reduced rent. This organization will provide opportunities for people in economically marginalized communities to gain the skills necessary to participate in San Francisco's growing manufacturing sector.

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

The Project will employ state of the art structural and seismic design, which will meet all aspects of the most up to date building, fire, accessibility, and life safety codes.

- G. That landmarks and historic buildings be preserved.

The Project Site does not contain any existing City Landmarks or historic buildings.

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

The Project will not have any impacts on any open space under the jurisdiction of the Recreation and Parks Department or publicly accessible open spaces.

10. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

10. 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.
11. 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 Authorization Application No. 2015-015010CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated May 3, 2018, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP 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 MMRP are included as conditions of approval.

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.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 14, 2018.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 14, 2018

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use Authorization to allow demolition of 10,620 sq. ft. of existing industrial use and new construction of a 129,619 sq. ft., four-story and 58-ft, tall building containing 86,301 sq. ft. of office use and 43,318 sq. ft. of production, distribution and repair use with fourteen off-street parking and two off-street loading spaces located at Lots 003 and 004 in Parcel 3800, pursuant to Planning Code Sections 210.3C and 303 in the PDR-1-G Zoning District, and a 58-X Height and Bulk District, in general conformance with plans, dated May 3, 2018, and stamped "EXHIBIT B" included in the docket for Case No. 2015-015010CUA and subject to conditions of approval reviewed and approved by the Commission on June 14, 2018, under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Planning Code Compliance Findings set forth in Motion No. XXXXX, Case No. 2015-015010OFA for an Office Development Allocation pursuant to Planning Code Sections 321 and 322 apply to this Motion, and are incorporated herein as though fully set forth, except as modified herein.

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 June 14, 2018 under Motion No XXXXX.

Per Planning Code Section 210.3C, the Notice of Special Restriction (NSR) shall include:

- a) Designate the PDR portion of parcel, building, and/or development;
- b) State that the proportion of gross floor area on the site dedicated to PDR uses shall never be less than 1/3 of the total gross floor area on the parcel, including any future building or use alterations or expansions;
- c) Require the property owner to submit an annual report to the Planning Department and OEWD, on or before January 31 of each year, describing the status of the implementation of its PDR Business Plan, identifying PDR tenants on the property during the prior year, describing the rents for the PDR portions of the property and any lease terms, and providing information on their respective square footages, number of employees, contact information for each tenant, a description of the business or industry characteristics of each business, and the PDR space vacancy on the parcel as of the date of each report; and,
- d) Provide the Planning Department with the ability to enforce the provisions of this Section.
- e) Restrict the ability of the non-PDR portion of the development from limiting the PDR portion from undertaking activities necessary to maintain PDR business operations in such matters as trucking and noise generation.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXX 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

1. **Validity.** 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, www.sf-planning.org.

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of

the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

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

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

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

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

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

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

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

6. **Proportion of PDR to Other Uses.** In order to ensure that the proportion of gross floor area on the site dedicated to PDR uses shall not be less than one-third the total gross floor area on the site as a whole, a minimum area of 43,318 sq. ft. dedicated to PDR use shall be maintained at all times.

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

7. **Additional Project Authorization.** The Project Sponsor must obtain an Office Allocation Authorization under Sections 321 & 322, and satisfy all the conditions thereof. The conditions set forth therein are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

In addition, the approval of this Project is contingent upon the adoption of legislation by the Board of Supervisors to continue, extend, or modify the ordinance under Planning Code Section 210.3C to allow the development of non-PDR uses on properties in the PDR-1-D or PDR-1-G Districts.

This approval is contingent on, and will be of no further force and effect until the date that the San Francisco Board of Supervisors has approved by resolution approving the Planning Code Text Amendment.

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

8. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2015-015010ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

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

DESIGN – COMPLIANCE AT PLAN STAGE

9. **Final Materials.** Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

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

10. **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 architectural addenda. 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, www.sf-planning.org

11. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

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

12. **Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy.

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

13. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning

Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

- On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- On-site, in a driveway, underground;
- On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- On-site, in a ground floor façade.
- Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- Public right-of-way, underground; and based on Better Streets Plan guidelines;
- Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests

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

PARKING AND TRAFFIC

14. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than fourteen (14) off-street accessory parking spaces.

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

15. **Off-Street Loading.** Pursuant to the off-street loading requirements of Planning Code Section 152, the Project shall provide two off-street loading spaces measuring 9'-0" wide x 35'-0" in length x 14'-0" tall.

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

16. **Showers and Clothes Lockers.** Pursuant to Planning Code Section 155.3, the Project shall provide no fewer than four showers and 24 clothes lockers.

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

17. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 36 Class 1 bicycle parking spaces and six (6) Class 2 bicycle parking spaces for the 43,318 sq. ft. of industrial/PDR space and 86,301 sq. ft. of office space.

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

18. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco

Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

PROVISIONS

19. **Transportation Sustainability Fee.** Pursuant to Planning Code Section 411A, the Project Sponsor shall pay the Transit Sustainability Fee (TSF) 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

20. **Jobs Housing Linkage.** The Project is subject to the Jobs Housing Linkage Fee, as applicable, pursuant to Planning Code Section 413.

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

21. **Childcare Requirements.** Pursuant to Planning Code Section 414, the Project Sponsor shall comply with the Childcare Requirement provisions by providing an on-site childcare facility or 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

22. **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

23. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

MONITORING

24. **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

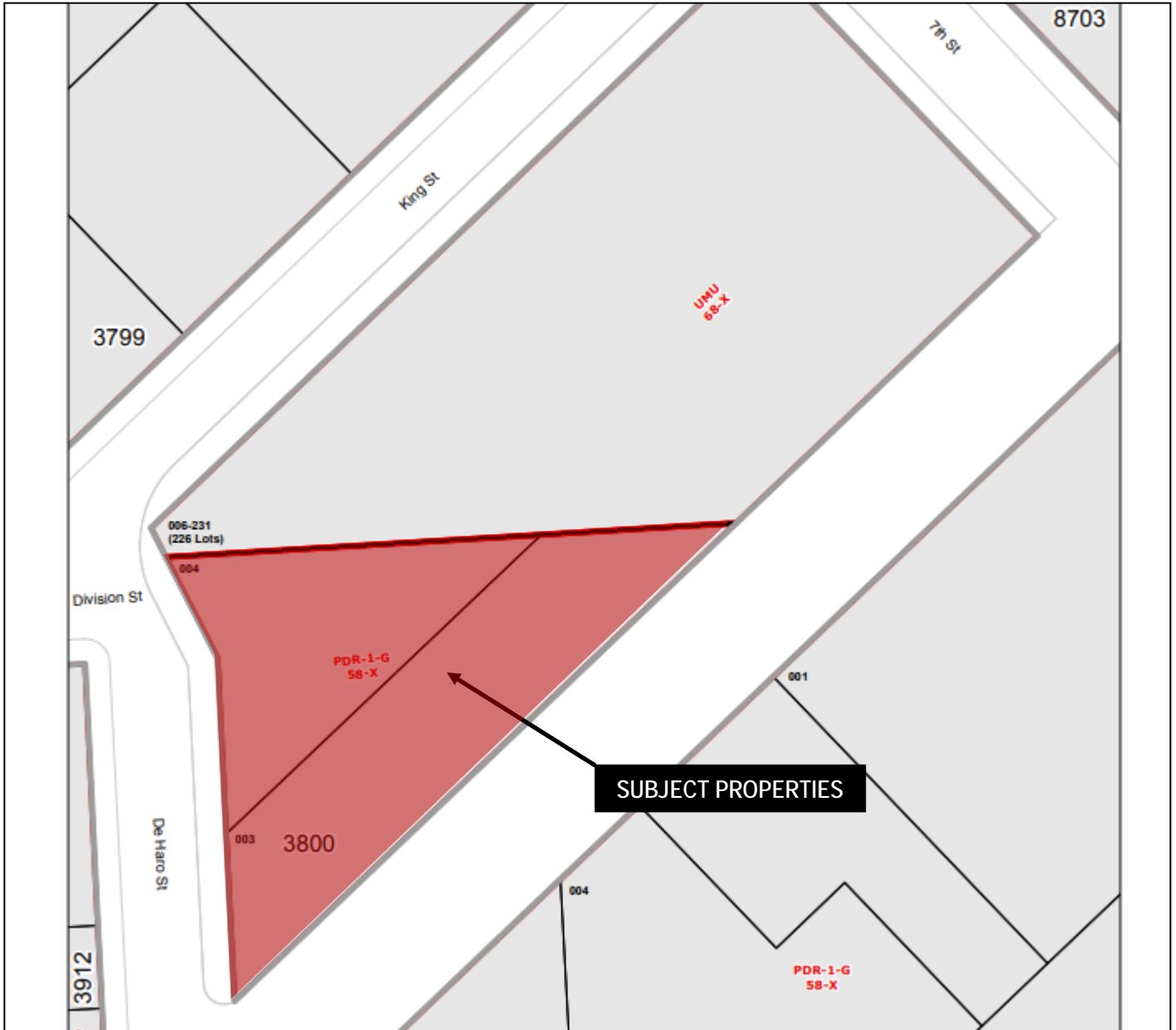
Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction. *For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org*

25. **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

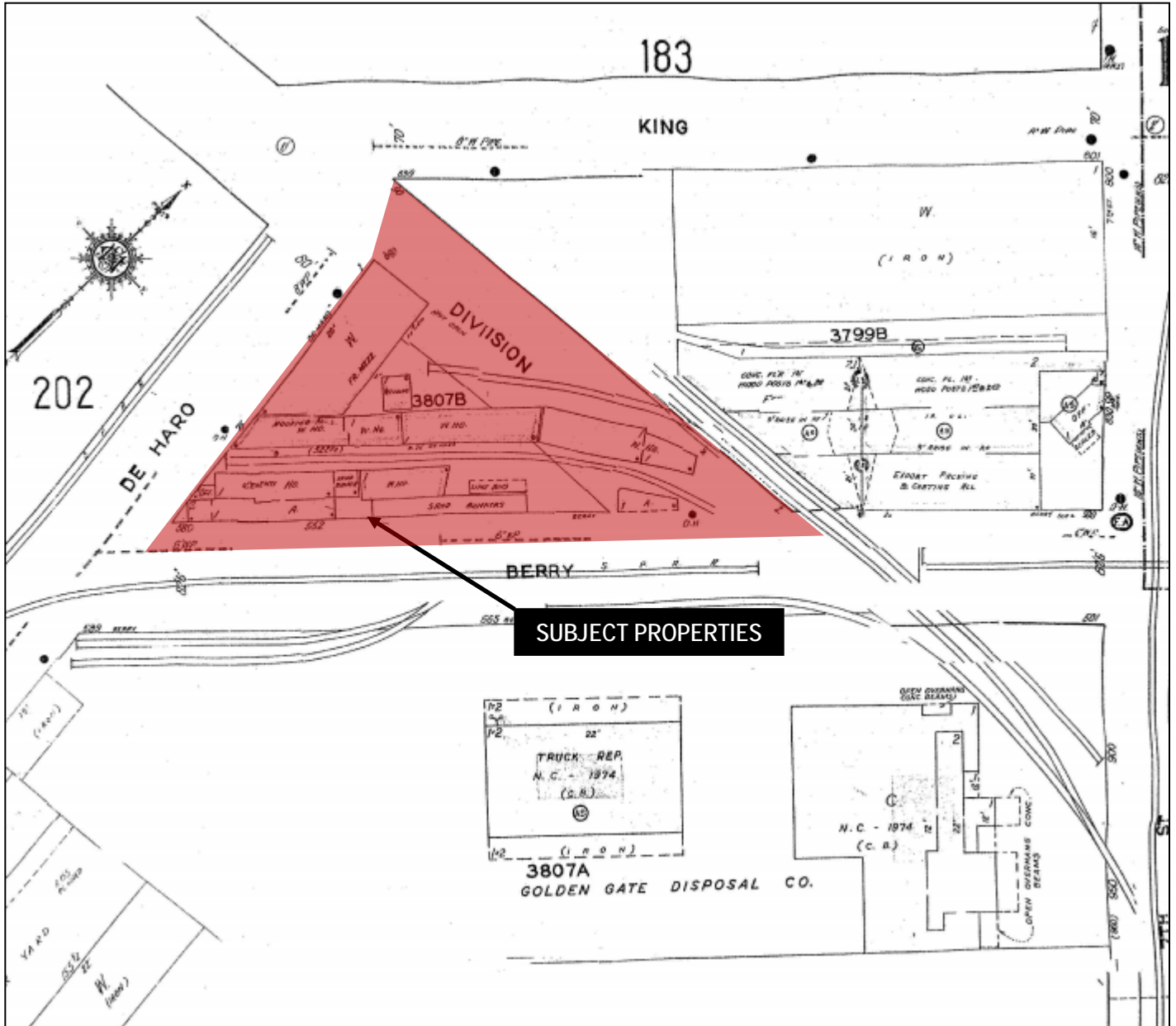
26. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling 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>*
27. **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 at 415-554-.5810, <http://sfdpw.org>*
28. **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*

Parcel Map



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

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



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 522 Berry Street

Height & Bulk Map



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

Aerial Photo

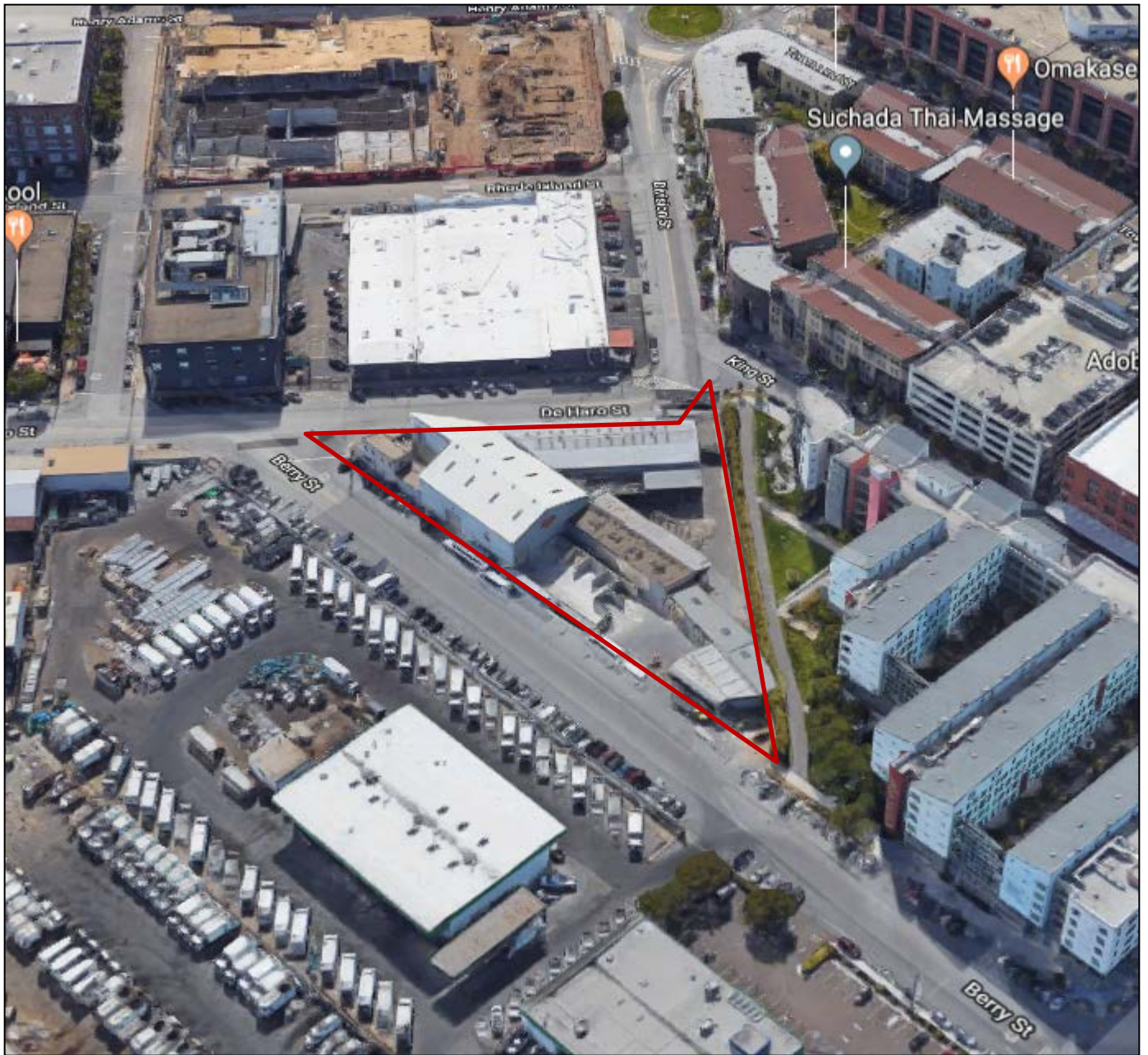
facing north



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

Aerial Photo

facing west



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

Aerial Photo

facing south



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

Aerial Photo

facing east



Conditional Use Authorization
Office Development Allocation
Case Nos. 2015-015010CUA/OFA
1 De Haro Street / 552 Berry Street

Site Photo

De Haro Street frontage



Site Photo

Berry Street frontage



Site Photo

North perimeter





SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination Community Plan Evaluation

Case No.: 2015-015010ENV
 Project Address: **552 Berry Street/ 1 DeHaro Street**
 Zoning: PDR-1-G (Production Distribution and Repair-1-General) Use District
 58-X Height and Bulk District
 Block/Lot: 3800/003 and 004
 Lot Size: 43,350 square feet
 Plan Area: Eastern Neighborhoods Plan, Showplace Square/Potrero Hill Area
 Staff Contact: Justin Horner – (415) 575-9023
 Justin.horner@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

PROJECT DESCRIPTION

The project site is located on two lots on De Haro Street on a block bounded by De Haro Street to the west, King Street to the north, 7th Street to the east, and Berry Street to the south. The project site is occupied by three (3) 25-foot-tall, single-story warehouse structures totaling 10,620 square feet with surface parking and storage areas. The existing buildings were constructed in 1926, 1947 and 1989 and are currently vacant. The project site includes a San Francisco Public Utilities Commission easement along its northern property line, which contains sanitary sewer pipes associated with the Mission Creek drainage system.


(Continued on next page.)

CEQA DETERMINATION

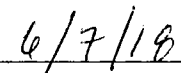
The project is eligible for streamlined environmental review per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to State and Local requirements.



 Lisa Gibson
 Environmental Review Officer



 Date

cc: John Fisher, Project Sponsor; Supervisor Malia Cohen, District 11; Doug Vu, Current Planning Division; Virna Byrd, M.D.F

PROJECT DESCRIPTION (continued)

The proposed project involves the merger of the two lots, the demolition of the existing structures, and the construction of a 4-story, 58-foot-tall mixed-use building (up to 68 feet with rooftop appurtenances). The proposed building would include approximately 43,300 square feet of Production, Distribution and Repair (PDR) space, and 86,300 square feet of office space. The proposed building would include 36 Class 1 bicycle spaces and 24 Class 2 bicycle spaces on the ground floor,¹ 10 off-street vehicle parking spaces and two off-street loading zones. The proposed project includes construction of two publically-accessible private open spaces (POPOS) that would connect to the greenway on the adjacent 888 7th Street parcel: one 1,400 square foot POPOS at the intersection of De Haro Street, King Street, and Division Street, and a second 400 square foot POPOS on Berry Street. The proposed project would involve excavation of up to approximately 5 feet below ground surface and 8,000 cubic yards of soil is proposed to be removed. Construction would take approximately 16 months. The project site is located within the Showplace Square/Potrero Hill area of the Eastern Neighborhoods Plan Area.

PROJECT APPROVAL

Pursuant to Planning Code Section 210.3, the proposed project requires a Conditions Use Authorization from the Planning Commission. Approval of the Conditional Use Authorization constitutes the Approval Action for the proposed project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EVALUATION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, shall not be subject to additional environmental review except as might be necessary to examine whether there are project-specific significant 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 that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, 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 the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 552 Berry Street/1 De Haro Street project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)². Project-specific

¹ Class one bicycle spaces are spaces in secure, weather-protected facilities intended for use as long-term, overnight, and work-day bicycle storage by dwelling unit residents, non-residential occupants, and employees. Class two bicycle spaces are bicycle racks located in a publicly-accessible, highly visible location intended for transient or short-term use by visitors, guests, and patrons to the building or use. See Planning Code section 155.1 (a).

² Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048.

studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 552 Berry Street/1 De Haro Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{3,4}

In December 2008, after further public hearings, the Board of Supervisors approved and the Mayor signed the Eastern Neighborhoods Rezoning and Planning Code amendments. New zoning districts include districts that would permit PDR uses in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses; and new residential-only districts. The districts replaced existing industrial, commercial, residential single-use, and mixed-use districts.

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a “No Project” alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.⁵

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

³ San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

⁴ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268>, accessed August 17, 2012.

⁵ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to PDR-1-G (Production Distribution and Repair-General-1) District. The PDR-1-G District is intended to promote, retain and encourage existing production, distribution, and repair activities and promote new business formation. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Evaluation (CPE) Checklist, under Land Use. The 552 Berry Street/1 De Haro Street site, which is located in the Potrero Hill/Showplace Square subarea of the Eastern Neighborhoods, was designated as a site with buildings up to 58 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 552 Berry Street/1 De Haro Street is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 552 Berry Street/1 De Haro Street project, and identified the mitigation measures applicable to the 552 Berry Street/1 De Haro Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{6,7} Therefore, no further CEQA evaluation for the 552 Berry Street/1 De Haro Street project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The project site is located on two lots on De Haro Street on a block bounded by De Haro Street to the west, King Street to the north, 7th Street to the east, and Berry Street to the south. The project site is occupied by three (3) 25-foot-tall, single-story warehouse structures totaling 10,620 square feet with surface parking and storage areas. The existing buildings were constructed in 1926, 1947 and 1989 and are currently vacant. The project site is located in a PDR-1-G (Production Distribution and Repair-1-General) Zoning District and a 58-X Height and Bulk District.

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and three-story structures ranging in height from 18 feet to 48 feet. The residential buildings range from four to five stories in height, ranging from 55 feet to 65 feet tall.

Immediately adjacent to the north of the project site are four (4) five-story, approximately 65-foot-tall residential buildings constructed in 2007. Across Berry Street from the project site is the Recology Golden Gate waste management service yard, which includes one- and two-story administrative and vehicle maintenance buildings as well as a parking and storage lot. Across De Haro Street from the project site is a two-story commercial and warehouse building constructed in 1945.

⁶ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 552 Berry St/1 De Haro St, April 24, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2015-015010ENV.

⁷ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 552 Berry St/1 De Haro St, November 8, 2017.

The project site is served by transit lines (Muni lines 8, 8AX, 8BX, 10, 14X, 19, 22, 55, and 83X) and bicycle facilities (there are bike lanes on 5th, 11th, 13th, 16th, and 17th streets). Zoning districts in the vicinity of the project site include UMU (Urban Mixed Use), PDR-1-G (Production, Distribution and Repair-1-General) and PDR-1-D (Production, Distribution and Repair-1-Design). Height and bulk districts in the project vicinity include 58-X and 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 552 Berry Street/1 De Haro Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 552 Berry Street/1 De Haro Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would not contribute to any of the significant and unavoidable impacts identified in the Eastern Neighborhoods PEIR.

The Eastern Neighborhoods PEIR identified feasible mitigation measures to address significant impacts related to noise, air quality, archeological resources, historical resources, hazardous materials, and transportation. **Table 1** below lists the mitigation measures identified in the Eastern Neighborhoods PEIR and states whether each measure would apply to the proposed project.

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Not Applicable (N/A): pile driving not proposed	N/A
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to implement Project Mitigation Measure 2: Construction Noise
F-3: Interior Noise Levels	Not Applicable: noise-sensitive uses are not proposed.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: the project does not include noise-sensitive uses.	N/A

Mitigation Measure	Applicability	Compliance
F-5: Siting of Noise-Generating Uses	Applicable: proposed project includes potentially noise-generating uses (PDR)	The project sponsor has agreed to implement Project Mitigation Measure 3: Operational Noise
F-6: Open Space in Noisy Environments	Not Applicable: CEQA no longer requires the consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels.	N/A
G. Air Quality		
G-1: Construction Air Quality	Applicable: Proposed project is located in the Air Pollution Exposure Zone (APEZ).	Project sponsor has agreed to implement Project Mitigation Measure 4: Construction Air Quality.
G-2: Air Quality for Sensitive Land Uses	Not Applicable: the proposed project does not include sensitive land uses.	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: This measure applies to projects that would generate 100 truck trips or more per day. The proposed project would generate 45 truck trips per day.	N/A
G-4: Siting of Uses that Emit other TACs	Applicable: The proposed project may include tenants who install diesel generators.	Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators has been agreed to by the project sponsor.
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: The project site is not located in an area with a previous archeological study.	N/A
J-2: Properties with no Previous Studies	Applicable: The project site is located in an area with no previous archeological study.	Project Mitigation Measure 1: Archeology – Accidental Discovery has been agreed to by the project sponsor.

Mitigation Measure	Applicability	Compliance
J-3: Mission Dolores Archeological District	Not Applicable: The project site is not located in the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: Proposed project includes demolition of existing building.	Project Mitigation Measure 6: Hazardous Building Materials has been agreed to by the project sponsor.
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A

Mitigation Measure	Applicability	Compliance
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level mitigation by SFMTA	N/A
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures the proposed project would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods PEIR.

PUBLIC NOTICE AND COMMENT

A “Notification of Project Receiving Environmental Review” was mailed on February 6, 2017 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Comments included concerns about new shadow on neighboring private open spaces, the need for more open space in the Showplace Square area, construction noise, traffic and parking. These comments are addressed in the Initial Study in the Wind and Shadow, Recreation, Noise and Transportation sections. The proposed project would not result in significant adverse environmental impacts associated with the issues beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Initial Study⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;

⁸ The CPE Initial Study is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2015-015010.

3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

Therefore, no further environmental review shall be required for the proposed project pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

Motion No.:
Page 1

Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
MITIGATION MEASURE 1 Accidental Discovery-Archeology (implementing Eastern Neighborhoods PEIR Mitigation Measure J-2)				
<p>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, 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.</p>	<p>Project sponsor at the direction of the Environmental Review Officer (ERO).</p>	<p>Prior to and during soils-disturbing activities.</p>	<p>Project sponsor shall distribute Alert sheet and shall submit a signed affidavit confirming the distribution to the ERO.</p>	<p>Considered complete when ERO receives signed affidavit.</p>
<p>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</p>	<p>Project sponsor/Head Foreman and archeological consultant at the direction of the</p>	<p>Accidental discovery.</p>	<p>In the event of accidental discovery, the project sponsor shall suspend soils-disturbing activities, notify the ERO, and</p>	<p>Considered complete when archeological consultant completes additional measures as directed by the ERO as warranted.</p>

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.</p> <p>If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of an archeological consultant from the pool of qualified archeological consultants maintained by the Planning Department archeologist. 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.</p> <p>Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is</p>	<p>ERO.</p>		<p>retain a qualified archeological consultant at the direction of the ERO. The archeological consultant shall identify and evaluate the archeological resources and recommend actions for review and approval by the ERO. The archeological consultant shall undertake additional measures at the direction of the ERO.</p>	

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

Motion No.:
Page 3

Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>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.</p>				
<p>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 describes 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.</p> <p>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</p>	<p>Archeological consultant at the direction of the ERO.</p>	<p>Following completion of additional measures by archeological consultant as determined by the ERO.</p>	<p>Submittal of draft FARR to ERO for review and approval. Distribution of the FARR by the archeological consultant.</p>	<p>Considered complete upon distribution of approved FARR.</p>

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

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Page 4

Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>Environmental Planning Division of the Planning Department shall receive one bound copy, one unbound copy and one unlocked, searchable PDF copy on CD 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.</p>				
<p>MITIGATION MEASURE 2</p> <p>Construction Noise (Implementing Eastern Neighborhoods PEIR Mitigation Measure F-1)</p>				
<p>The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p>	<p>Project sponsor/ contractor(s).</p>	<p>During construction.</p>	<p>Project sponsor/contractor(s) to provide monthly reports during construction period.</p>	<p>Considered complete upon receipt of final monitoring report at completion of construction.</p>

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

Motion No.:
Page 5

Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<ul style="list-style-type: none"> • Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; • Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; • Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; • Monitor the effectiveness of noise attenuation measures by taking noise measurements; and • Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. 				
<p>MITIGATION MEASURE 3</p> <p>Operational Noise (Implementing Eastern Neighborhoods PEIR Mitigation Measure F-5)</p>				
<p>The project sponsor shall ensure that the proposed project is designed such that exterior assemblies meet an STC rating of at least 27.</p>	<p>Project sponsor.</p>	<p>Prior to approval of building permit.</p>	<p>Project sponsor and Department of Building Inspection.</p>	<p>Upon determination that the approved project includes exterior assemblies that meet an STC rating of at least 27.</p>

EXHIBIT 1

MITIGATION MONITORING AND REPORTING PROGRAM

Project Title: 552 Berry Street/1 De
Haro St
File No.: 2015.015010ENV

Motion No.:
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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
MITIGATION MEASURE 4 Construction Air Quality (Implementing Eastern Neighborhoods PEIR Mitigation Measure G-1)				
<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p> <p><i>A. Engine Requirements</i></p> <ol style="list-style-type: none"> 1. All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 2 off-road emission standards, and have been retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy. Equipment with engines meeting Tier 4 Interim or Tier 4 Final off-road emission standards automatically meet this requirement. 2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited. 3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than two minutes, at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., 	<p>Project sponsor/ contractor(s).</p>	<p>Prior to demolition or construction activities requiring the use of off-road equipment.</p>	<p>Project sponsor/contractor(s) and the ERO.</p>	<p>Considered complete on submittal of certification statement.</p>

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>traffic conditions, safe operating conditions). The Contractor shall post legible and visible signs in English, Spanish, and Chinese, in designated queuing areas and at the construction site to remind operators of the two minute idling limit.</p> <p>4. The Contractor shall instruct construction workers and equipment operators on the maintenance and tuning of construction equipment, and require that such workers and operators properly maintain and tune equipment in accordance with manufacturer specifications.</p>				
<p><i>B. Waivers.</i></p> <p>1. The Planning Department's Environmental Review Officer or designee (ERO) may waive the alternative source of power requirement of Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the Contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if: a particular piece of off-road equipment with an ARB Level 3 VDECS is technically not feasible; the equipment would not produce desired emissions reduction due to expected operating modes; installation of the</p>				

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed												
<p>equipment would create a safety hazard or impaired visibility for the operator; or, there is a compelling emergency need to use off-road equipment that is not retrofitted with an ARB Level 3 VDECS. If the ERO grants the waiver, the Contractor must use the next cleanest piece of off-road equipment, according to Table below.</p> <p style="text-align: center;">Table – Off-Road Equipment Compliance Step-down Schedule</p> <table border="1" data-bbox="92 794 688 976"> <thead> <tr> <th data-bbox="92 794 237 873">Compliance Alternative</th> <th data-bbox="237 794 447 873">Engine Emission Standard</th> <th data-bbox="447 794 688 873">Emissions Control</th> </tr> </thead> <tbody> <tr> <td data-bbox="92 873 237 906">1</td> <td data-bbox="237 873 447 906">Tier 2</td> <td data-bbox="447 873 688 906">ARB Level 2 VDECS</td> </tr> <tr> <td data-bbox="92 906 237 938">2</td> <td data-bbox="237 906 447 938">Tier 2</td> <td data-bbox="447 906 688 938">ARB Level 1 VDECS</td> </tr> <tr> <td data-bbox="92 938 237 971">3</td> <td data-bbox="237 938 447 971">Tier 2</td> <td data-bbox="447 938 688 971">Alternative Fuel*</td> </tr> </tbody> </table> <p data-bbox="92 976 688 1230">How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor would need to meet Compliance Alternative 1. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 1, then the Contractor must meet Compliance Alternative 2. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 2, then the Contractor must meet Compliance Alternative 3. ** Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 2	ARB Level 2 VDECS	2	Tier 2	ARB Level 1 VDECS	3	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emission Standard	Emissions Control														
1	Tier 2	ARB Level 2 VDECS														
2	Tier 2	ARB Level 1 VDECS														
3	Tier 2	Alternative Fuel*														
<p>C. <i>Construction Emissions Minimization Plan.</i> Before starting on-site construction activities, the Contractor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval. The Plan shall state, in reasonable detail, how the Contractor will meet the requirements of</p>	Project sponsor/contractor(s).	Prior to issuance of a permit specified in Section 106A.3.2.6 of the Francisco Building Code.	Project sponsor/contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is complete.												

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>Section A.</p> <ol style="list-style-type: none"> 1. The Plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, the description may include: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. 2. The project sponsor shall ensure that all applicable requirements of the Plan have been incorporated into the contract specifications. The Plan shall include a certification statement that the Contractor agrees to comply fully with the Plan. 				

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
<p>3. The Contractor shall make the Plan available to the public for review on-site during working hours. The Contractor shall post at the construction site a legible and visible sign summarizing the Plan. The sign shall also state that the public may ask to inspect the Plan for the project at any time during working hours and shall explain how to request to inspect the Plan. The Contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right-of-way.</p>				
<p><i>D. Monitoring.</i> After start of Construction Activities, the Contractor shall submit quarterly reports to the ERO documenting compliance with the Plan. After completion of construction activities and prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the Plan.</p>	<p>Project sponsor/ contractor(s).</p>	<p>Quarterly during demolition and construction activities.</p>	<p>Project sponsor/ contractor(s) and the ERO.</p>	<p>Considered complete on findings by ERO that Plan is being/was implemented.</p>

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
MITIGATION MEASURE 5 Best Available Control Technology for Diesel Generators (implementing Eastern Neighborhoods PEIR Mitigation Measure G-4)				
<p>The project sponsor shall ensure that all backup diesel generators meet or exceed one of the following emission standards for particulate matter: (1) Tier 4 certified engine, or (2) Tier 2 or Tier 3 certified engine that is equipped with a California Air Resources Board (ARB) Level 3 Verified Diesel Emissions Control Strategy (VDECS). A non-verified diesel emission control strategy may be used if the filter has the same particulate matter reduction as the identical ARB verified model and if the Bay Area Air Quality Management District (BAAQMD) approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD New Source Review permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emission standard requirement of this mitigation measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.</p>	<p>Project sponsor.</p>	<p>Prior to approval of permit for diesel generator.</p>	<p>Project sponsor and Planning Department.</p>	<p>Upon determination that backup diesel generator complies with BAAQMD New Source Review permitting process.</p>

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Mitigation Measures Agreed to by Project Sponsor	Responsibility for Implementation	Mitigation Schedule	Monitoring and Reporting Actions and Responsibility	Status / Date Completed
MITIGATION MEASURE 6 Hazardous Building Materials (implementing Eastern Neighborhoods PEIR Mitigation Measure L-1)				
<p>The sponsor shall 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.</p>	<p>Project sponsor, Construction contractor(s).</p>	<p>Prior to any demolition or construction activities.</p>	<p>If necessary, the project sponsor to provide hazardous materials survey and abatement results to the Planning Department and SFDPH.</p>	<p>Prior to any demolition or construction activities.</p>



SAN FRANCISCO PLANNING DEPARTMENT

Initial Study – Community Plan Evaluation

Case No.: 2015-015010ENV
Project Address: **552 Berry Street/ 1 DeHaro Street**
Zoning: PDR-1-G (Production Distribution and Repair-1-General) Use District
58-X Height and Bulk District
Block/Lot: 3800/003 and 004
Lot Size: 43,350 square feet
Plan Area: Eastern Neighborhoods Plan, Showplace Square/Potrero Hill Area
Staff Contact: Justin Horner – (415) 575-9023
Justin.horner@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

PROJECT DESCRIPTION

The project site is located on two lots on De Haro Street on a block bounded by De Haro Street to the west, King Street to the north, 7th Street to the east, and Berry Street to the south. The project site is occupied by three (3) 25-foot-tall, single-story warehouse structures totaling 10,620 square feet with surface parking and storage areas. The existing buildings were constructed in 1926, 1947 and 1989 and are currently vacant. The project site includes a San Francisco Public Utilities Commission easement along its northern property line, which contains sanitary sewer pipes associated with the Mission Creek drainage system.

The proposed project involves the merger of the two lots, the demolition of the existing structures, and the construction of a 4-story, 58-foot-tall mixed-use building (up to 68 feet with rooftop appurtenances, Figures 2-8). The proposed building would include 43,300 square feet of Production, Distribution and Repair (PDR) space, and 86,300 square feet of office space. The proposed building would include 36 Class 1 bicycle spaces and 24 Class 2 bicycle spaces on the ground floor,¹ 10 off-street vehicle parking spaces and two off-street loading zones. The proposed project includes construction of two publically-accessible private open spaces (POPOS) that would connect to the greenway on the adjacent 888 7th Street parcel: one 1,400 square foot POPOS at the intersection of De Haro Street, King Street, and Division Street, and a second 400 square foot POPOS on Berry Street. The proposed project would involve excavation of up to approximately 5 feet below ground surface and 8,000 cubic yards of soil is proposed to be removed. Construction would take approximately 16 months. The project site is located within the Showplace Square/Potrero Hill area of the Eastern Neighborhoods Plan Area.

The proposed 552 Berry Street/ 1 DeHaro Street project would require the following approvals:

¹ Class one bicycle spaces are spaces in secure, weather-protected facilities intended for use as long-term, overnight, and work-day bicycle storage by dwelling unit residents, non-residential occupants, and employees. Class two bicycle spaces are "bicycle racks located in a publicly-accessible, highly visible location intended for transient or short-term use by visitors, guests, and patrons to the building or use. Planning Code section 155.1 (a).

Actions by the Planning Commission

- Conditional Use Authorization (*San Francisco Planning Code* Section 210.3)

Actions by other City Departments

- Dust Control Plan, Department of Public Health

Figure 1. Project Site

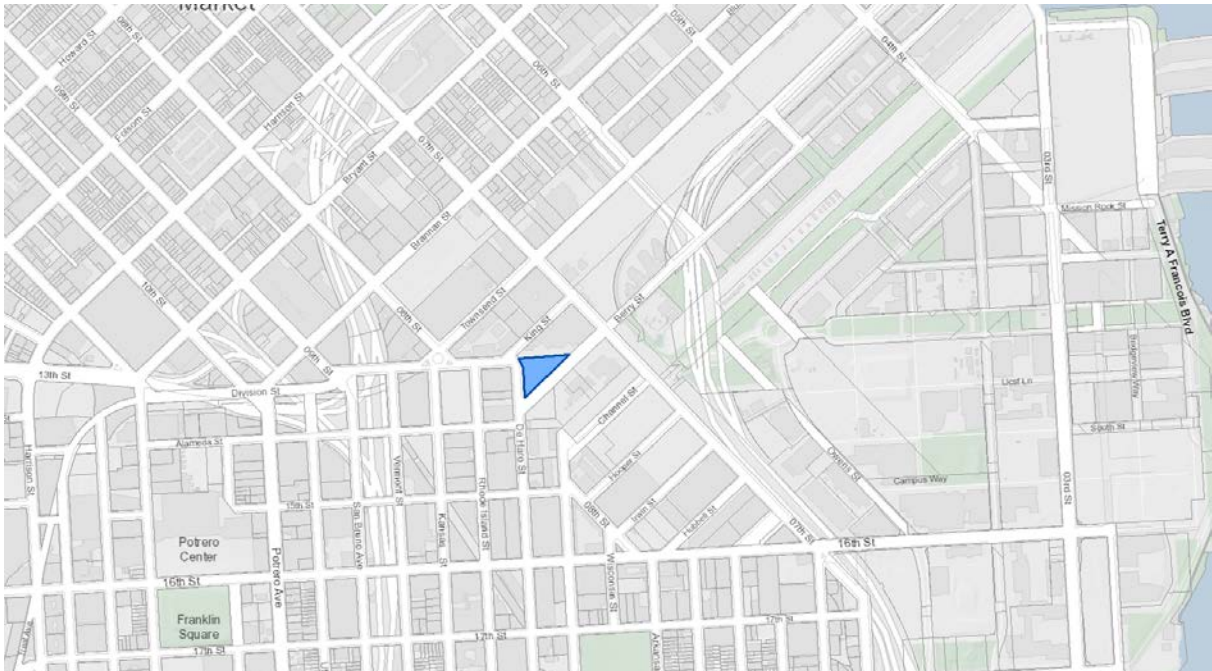
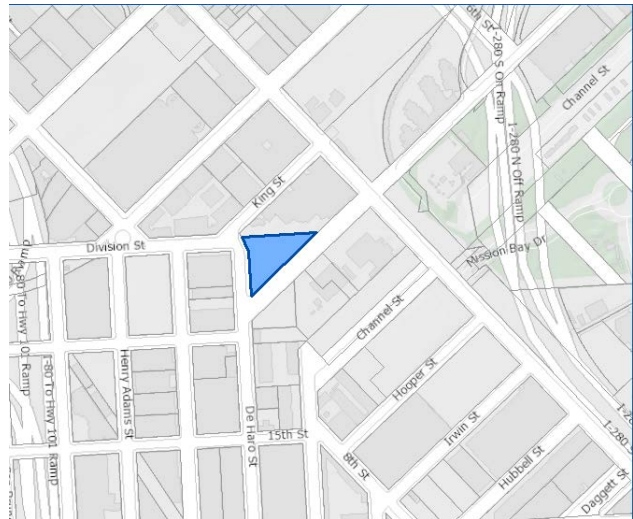


Figure 2. Proposed Site and First Floor Plan

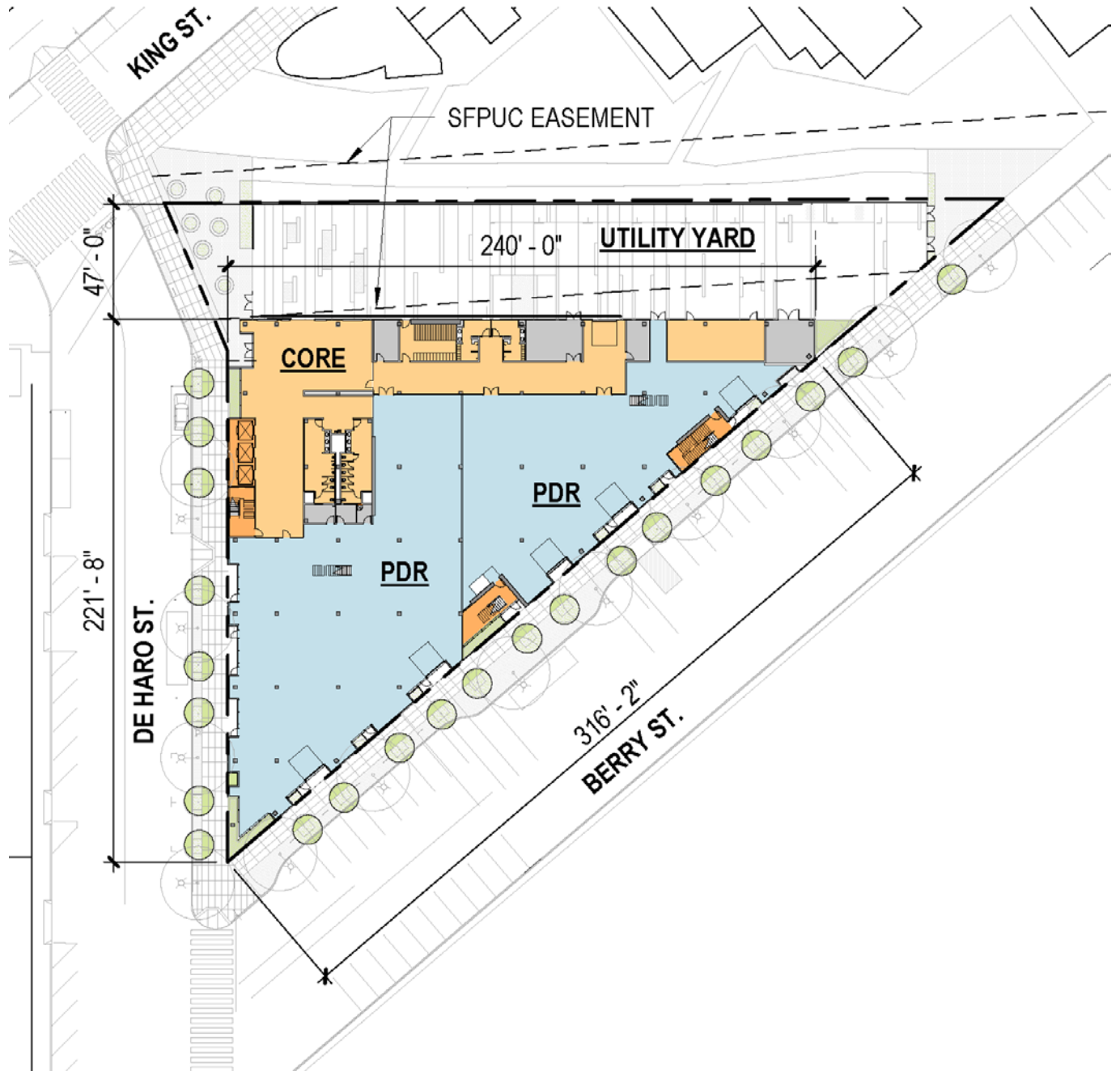


Figure 3. Proposed Mezzanine Level

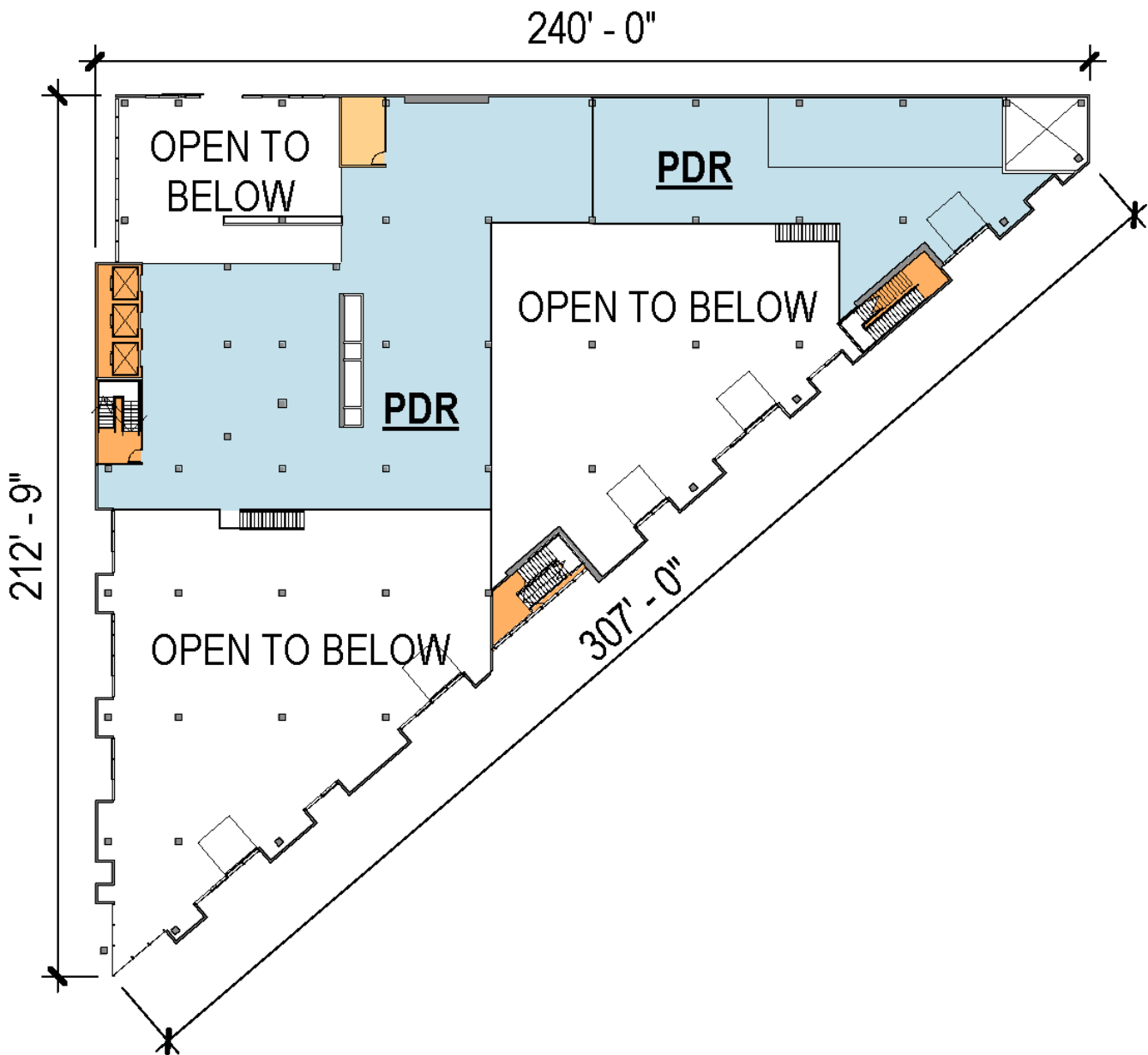


Figure 4. Proposed Second Floor

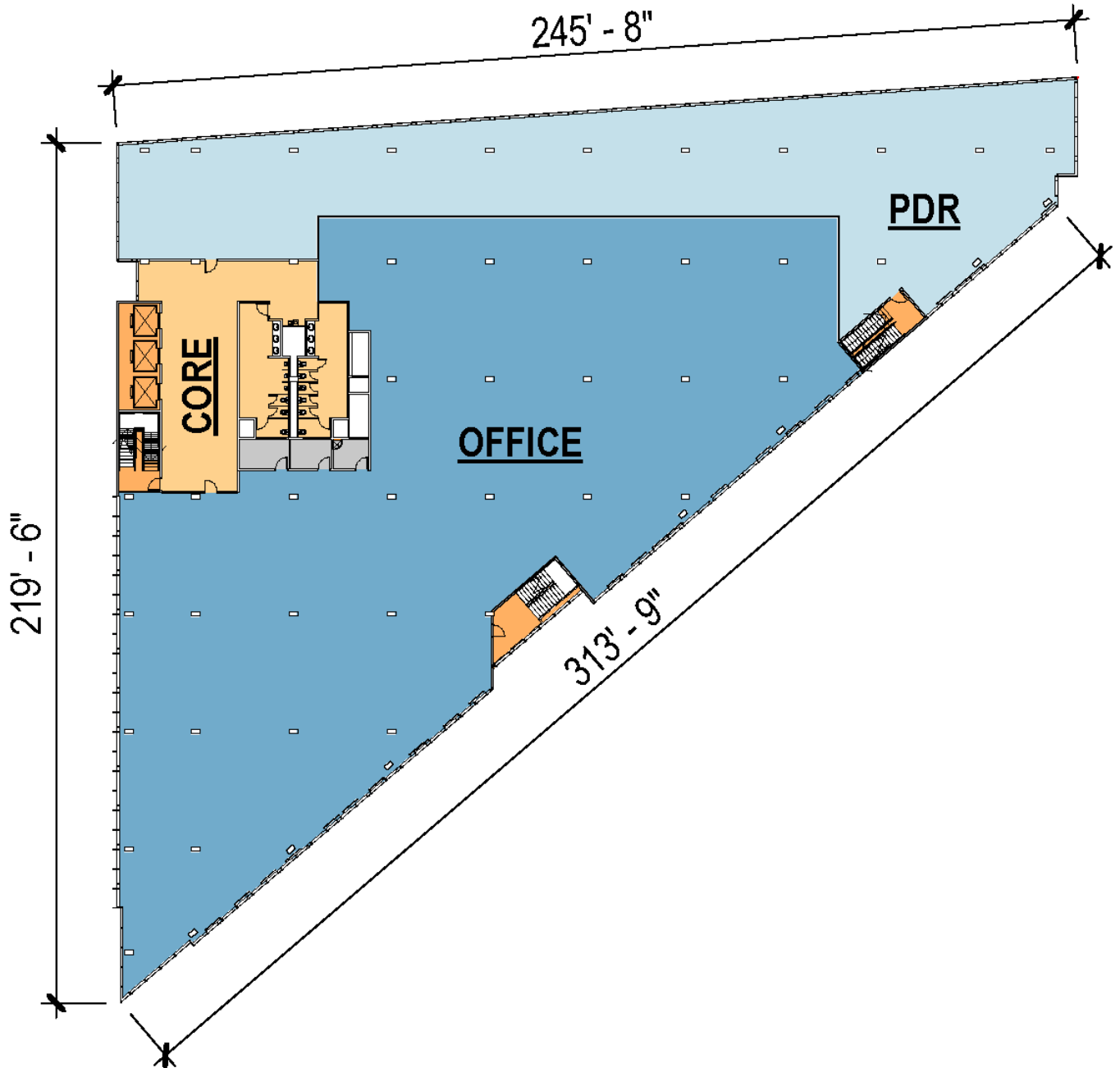


Figure 5. Proposed Third and Fourth Floors

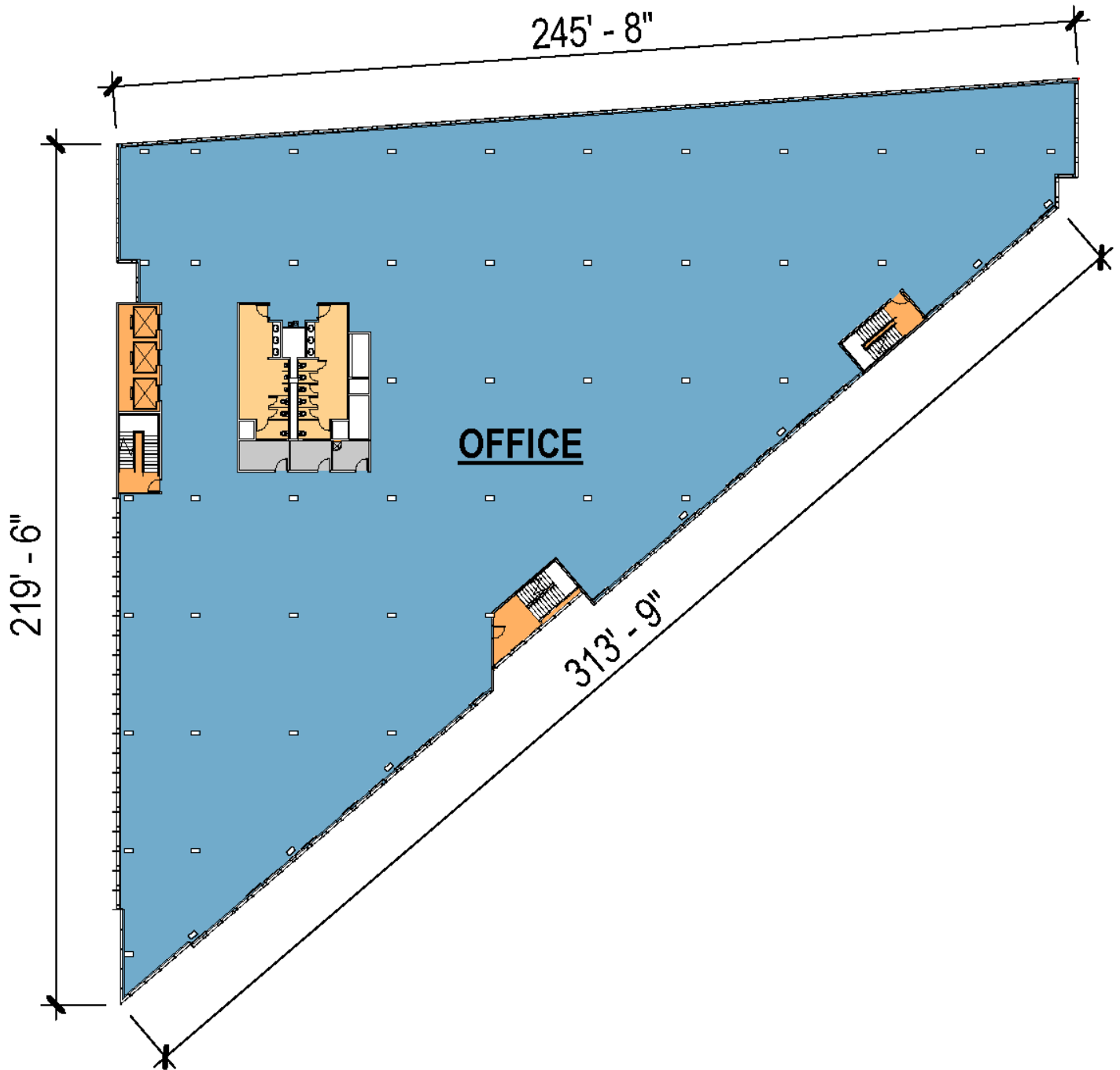


Figure 6. Proposed Roof Plan

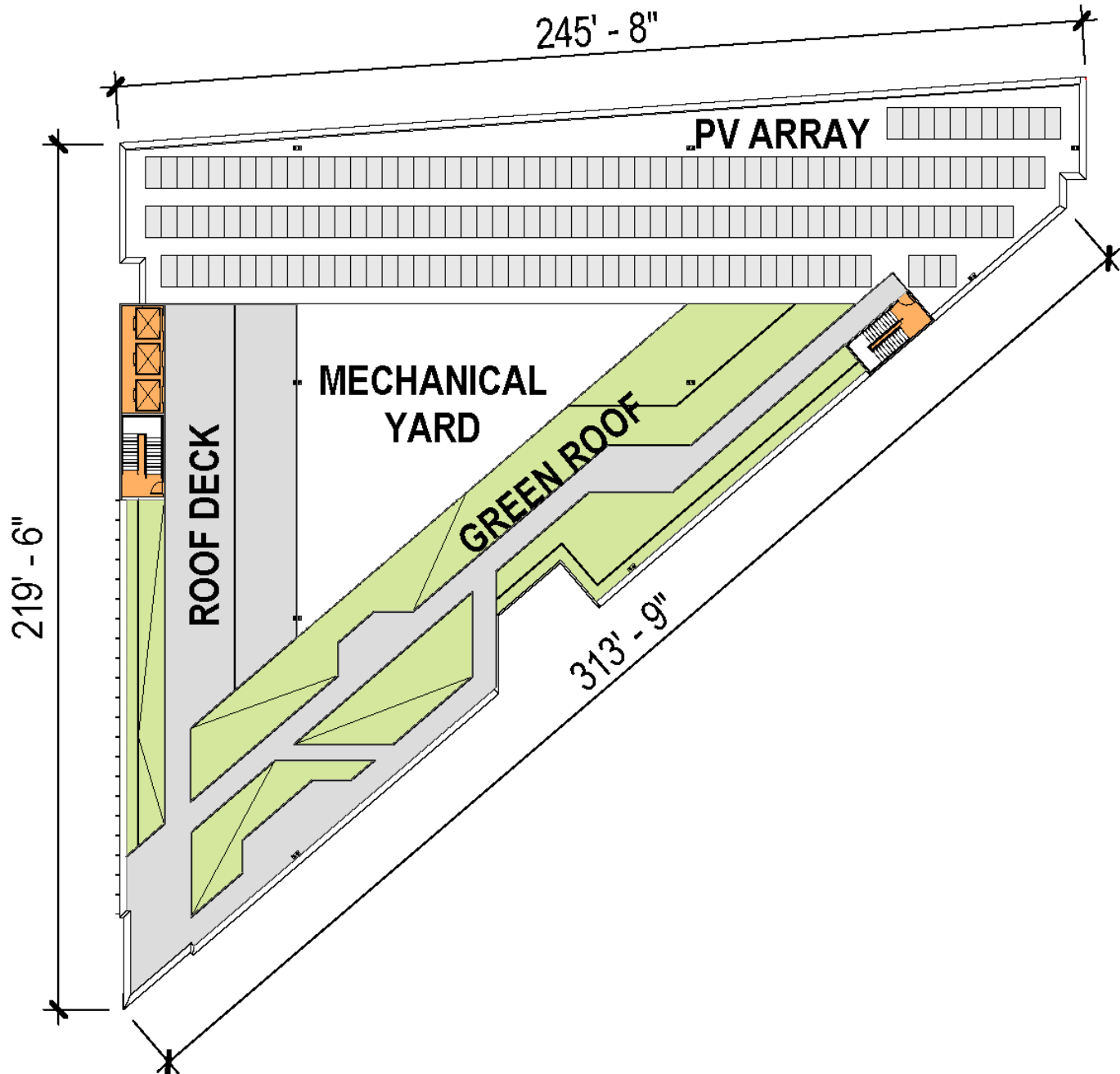


Figure 7. Proposed North Elevation

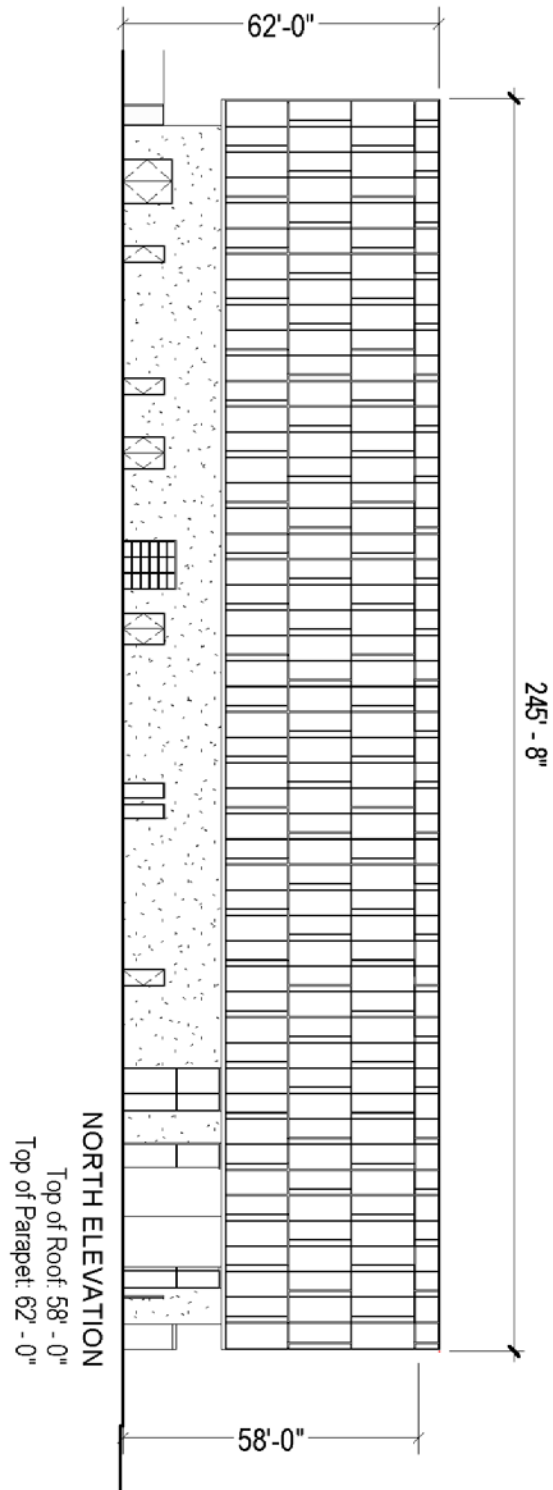


Figure 7. Proposed Southeast Elevation (Berry St)

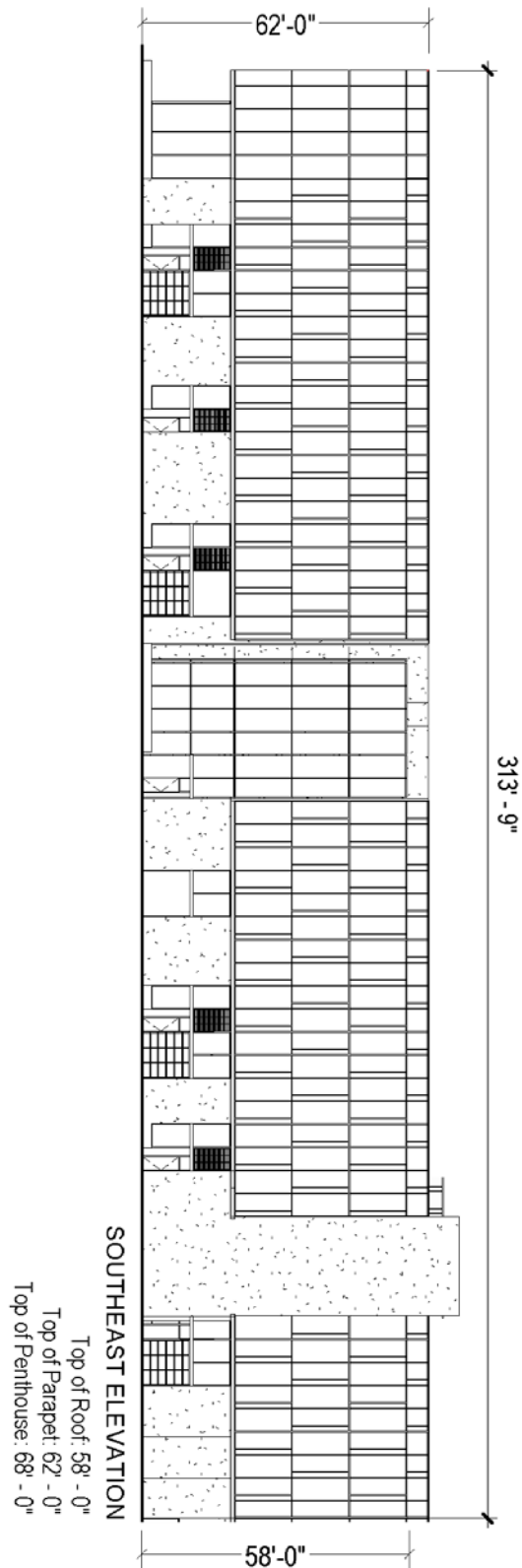
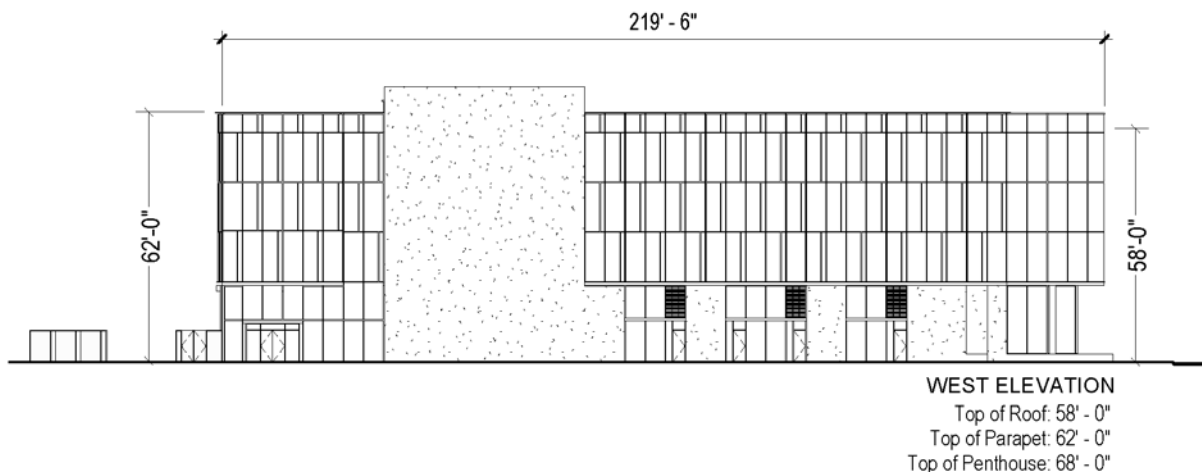


Figure 8. Proposed West Elevation (De Haro St)



EVALUATION OF ENVIRONMENTAL EFFECTS

This initial study evaluates whether the environmental impacts of the proposed project are addressed in the programmatic environmental impact report for the Eastern Neighborhoods Rezoning and Area Plans (Eastern Neighborhoods PEIR).² The initial study considers whether the proposed project would result in significant impacts that: (1) are peculiar to the project or project site; (2) were not identified as significant project-level, cumulative, or off-site effects in the PEIR; or (3) are previously identified significant effects, which as a result of substantial new information that was not known at the time that the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR. Such impacts, if any, will be evaluated in a project-specific, focused mitigated negative declaration or environmental impact report. If no such impacts are identified, no additional environmental review shall be required for the project beyond that provided in the Eastern Neighborhoods PEIR and this project-specific initial study in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

Mitigation measures identified in the PEIR are discussed under each topic area, and measures that are applicable to the proposed project are provided under the Mitigation Measures section at the end of this checklist.

² San Francisco Planning Department, Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (PEIR), Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

The Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. Mitigation measures were identified for the above impacts and reduced all impacts to less-than-significant except for those related to land use (cumulative impacts on Production, Distribution, and Repair (PDR) use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven Muni lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

The proposed project would include construction of a 4-story, 58-foot-tall mixed-use building. The proposed building would include 43,318 square feet of Production, Distribution and Repair (PDR) space and 86,301 square feet of office space. As discussed below in this initial study, the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR.

CHANGES IN THE REGULATORY ENVIRONMENT

Since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that affect the physical environment and/or environmental review methodology for projects in the Eastern Neighborhoods plan areas. As discussed in each topic area referenced below, these policies, regulations, statutes, and funding measures have implemented or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014.
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled (VMT) analysis, effective March 2016 (see “CEQA Section 21099” heading below).
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka “Muni Forward”) adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see initial study Transportation section).
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses near Places of Entertainment effective June 2015 (see initial study Noise section).
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see initial study Air Quality section).
- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see initial study Recreation section).
- Urban Water Management Plan adoption in 2015 and Sewer System Improvement Program process (see initial study Utilities and Service Systems section).

- Article 22A of the Health Code amendments effective August 2013 (see initial study Hazardous Materials section).

Aesthetics and Parking

In accordance with CEQA Section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics and parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

- a) The project is in a transit priority area;
- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, this checklist does not consider aesthetics or parking in determining the significance of project impacts under CEQA.³ Project elevations are included in the project description.

In addition, approvals for a Large Project Authorization in the Showplace Square, Potrero Hill, or Central Waterfront Area Plans must conform to the provisions of Planning Code section 329 and must also demonstrate the following:

- (1) An awareness of urban patterns that harmonizes visual and physical relationships between existing buildings, streets, open space, natural features, and view corridors;
- (2) An awareness of neighborhood scale and materials, and renders building facades with texture, detail, and depth; and
- (3) A modulation of buildings vertically and horizontally, with rooftops and facades designed to be seen from multiple vantage points.

The case report for the proposed project would demonstrate compliance with the above design requirements, as applicable.

Automobile Delay and Vehicle Miles Traveled

In addition, CEQA Section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that “promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” CEQA Section 21099(b)(2) states that upon certification of the revised guidelines for determining transportation impacts pursuant to Section 21099(b)(1), automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a [Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA](#)⁴ recommending that transportation impacts for

³ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization of Transportation Analysis for 552 Berry St/1 De Haro St, July 25, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2015.015010ENV.

projects be measured using a vehicle miles traveled (VMT) metric. On March 3, 2016, in anticipation of the future certification of the revised CEQA Guidelines, the San Francisco Planning Commission adopted OPR's recommendation to use the VMT metric instead of automobile delay to evaluate the transportation impacts of projects (Resolution 19579). (Note: the VMT metric does not apply to the analysis of project impacts on non-automobile modes of travel such as transit, walking, and bicycling.) Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this checklist, including PEIR Mitigation Measures E-1: Traffic Signal Installation, E-2: Intelligent Traffic Management, E-3: Enhanced Funding, and E-4: Intelligent Traffic Management. Instead, a VMT analysis is provided in the Transportation section.

⁴ This document is available online at: https://www.opr.ca.gov/s_sb743.php.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
1. LAND USE AND LAND USE PLANNING—Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial impact upon the existing character of the vicinity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that adoption of the rezoning and area plans would result in an unavoidable significant impact on land use due to the cumulative loss of PDR. The proposed project would demolish three buildings that contain approximately 10,600 sf of PDR uses and construct a building with 43,318 sf of PDR uses, for a net increase of approximately 32,718 sf of PDR space. The proposed project would therefore not contribute to any impact related to loss of PDR uses that was identified in the Eastern Neighborhoods PEIR.

The Eastern Neighborhoods PEIR determined that implementation of the area plans would not create any new physical barriers in the Eastern Neighborhoods because the rezoning and area plans do not provide for any new major roadways, such as freeways that would disrupt or divide the plan area or individual neighborhoods or subareas.

The Citywide Planning and Current Planning divisions of the planning department have determined that the proposed project is permitted in the PDR-1-G (Production Distribution Repair-1-General) District and is consistent with the bulk, density and land uses as envisioned in the Showplace Square/Potrero Hill Area Plan. The proposed project includes a net increase of PDR uses in a PDR-1-G District, which is meant to retain and encourage existing PDR activities and promote new business formation, as well as allowing a limited amount of retail and office space. The proposed project meets Objective 1.7 of the Showplace Square/Potrero Area Plan by retaining the neighborhood’s role as an important location for PDR activities, and abides by the Plan’s encouragement of office uses along the west side of I-280.^{5,6}

Because the proposed project is consistent with the development density established in the Eastern Neighborhoods Rezoning and Area Plans, implementation of the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to land use and land use planning, and no mitigation measures are necessary.

⁵ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 552 Berry Street/1 De Haro Street, April 24, 2017.

⁶ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 552 Berry Street/1 De Haro Street, November 8, 2017.

Topics:	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
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**2. POPULATION AND HOUSING—
Would the project:**

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

One of the objectives of the Eastern Neighborhoods area plans is to identify appropriate locations for housing in the City’s industrially zoned land to meet the citywide demand for additional housing. The PEIR assessed how the rezoning actions would affect housing supply and location options for businesses in the Eastern Neighborhoods and compared these outcomes to what would otherwise be expected without the rezoning, assuming a continuation of development trends and ad hoc land use changes (such as allowing housing within industrial zones through conditional use authorization on a case-by-case basis, site-specific rezoning to permit housing, and other similar case-by-case approaches). The PEIR concluded that adoption of the rezoning and area plans: “would induce substantial growth and concentration of population in San Francisco.” The PEIR states that the increase in population expected to occur as a result of the proposed rezoning and adoption of the area plans would not, in itself, result in adverse physical effects, and would serve to advance key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment generators and furthering the City’s transit first policies. It was anticipated that the rezoning would result in an increase in both housing development and population in all of the area plan neighborhoods. The Eastern Neighborhoods PEIR determined that the anticipated increase in population and density would not directly result in significant adverse physical effects on the environment. However, the PEIR identified significant cumulative impacts on the physical environment that would result indirectly from growth afforded under the rezoning and area plans, including impacts on land use, transportation, air quality, and noise. The PEIR contains detailed analyses of these secondary effects under each of the relevant resource topics, and identifies mitigation measures to address significant impacts where feasible.

The PEIR determined that implementation of the rezoning and area plans would not have a significant impact from the direct displacement of existing residents, and that each of the rezoning options considered in the PEIR would result in less displacement as a result of unmet housing demand than would be expected under the No-Project scenario because the addition of new housing would provide some relief to housing market pressure without directly displacing existing residents. However, the PEIR also noted that residential displacement is not solely a function of housing supply, and that adoption of the rezoning and area plans could result in indirect, secondary effects on neighborhood character through gentrification that could displace some residents. The PEIR discloses that the rezoned districts could transition to higher-value housing, which could result in gentrification and displacement of lower-income

households, and states moreover that lower-income residents of the Eastern Neighborhoods, who also disproportionately live in crowded conditions and in rental units, are among the most vulnerable to displacement resulting from neighborhood change.

Pursuant to CEQA Guidelines 15131 and 15064(e), economic and social effects such as gentrification and displacement are only considered under CEQA where these effects would cause substantial adverse physical impacts on the environment. Only where economic or social effects have resulted in adverse physical changes in the environment, such as “blight” or “urban decay” have courts upheld environmental analysis that consider such effects. But without such a connection to an adverse physical change, consideration of social or economic impacts “shall not be considered a significant effect” per CEQA Guidelines 15382. While the Eastern Neighborhoods PEIR disclosed that adoption of the Eastern Neighborhoods Rezoning and Area Plans could contribute to gentrification and displacement, it did not determine that these potential socio-economic effects would result in significant adverse physical impacts on the environment.

The proposed project would replace approximately 10,000 square feet of PDR uses with approximately 43,318 sf of PDR uses and approximately 86,300 sf of office space. These direct effects of the proposed project on population and housing would not result in new or substantially more severe significant impacts on the physical environment beyond those identified in the Eastern Neighborhoods PEIR. The project’s contribution to indirect effects on the physical environment attributable to population growth are evaluated in this initial study under land use, transportation and circulation, noise, air quality, greenhouse gas emissions, recreation, utilities and service systems, and public services.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
3. CULTURAL AND PALEONTOLOGICAL RESOURCES—Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco Planning Code?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Historic Architectural Resources

Pursuant to CEQA Guidelines Sections 15064.5(a)(1) and 15064.5(a)(2), historical resources are buildings or structures that are listed, or are eligible for listing, in the California Register of Historical Resources or are identified in a local register of historical resources, such as Articles 10 and 11 of the San Francisco

Planning Code. The Eastern Neighborhoods PEIR determined that future development facilitated through the changes in use districts and height limits under the Eastern Neighborhoods Area Plans could have substantial adverse changes on the significance of both individual historical resources and on historical districts within the Plan Areas. The PEIR determined that approximately 32 percent of the known or potential historical resources in the Plan Areas could potentially be affected under the preferred alternative. The Eastern Neighborhoods PEIR found this impact to be significant and unavoidable. This impact was addressed in a Statement of Overriding Considerations with findings and adopted as part of the Eastern Neighborhoods Rezoning and Area Plans approval on January 19, 2009.

The existing buildings on the project site, constructed in 1926, 1947 and 1989, were previously evaluated in the Showplace Square/Northeast Mission Historic Resources Survey and found ineligible for national, state, or local listing.⁷ The project site is not located within any existing or eligible historic district. Therefore, demolition of the existing buildings on the project site and construction of the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR, and no historic resource mitigation measures would apply to the proposed project.

For these reasons, the proposed project would not result in significant impacts on historic architectural resources that were not identified in the Eastern Neighborhoods PEIR.

Archeological Resources

The Eastern Neighborhoods PEIR determined that implementation of the Area Plan could result in significant impacts on archeological resources and identified three mitigation measures that would reduce these potential impacts to a less than significant level. Eastern Neighborhoods PEIR Mitigation Measure J-1 applies to properties for which a final archeological research design and treatment plan is on file at the Northwest Information Center and the Planning Department. Mitigation Measure J-2 applies to properties for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA. Mitigation Measure J-3, which applies to properties in the Mission Dolores Archeological District, requires that a specific archeological testing program be conducted by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology.

The project site is one of the properties subject to Eastern Neighborhoods FEIR Mitigation Measure J-2. Mitigation Measure J-2 states that any project resulting in soils disturbance for which no archeological assessment report has been prepared or for which the archeological document is incomplete or inadequate shall be required to conduct a preliminary archeological sensitivity study. Based on the study, a determination shall be made if additional measures are needed to reduce potential effects of a project on archeological resources to a less-than-significant level.

The Planning Department's archeologist conducted a preliminary archeological review of the project site on April 20, 2017 in conformance with the requirements of Mitigation Measure J-2. Preliminary archeological review determined there was a low to moderate potential for historical archeological resources and a low potential for prehistoric archeological resources to be affected by the proposed project. Based on the Preliminary Archeological Review, it has been determined that the Planning Department's first standard archeological mitigation measure, which addresses the accidental discovery

⁷ See <http://sf-planning.org/showplace-square-northeast-mission-historic-resource-survey>. Accessed November 1, 2017.

of archeological resources, would apply to the proposed project. The full text of **Project Mitigation Measure 1: Archaeology--Accidental Discovery** can be seen in the Mitigation Measures section below. With implementation of this project mitigation measure, the proposed project would not result in significant impacts on archeological resources that were not identified in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
4. TRANSPORTATION AND CIRCULATION—Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to pedestrians, bicyclists, loading, or construction traffic. The PEIR states that in general, the analyses of pedestrian, bicycle, loading, emergency access, and construction transportation impacts are specific to individual development projects, and that project-specific analyses would need to be conducted for future development projects under the Eastern Neighborhoods Rezoning and Area Plans.

Accordingly, the planning department conducted project-level analysis of the pedestrian, bicycle, loading, and construction transportation impacts of the proposed project.⁸ Based on this project-level

⁸ LCW Consulting, 552 Berry Street/One De Haro Street Transportation Impact Study, December 1, 2017.

review, the department determined that the proposed project would not result in significant impacts that are peculiar to the project or the project site.

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes could result in significant impacts on transit ridership, and identified seven transportation mitigation measures, which are described further below in the Transit sub-section. Even with mitigation, however, it was anticipated that the significant adverse cumulative impacts on transit lines could not be reduced to a less than significant level. Thus, these impacts were found to be significant and unavoidable.

As discussed above under “Automobile Delay and Vehicle Miles Travelled”, in response to state legislation that called for removing automobile delay from CEQA analysis, the Planning Commission adopted resolution 19579 replacing automobile delay with a VMT metric for analyzing transportation impacts of a project. Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this checklist.

The Eastern Neighborhoods PEIR did not evaluate vehicle miles traveled or the potential for induced automobile travel. The VMT Analysis presented below evaluates the project’s transportation effects using the VMT metric.

The project site is not located within an airport land use plan area, or in the vicinity of a private airstrip. Therefore, the Initial Study Checklist topic 4c is not applicable.

Vehicle Miles Traveled (VMT) Analysis

Many factors affect travel behavior. These factors include density, diversity of land uses, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development at great distance from other land uses, located in areas with poor access to non-private vehicular modes of travel, generate more automobile travel compared to development located in urban areas, where a higher density, mix of land uses, and travel options other than private vehicles are available.

Given these travel behavior factors, San Francisco has a lower VMT ratio than the nine-county San Francisco Bay Area region. In addition, some areas of the City have lower VMT ratios than other areas of the City. These areas of the City can be expressed geographically through transportation analysis zones. Transportation analysis zones are used in transportation planning models for transportation analysis and other planning purposes. The zones vary in size from single city blocks in the downtown core, multiple blocks in outer neighborhoods, to even larger zones in historically industrial areas like the Hunters Point Shipyard.

The San Francisco County Transportation Authority (Transportation Authority) uses the San Francisco Chained Activity Model Process (SF-CHAMP) to estimate VMT by private automobiles and taxis for different land use types. Travel behavior in SF-CHAMP is calibrated based on observed behavior from the California Household Travel Survey 2010-2012, Census data regarding automobile ownership rates and county-to-county worker flows, and observed vehicle counts and transit boardings. SF-CHAMP uses a synthetic population, which is a set of individual actors that represents the Bay Area’s actual population, who make simulated travel decisions for a complete day. The Transportation Authority uses tour-based analysis for office and residential uses, which examines the entire chain of trips over the course of a day, not just trips to and from the project. For retail uses, the Transportation Authority uses trip-based analysis, which counts VMT from individual trips to and from the project (as opposed to entire chain of trips). A trip-based approach, as opposed to a tour-based approach, is necessary for retail

projects because a tour is likely to consist of trips stopping in multiple locations, and the summarizing of tour VMT to each location would over-estimate VMT.^{9,10}

The proposed project would construct new PDR and office uses. For the purposes of VMT analysis, PDR is considered an office use. For office development, regional average daily work-related VMT per employee is 19.1. Average daily VMT for office uses is projected to decrease under future 2040 cumulative conditions. Refer to Table 1: Daily Vehicle Miles Traveled, which includes the transportation analysis zone in which the project site is located, 573.

Table 1 Daily Vehicle Miles Traveled

Land Use	Existing			Cumulative 2040		
	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 573	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 573
Employment (Office)	19.1	16.2	10.7	17.0	14.5	8.3

A project would have a significant effect on the environment if it would cause substantial additional VMT. The State Office of Planning and Research’s (OPR) *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA* (“proposed transportation impact guidelines”) recommends screening criteria to identify types, characteristics, or locations of projects that would not result in significant impacts to VMT. If a project meets one of the three screening criteria provided (Map-Based Screening, Small Projects, and Proximity to Transit Stations), then it is presumed that VMT impacts would be less than significant for the project and a detailed VMT analysis is not required. Map-Based Screening is used to determine if a project site is located within a transportation analysis zone that exhibits low levels of VMT; Small Projects are projects that would generate fewer than 100 vehicle trips per day; and the Proximity to Transit Stations criterion includes projects that are within a half mile of an existing major transit stop, have a floor area ratio of greater than or equal to 0.75, vehicle parking that is less than or equal to that required or allowed by the Planning Code without conditional use authorization, and are consistent with the applicable Sustainable Communities Strategy.

The proposed project would include approximately 43,300 square feet of PDR uses and approximately 86,300 square feet of office space. For purposes of VMT analysis, PDR is considered office space. Existing average daily VMT per office employee is 10.7 for the transportation analysis zone the project site is located in, 573. This is 44 percent below the existing regional average daily VMT per office employee of 19.1. Future 2040 average daily VMT per office employee is 8.3 for the transportation analysis zone 573. This is 51 percent below the future 2040 regional average daily VMT per capita of 17.

⁹ To state another way: a tour-based assessment of VMT at a retail site would consider the VMT for all trips in the tour, for any tour with a stop at the retail site. If a single tour stops at two retail locations, for example, a coffee shop on the way to work and a restaurant on the way back home, then both retail locations would be allotted the total tour VMT. A trip-based approach allows us to apportion all retail-related VMT to retail sites without double-counting.

¹⁰ San Francisco Planning Department, Executive Summary: Resolution Modifying Transportation Impact Analysis, Appendix F, Attachment A, March 3, 2016.

Therefore, because the project would be located in an area that exhibits low levels of VMT, the proposed project would not cause substantial additional VMT and impacts would be less-than-significant impact.

Trip Generation

The proposed project would include approximately 43,318 square feet of production, distribution and repair (PDR) uses and approximately 86,301 square feet of office space.

Localized trip generation of the proposed project was calculated using a trip-based analysis and information in the *2002 Transportation Impacts Analysis Guidelines for Environmental Review* (SF Guidelines) developed by the San Francisco Planning Department.¹¹ The proposed project would generate an estimated 2,294 person trips (inbound and outbound) on a weekday daily basis, consisting of 1,410 person trips by auto, 443 transit trips, 293 walk trips and 149 trips by other modes. During the p.m. peak hour, the proposed project would generate an estimated 195 person trips, consisting of 133 person trips by auto (98 vehicle trips accounting for vehicle occupancy data for this Census Tract), 39 transit trips, 15 walk trips and eight trips by other modes.

Transit

Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Plan with uncertain feasibility to address significant transit impacts. These measures are not applicable to the proposed project, as they are plan-level mitigations to be implemented by City and County agencies. In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding transit and complete streets. In addition, San Francisco Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).¹² The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. In compliance with Mitigation Measure E-11: Transportation Demand Management, the Board of Supervisors adopted the Transportation Demand Management ordinance (Ordinance 34-17, effective March 2018). Both the Transportation Sustainability Fee and the transportation demand management efforts are part of the Transportation Sustainability Program.¹³ In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing the Transit Effectiveness Project (TEP), which was approved by the SFMTA Board of Directors in March 2014. The TEP (now called Muni Forward) includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency. Examples of transit priority and pedestrian safety improvements within the Eastern Neighborhoods Plan area as part of Muni Forward include the 14 Mission Rapid Transit Project, the 22 Fillmore Extension along 16th Street to Mission Bay (expected construction between 2017 and 2020), and the Travel Time Reduction Project on Route 9 San Bruno (initiation in 2015). In addition, Muni Forward includes service improvements to various routes within the Eastern Neighborhoods Plan area; for instance the implemented new Route 55 on 16th Street.

¹¹ LCW Consulting, *552 Berry Street/One De Haro Street Transportation Impact Study*, December 1, 2017.

¹² Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

¹³ <http://tsp.sfplanning.org>

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Boulevard. The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in Section 138.1 of the Planning Code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size. Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan area include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

The project site is located within a half mile of several local transit lines including Muni lines 10-Townsend, 19-Polk, 22-Fillmore, 55-16th Street, and 83X Mid Market Express. The proposed project would be expected to generate 442 daily transit trips, including 39 during the p.m. peak hour. Given the wide availability of nearby transit, the addition of 39 p.m. peak hour transit trips would be accommodated by existing capacity. As such, the proposed project would not result in unacceptable levels of transit service or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service could result.

Each of the rezoning options in the Eastern Neighborhoods PEIR identified significant and unavoidable cumulative impacts relating to increases in transit ridership on Muni lines, with the Preferred Project having significant impacts on seven lines. Of those lines, the project site is located within a quarter-mile of Muni line 22-Fillmore. The proposed project would not contribute considerably to these conditions as its minor contribution of 39 p.m. peak hour transit trips would not be a substantial proportion of the overall additional transit volume generated by Eastern Neighborhood projects. The proposed project would also not contribute considerably to 2040 cumulative transit conditions and thus would not result in any significant cumulative transit impacts.

Conclusion

For the above reasons, the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to transportation and circulation and would not contribute considerably to cumulative transportation and circulation impacts that were identified in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
5. NOISE—Would the project:				
a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Be substantially affected by existing noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that implementation of the Eastern Neighborhoods Area Plans and Rezoning would result in significant noise impacts during construction activities and due to conflicts between noise-sensitive uses in proximity to noisy uses such as PDR, retail, entertainment, cultural/institutional/educational uses, and office uses. The Eastern Neighborhoods PEIR also determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant. The Eastern Neighborhoods PEIR identified six noise mitigation measures, three of which may be applicable to subsequent development projects.¹⁴ These mitigation measures would reduce noise impacts from construction and noisy land uses to less-than-significant levels.

¹⁴ Eastern Neighborhoods PEIR Mitigation Measures F-3, F-4, and F-6 address the siting of sensitive land uses in noisy environments. In a decision issued on December 17, 2015, the California Supreme Court held that CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or residents except where a project or its residents may exacerbate existing environmental hazards (*California Building Industry Association v. Bay Area Air Quality Management District*, December 17, 2015, Case No. S213478. Available at: <http://www.courts.ca.gov/opinions/documents/S213478.PDF>). As noted above, the Eastern Neighborhoods PEIR determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant, and thus would not exacerbate the existing noise environment. Therefore, Eastern Neighborhoods Mitigation Measures F-3, F-4, and F-6 are not applicable. Nonetheless, for all noise sensitive uses, the general requirements for adequate interior noise levels of Mitigation Measures F-3 and F-4 are met by compliance with the acoustical standards required under the California Building Standards Code (California Code of Regulations Title 24).

Construction Noise

Eastern Neighborhoods PEIR Mitigation Measures F-1 and F-2 relate to construction noise. Mitigation Measure F-1 addresses individual projects that include pile-driving, and Mitigation Measure F-2 addresses individual projects that include particularly noisy construction procedures (including pile-driving). The proposed project does not include pile driving, so Mitigation Measure F-1 does not apply to the proposed project. The proposed project does include demolition and excavation, which are considered particularly noisy construction activities, so Mitigation Measure F-2, included here as **Project Mitigation Measure 2: Construction Noise**, applies to the proposed project. The full text for **Project Mitigation Measure 2: Construction Noise** is included in the Mitigation Measures section, below.

In addition, all construction activities for the proposed project (approximately 16 months) would be subject to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code) (Noise Ordinance). Construction noise is regulated by the Noise Ordinance. The Noise Ordinance requires construction work to be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of Public Works (PW) or the Director of the Department of Building Inspection (DBI) to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 p.m. and 7:00 a.m. unless the Director of PW authorizes a special permit for conducting the work during that period.

DBI is responsible for enforcing the Noise Ordinance for private construction projects during normal business hours (8:00 a.m. to 5:00 p.m.). The Police Department is responsible for enforcing the Noise Ordinance during all other hours. Nonetheless, during the construction period for the proposed project of approximately 16 months, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project; however, because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be required to comply with the Noise Ordinance and **Project Mitigation Measure 2: Construction Noise**, which would reduce construction noise impacts would be reduced to a less-than-significant level.

Operational Noise

Eastern Neighborhoods PEIR Mitigation Measure F-5 addresses impacts related to individual projects that include uses that would be expected to generate noise levels in excess of ambient noise in the project vicinity. As the proposed project includes new PDR uses, Mitigation Measure F-5 applies to the proposed project. An acoustical study was performed for the proposed project to analyze the potential noise impacts of proposed PDR uses on nearby sensitive receptors.¹⁵ In accordance with Eastern Neighborhood PEIR Mitigation Measure F-5, the noise analysis reviewed noise-sensitive uses (primarily residential uses) within 900 feet of the proposed project and included recommendations to reduce operational noise impacts to nearby residential uses to the levels required by the Noise Ordinance (Section 2909 of the San Francisco Police Code). The noise study noted that heavy manufacturing would

¹⁵ Wilson Ihrig, *One De Haro PDR Environmental Noise Technical Memo*, December 21, 2017.

not be allowed, but that some light manufacturing may be. As the tenants have not been identified for the proposed PDR space, and the exact equipment likely to be used are not yet known, for the purposes of analysis, the acoustic study assumed activities in the PDR areas would generate noise of up to 90 dBA for short periods of time. At the nearest sensitive receptor (888 Seventh Street), such activities would be less than 60 dBA assuming that the building shell elements provide 5 dBA noise reduction. As typical construction materials, such as concrete, insulated sheet metal, and insulated gypsum board walls all provide noise reduction in the range of 20 dBA to 25 dBA with the windows closed, noise levels perceived at nearby sensitive receptors should comply with the Noise Ordinance. This would also be true for intermittent activities (e.g. water or air cleaning) that could generate noises of up to 100 dBA. The acoustical study recommended exterior assemblies with an STC 27 rating at the PDR spaces to ensure that noise levels generated by the project and perceived by nearby sensitive receptors do not substantially increase the ambient noise environment. In compliance with Eastern Neighborhoods PEIR Mitigation Measure F-5, the project sponsor has agreed to implement **Project Mitigation Measure 3: Operational Noise** to ensure exterior assemblies with an STC 27 rating are used in the proposed project. The full text of **Project Mitigation Measure 3: Operational Noise** can be found in the Mitigation Measure section, below. With implementation of Project Mitigation Measure 3: Operational Noise, noise impacts from the proposed project would be less than significant.

The proposed project would also be subject to the following interior noise standards, which are described for informational purposes. The California Building Standards Code (Title 24) establishes uniform noise insulation standards. The acoustical requirements of Title 24 are incorporated into the San Francisco Green Building Code. Title 24 allows the project sponsor to choose between a prescriptive or performance-based acoustical requirement for non-residential uses. Both compliance methods require wall, floor/ceiling, and window assemblies to meet certain sound transmission class or outdoor-indoor sound transmission class ratings to ensure that adequate interior noise standards are achieved. In compliance with Title 24, DBI would review the final building plans to ensure that the building wall, floor/ceiling, and window assemblies meet Title 24 acoustical requirements. If determined necessary by DBI, a detailed acoustical analysis of the exterior wall and window assemblies may be required.

The project site is not located within an airport land use plan area, within two miles of a public airport, or in the vicinity of a private airstrip. Therefore, topic 12e and f from the CEQA Guidelines, Appendix G is not applicable.

For the above reasons, the proposed project would not result in significant noise impacts that were not identified in the Eastern Neighborhoods PEIR.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
6. AIR QUALITY—Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR identified potentially significant air quality impacts resulting from construction activities and impacts to sensitive land uses¹⁶ as a result of exposure to elevated levels of diesel particulate matter (DPM) and other toxic air contaminants (TACs). The Eastern Neighborhoods PEIR identified four mitigation measures that would reduce these air quality impacts to less-than-significant levels and stated that with implementation of identified mitigation measures, the Area Plan would be consistent with the Bay Area 2005 Ozone Strategy, the applicable air quality plan at that time. All other air quality impacts were found to be less than significant.

Eastern Neighborhoods PEIR Mitigation Measure G-1 addresses air quality impacts during construction, and PEIR Mitigation Measures G-3 and G-4 address proposed uses that would emit DPM and other TACs.¹⁷

Construction Dust Control

Eastern Neighborhoods PEIR Mitigation Measure G-1 Construction Air Quality requires individual projects involving construction activities to include dust control measures and to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants. The San Francisco Board of Supervisors subsequently approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008). The intent of the Construction Dust Control Ordinance is to reduce the

¹⁶ The Bay Area Air Quality Management District (BAAQMD) considers sensitive receptors as: children, adults or seniors occupying or residing in: 1) residential dwellings, including apartments, houses, condominiums, 2) schools, colleges, and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. BAAQMD, Recommended Methods for Screening and Modeling Local Risks and Hazards, May 2011, page 12.

¹⁷ The Eastern Neighborhoods PEIR also includes Mitigation Measure G-2, which has been superseded by Health Code Article 38, as discussed below, and is no longer applicable.

quantity of fugitive dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by DBI. Project-related construction activities would result in construction dust, primarily from ground-disturbing activities.

For projects over one half-acre, such as the proposed project, the Dust Control Ordinance requires that the project sponsor submit a Dust Control Plan for approval by the San Francisco Department of Public Health. DBI will not issue a building permit without written notification from the Director of Public Health that the applicant has a site-specific Dust Control Plan, unless the Director waives the requirement. The site-specific Dust Control Plan would require the project sponsor to implement additional dust control measures such as installation of dust curtains and windbreaks and to provide independent third-party inspections and monitoring, provide a public complaint hotline, and suspend construction during high wind conditions.

The regulations and procedures set forth by the San Francisco Dust Control Ordinance would ensure that construction dust impacts would not be significant. Therefore, the portion of PEIR Mitigation Measure G-1 Construction Air Quality that addresses dust control is no longer applicable to the proposed project.

Criteria Air Pollutants

While the Eastern Neighborhoods PEIR determined that at a program-level the Eastern Neighborhoods Rezoning and Area Plans would not result in significant regional air quality impacts, the PEIR states that “Individual development projects undertaken in the future pursuant to the new zoning and area plans would be subject to a significance determination based on the Bay Area Air Quality Management District (air district) quantitative thresholds for individual projects.”¹⁸ The air district’s *CEQA Air Quality Guidelines* (Air Quality Guidelines) provide screening criteria¹⁹ for determining whether a project’s criteria air pollutant emissions would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Pursuant to the Air Quality Guidelines, projects that meet the screening criteria do not have a significant impact related to criteria air pollutants.

The proposed project includes approximately 43,300 sf of office uses, approximately 86,300 sf of PDR uses, and would include approximately 8,000 cubic yards of excavation, and would therefore not exceed the Air Quality Guidelines screening criteria for construction (323,000 sf for office, 541,000 sf for light industrial, or 10,000 cubic yards of excavation) or operations (277,000 sf for office and 259,000 sf for light industrial). Therefore, the project would not have a significant impact related to criteria air pollutants, and a detailed air quality assessment is not required.

Health Risk

Since certification of the PEIR, San Francisco Board of Supervisors approved amendments to the San Francisco Building and Health Codes, generally referred to as the Enhanced Ventilation Required for Urban Infill Sensitive Use Developments or Health Code, Article 38 (Ordinance 224-14, amended December 8, 2014)(Article 38). The Air Pollutant Exposure Zone as defined in Article 38 are areas that,

¹⁸ San Francisco Planning Department, Eastern Neighborhood’s Rezoning and Area Plans Final Environmental Impact Report. See page 346. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=4003>. Accessed June 4, 2014.

¹⁹ Bay Area Air Quality Management District, CEQA Air Quality Guidelines, updated May 2017.

based on modeling of all known air pollutant sources, exceed health protective standards for cumulative PM_{2.5} concentration, cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. For residential construction projects within the Air Pollutant Exposure Zone, the ordinance requires that the project sponsor submit an Enhanced Ventilation Proposal for approval by the Department of Public Health (DPH). Although the project site is located in the Air Pollutant Exposure Zone, the proposed project would not contain residential units or other sensitive uses. Therefore, Article 38 does not apply to the proposed project.

Construction

The project site is located within an identified Air Pollutant Exposure Zone; therefore, the ambient health risk to sensitive receptors from air pollutants is considered substantial. The proposed project would require heavy-duty off-road diesel vehicles and equipment during the anticipated 16-month construction period. Thus, **Project Mitigation Measure 4: Construction Air Quality** has been identified to implement the portions of Eastern Neighborhoods PEIR Mitigation Measure G-1 related to emissions exhaust by requiring engines with higher emissions standards on construction equipment. **Project Mitigation Measure 4 Construction Air Quality** would reduce DPM exhaust from construction equipment by 89 to 94 percent compared to uncontrolled construction equipment.²⁰ Therefore, impacts related to construction health risks would be less than significant through implementation of **Project Mitigation Measure 4: Construction Air Quality**. The full text of **Project Mitigation Measure 4: Construction Air Quality** is provided in the Mitigation Measures Section below.

Siting New Sources

The proposed project would generate approximately 45 truck trips per day. As the proposed project would not generate 100 trucks per day or 40 refrigerated trucks per day, Eastern Neighborhoods PEIR Mitigation Measure G-3 is not applicable. It is possible that future tenants may want to install a diesel generator, which is a source of TAC emissions. Therefore, **Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators** has been identified to implement the portions of Eastern Neighborhoods PEIR Mitigation Measure G-4 related to siting of uses that emit TACs by requiring the engine to meet higher emission standards. **Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators** would reduce DPM exhaust from stationary sources by 89 to 94 percent compared to uncontrolled stationary sources. Impacts related to new sources of health risk would be less than significant through implementation of **Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators**. The full text of **Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators** is provided in the Mitigation Measures Section below.

²⁰ PM emissions benefits are estimated by comparing off-road PM emission standards for Tier 2 with Tier 1 and 0. Tier 0 off-road engines do not have PM emission standards, but the United States Environmental Protection Agency's *Exhaust and Crankcase Emissions Factors for Nonroad Engine Modeling – Compression Ignition* has estimated Tier 0 engines between 50 hp and 100 hp to have a PM emission factor of 0.72 g/hp-hr and greater than 100 hp to have a PM emission factor of 0.40 g/hp-hr. Therefore, requiring off-road equipment to have at least a Tier 2 engine would result in between a 25 percent and 63 percent reduction in PM emissions, as compared to off-road equipment with Tier 0 or Tier 1 engines. The 25 percent reduction comes from comparing the PM emission standards for off-road engines between 25 hp and 50 hp for Tier 2 (0.45 g/bhp-hr) and Tier 1 (0.60 g/bhp-hr). The 63 percent reduction comes from comparing the PM emission standards for off-road engines above 175 hp for Tier 2 (0.15 g/bhp-hr) and Tier 0 (0.40 g/bhp-hr). In addition to the Tier 2 requirement, ARB Level 3 VDECs are required and would reduce PM by an additional 85 percent. Therefore, the mitigation measure would result in between an 89 percent (0.0675 g/bhp-hr) and 94 percent (0.0225 g/bhp-hr) reduction in PM emissions, as compared to equipment with Tier 1 (0.60 g/bhp-hr) or Tier 0 engines (0.40 g/bhp-hr).

For the above reasons, with the implementation of the above air quality mitigation measures, the project would not result in significant air quality impacts that were not identified in the PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
7. GREENHOUSE GAS EMISSIONS— Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR assessed the GHG emissions that could result from rezoning of the Showplace Square/Potrero Hill Area Plan under the three rezoning options. The Eastern Neighborhoods Rezoning Options A, B, and C are anticipated to result in GHG emissions on the order of 4.2, 4.3 and 4.5 metric tons of CO₂E²¹ per service population,²² respectively. The Eastern Neighborhoods PEIR concluded that the resulting GHG emissions from the three options analyzed in the Eastern Neighborhoods Area Plans would be less than significant. No mitigation measures were identified in the PEIR.

The BAAQMD has prepared guidelines and methodologies for analyzing GHGs. These guidelines are consistent with CEQA Guidelines Sections 15064.4 and 15183.5 which address the analysis and determination of significant impacts from a proposed project’s GHG emissions and allow for projects that are consistent with an adopted GHG reduction strategy to conclude that the project’s GHG impact is less than significant. San Francisco’s *Strategies to Address Greenhouse Gas Emissions*²³ presents a comprehensive assessment of policies, programs, and ordinances that collectively represent San Francisco’s GHG reduction strategy in compliance with the BAAQMD and CEQA guidelines. These GHG reduction actions have resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels,²⁴ exceeding the year 2020 reduction goals outlined in the BAAQMD’s *2010 Clean Air Plan*,²⁵ Executive Order S-3-05²⁶, and Assembly Bill 32 (also known as the Global Warming Solutions Act).^{27,28} In addition,

²¹ CO₂E, defined as equivalent Carbon Dioxide, is a quantity that describes other greenhouse gases in terms of the amount of Carbon Dioxide that would have an equal global warming potential.

²² Memorandum from Jessica Range to Environmental Planning staff, Greenhouse Gas Analyses for Community Plan Exemptions in Eastern Neighborhoods, April 20, 2010. This memorandum provides an overview of the GHG analysis conducted for the Eastern Neighborhoods PEIR and provides an analysis of the emissions using a service population (equivalent of total number of residents and employees) metric.

²³ San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

²⁴ ICF International, *Technical Review of the 2012 Community-wide Inventory for the City and County of San Francisco*, January 21, 2015.

²⁵ Bay Area Air Quality Management District, *Clean Air Plan*, September 2010. Available at <http://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans>, accessed March 3, 2016.

²⁶ Office of the Governor, *Executive Order S-3-05*, June 1, 2005. Available at <https://www.gov.ca.gov/news.php?id=1861>, accessed March 3, 2016.

San Francisco's GHG reduction goals are consistent with, or more aggressive than, the long-term goals established under Executive Orders S-3-05²⁹ and B-30-15.^{30,31} Therefore, projects that are consistent with San Francisco's GHG Reduction Strategy would not result in GHG emissions that would have a significant effect on the environment and would not conflict with state, regional, and local GHG reduction plans and regulations.

The proposed project would increase the intensity of use of the site by adding office uses and more PDR uses to a site that now includes only PDR uses. Therefore, the proposed project would contribute to annual long-term increases in GHGs as a result of increased vehicle trips (mobile sources) and commercial operations that result in an increase in energy use, water use, wastewater treatment, and solid waste disposal. Construction activities would also result in temporary increases in GHG emissions.

The proposed project would be subject to regulations adopted to reduce GHG emissions as identified in the GHG reduction strategy. As discussed below, compliance with the applicable regulations would reduce the project's GHG emissions related to transportation, energy use, waste disposal, wood burning, and use of refrigerants.

Compliance with the City's Commuter Benefits Program, Transportation Sustainability Fee, Jobs-Housing Linkage Program, bicycle parking requirements, and low-emission car parking requirements would reduce the proposed project's transportation-related emissions. These regulations reduce GHG emissions from single-occupancy vehicles by promoting the use of alternative transportation modes with zero or lower GHG emissions on a per capita basis.

The proposed project would be required to comply with the energy efficiency requirements of the City's Green Building Code, Stormwater Management Ordinance, Water Conservation and Irrigation ordinances, and Energy Conservation Ordinance, which would promote energy and water efficiency, thereby reducing the proposed project's energy-related GHG emissions.³² Additionally, the project would be required to meet the renewable energy criteria of the Green Building Code, further reducing the project's energy-related GHG emissions.

The proposed project's waste-related emissions would be reduced through compliance with the City's Recycling and Composting Ordinance, Construction and Demolition Debris Recovery Ordinance, and Green Building Code requirements. These regulations reduce the amount of materials sent to a landfill,

²⁷ California Legislative Information, *Assembly Bill 32*, September 27, 2006. Available at http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf, accessed March 3, 2016.

²⁸ Executive Order S-3-05, Assembly Bill 32, and the Bay Area 2010 Clean Air Plan set a target of reducing GHG emissions to below 1990 levels by year 2020.

²⁹ Executive Order S-3-05 sets forth a series of target dates by which statewide emissions of GHGs need to be progressively reduced, as follows: by 2010, reduce GHG emissions to 2000 levels (approximately 457 million MTCO₂E); by 2020, reduce emissions to 1990 levels (approximately 427 million MTCO₂E); and by 2050 reduce emissions to 80 percent below 1990 levels (approximately 85 million MTCO₂E).

³⁰ Office of the Governor, *Executive Order B-30-15*, April 29, 2015. Available at <https://www.gov.ca.gov/news.php?id=18938>, accessed March 3, 2016. Executive Order B-30-15 sets a state GHG emissions reduction goal of 40 percent below 1990 levels by the year 2030.

³¹ San Francisco's GHG reduction goals are codified in Section 902 of the Environment Code and include: (i) by 2008, determine City GHG emissions for year 1990; (ii) by 2017, reduce GHG emissions by 25 percent below 1990 levels; (iii) by 2025, reduce GHG emissions by 40 percent below 1990 levels; and by 2050, reduce GHG emissions by 80 percent below 1990 levels.

³² Compliance with water conservation measures reduce the energy (and GHG emissions) required to convey, pump and treat water required for the project.

reducing GHGs emitted by landfill operations. These regulations also promote reuse of materials, conserving their embodied energy³³ and reducing the energy required to produce new materials.

Compliance with the City’s Street Tree Planting requirements would serve to increase carbon sequestration. The proposed project includes approximately 28 new street trees. Other regulations, including those limiting refrigerant emissions and the Wood Burning Fireplace Ordinance would reduce emissions of GHGs and black carbon, respectively. Regulations requiring low-emitting finishes would reduce volatile organic compounds (VOCs).³⁴ Thus, the proposed project was determined to be consistent with San Francisco’s GHG reduction strategy.³⁵

Therefore, the proposed project’s GHG emissions would not conflict with state, regional, and local GHG reduction plans and regulations. Furthermore, the proposed project is within the scope of the development evaluated in the PEIR and would not result in impacts associated with GHG emissions beyond those disclosed in the PEIR. For the above reasons, the proposed project would not result in significant GHG emissions that were not identified in the Eastern Neighborhoods PEIR and no mitigation measures are necessary.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
8. WIND AND SHADOW—Would the project:				
a) Alter wind in a manner that substantially affects public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Wind

Based upon experience of the Planning Department in reviewing wind analyses and expert opinion on other projects, it is generally (but not always) the case that projects under 80 feet in height do not have the potential to generate significant wind impacts. Although the proposed 58-foot-tall building (68-foot-tall with rooftop appurtenances) would be taller than some of the immediately adjacent buildings, it would be similar in height to existing buildings in the surrounding area. For the above reasons, the proposed project is not anticipated to cause significant impacts related to wind that were not identified in the Eastern Neighborhoods PEIR.

³³ Embodied energy is the total energy required for the extraction, processing, manufacture and delivery of building materials to the building site.
³⁴ While not a GHG, VOCs are precursor pollutants that form ground level ozone. Increased ground level ozone is an anticipated effect of future global warming that would result in added health effects locally. Reducing VOC emissions would reduce the anticipated local effects of global warming.
³⁵ San Francisco Planning Department, *Greenhouse Gas Analysis: Compliance Checklist for 552 Berry Street/1 De Haro Street*, January 3, 2018.

Shadow

Planning Code Section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the Eastern Neighborhoods Rezoning and Area Plans, sites surrounding parks could be redeveloped with taller buildings without triggering Section 295 of the Planning Code because certain parks are not subject to Section 295 of the Planning Code (i.e., under jurisdiction of departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods PEIR could not conclude if the rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time. Therefore, the PEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the PEIR.

The proposed project would construct a 58-foot-tall building (68-foot-tall with rooftop appurtenances); therefore, the Planning Department prepared a preliminary shadow fan analysis to determine whether the project would have the potential to cast new shadow on nearby parks.³⁶ The shadow fan analysis showed that the proposed project would not cast new shadow on any public open space subject to Section 295 of the Planning Code. The proposed project would cast new shadow on a private, publically-accessible open space located between the project site and 888 7th Street. New shadow would be most noticeable in this area starting in the autumn, with the greatest area of net new shadow being cast on December 2. Between March 21 and September 21, there would be little to no new shadow cast on the open space.³⁷ Net new shadow would not negatively affect the use or enjoyment of the open space, as it is primarily a thoroughfare used by pedestrians and dog walkers, and does not contain any fields, play structures or other recreational uses.

The proposed project would also shade portions of nearby streets and sidewalks and private property at times within the project vicinity. Shadows upon streets and sidewalks would not exceed levels commonly expected in urban areas and would be considered a less-than-significant effect under CEQA. Although occupants of nearby property may regard the increase in shadow as undesirable, the limited increase in shading of private properties as a result of the proposed project would not be considered a significant impact under CEQA.

For the above reasons, the proposed project would not result in significant impacts related to shadow that were not identified in the Eastern Neighborhoods PEIR.

³⁶ SF Planning Department, Shadow Fan for 552 Berry Street/1 De Haro Street, November 3, 2017.

³⁷ Pfau Long Architecture, *Shadow Study One De Haro*, May 10, 2018.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
9. RECREATION—Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Physically degrade existing recreational resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR concluded that implementation of the Eastern Neighborhoods Rezoning and Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment. No mitigation measures related to recreational resources were identified in the Eastern Neighborhoods PEIR. However, the PEIR identified Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities. This improvement measure calls for the City to implement funding mechanisms for an ongoing program to repair, upgrade and adequately maintain park and recreation facilities to ensure the safety of users.

As part of the Eastern Neighborhoods adoption, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding recreation and open space. Since certification of the PEIR, the voters of San Francisco passed the 2012 San Francisco Clean and Safe Neighborhood Parks Bond providing the Recreation and Parks Department an additional \$195 million to continue capital projects for the renovation and repair of parks, recreation, and open space assets. This funding is being utilized for improvements and expansion to Garfield Square, South Park, Potrero Hill Recreation Center, Warm Water Cove Park, and Pier 70 Parks Shoreline within the Eastern Neighborhoods Plan area. The impact fees and the 2012 San Francisco Clean and Safe Neighborhood Parks Bond are funding measures similar to that described in PEIR Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities.

An update of the Recreation and Open Space Element (ROSE) of the General Plan was adopted in April 2014. The amended ROSE provides a 20-year vision for open spaces in the City. It includes information and policies about accessing, acquiring, funding, and managing open spaces in San Francisco. The amended ROSE identifies areas within the Eastern Neighborhoods Plan area for acquisition and the locations where new open spaces and open space connections should be built, consistent with PEIR Improvement Measure H-2: Support for New Open Space. As of 2017, two of these open spaces, Daggett Park and In Chan Kaajal Park (formerly 17th and Folsom Park) have opened and are available for public use. In addition, the amended ROSE identifies the role of both the Better Streets Plan (refer to “Transportation” section for description) and the Green Connections Network in open space and recreation. Green Connections are special streets and paths that connect people to parks, open spaces, and the waterfront, while enhancing the ecology of the street environment. Six routes identified within the Green Connections Network cross the Eastern Neighborhoods Plan area: Mission to Peaks (Route 6); Noe Valley to Central Waterfront (Route 8), a portion of which has been conceptually designed; Tenderloin to

Potrero (Route 18); Downtown to Mission Bay (Route 19); Folsom, Mission Creek to McLaren (Route 20); and Shoreline (Route 24).

Furthermore, the Planning Code requires a specified amount of new usable open space (either private or common) for each new residential unit. Some developments are also required to provide privately owned, publicly accessible open spaces. The proposed project includes two POPOS that would connect to the greenway on the adjacent 888 7th Street parcel: one 1,400 square foot POPOS at the intersection of De Haro Street, King Street, and Division Street, and a second 400 square foot POPOS on Berry Street.

As the proposed project would not degrade recreational facilities and is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on recreation beyond those analyzed in the Eastern Neighborhoods PEIR.

Topics:	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
10. UTILITIES AND SERVICE SYSTEMS—Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact to the provision of water, wastewater collection and treatment, and solid waste collection and disposal. No mitigation measures were identified in the PEIR.

Since certification of the PEIR, the San Francisco Public Utilities Commission (SFPUC) adopted the 2015 Urban Water Management Plan (UWMP) in June 2016. The UWMP update includes city-wide demand

projections to the year 2040, compares available water supplies to meet demand and presents water demand management measures to reduce long-term water demand. Additionally, the UWMP update includes a discussion of the conservation requirement set forth in Senate Bill 7 passed in November 2009 mandating a statewide 20% reduction in per capita water use by 2020. The UWMP includes a quantification of the SFPUC's water use reduction targets and plan for meeting these objectives. The UWMP projects sufficient water supply in normal years and a supply shortfall during prolonged droughts. Plans are in place to institute varying degrees of water conservation and rationing as needed in response to severe droughts.

In addition, the SFPUC is in the process of implementing the Sewer System Improvement Program, which is a 20-year, multi-billion dollar citywide upgrade to the City's sewer and stormwater infrastructure to ensure a reliable and seismically safe system. The program includes planned improvements that will serve development in the Eastern Neighborhoods Plan area including at the Southeast Treatment Plant, the Central Bayside System, and green infrastructure projects, such as the Mission and Valencia Green Gateway.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on utilities and service systems beyond those analyzed in the Eastern Neighborhoods PEIR.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
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11. PUBLIC SERVICES—Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a substantial adverse physical impacts associated with the provision of or need for new or physically altered public services, including fire protection, police protection, and public schools. No mitigation measures were identified in the PEIR.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, the project would not result in new or substantially more severe impacts on the physical environment associated with the provision of public services beyond those analyzed in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
12. BIOLOGICAL RESOURCES—Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

As discussed in the Eastern Neighborhoods PEIR, the Eastern Neighborhoods Plan area is in a developed urban environment that does not provide native natural habitat for any rare or endangered plant or animal species. There are no riparian corridors, estuaries, marshes, or wetlands in the Plan Area that could be affected by the development anticipated under the Area Plans. In addition, development envisioned under the Eastern Neighborhoods Area Plan would not substantially interfere with the movement of any resident or migratory wildlife species. For these reasons, the PEIR concluded that implementation of the Area Plans would not result in significant impacts on biological resources, and no mitigation measures were identified.

The project site is located within Showplace Square/Potrero Hill Plan area of the Eastern Neighborhoods Area Plans and, therefore, does not support habitat for any candidate, sensitive or special status species. As such, implementation of the proposed project would not result in significant impacts to biological resources not identified in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
13. GEOLOGY AND SOILS—Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change substantially the topography or any unique geologic or physical features of the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR concluded that implementation of the Plan would indirectly increase the population that would be subject to an earthquake, including seismically induced ground-shaking, liquefaction, and landslides. The PEIR also noted that new development is generally safer than comparable older development due to improvements in building codes and construction techniques. Compliance with applicable codes and recommendations made in project-specific geotechnical analyses would not eliminate earthquake risks, but would reduce them to an acceptable level, given the seismically active characteristics of the Bay Area. Thus, the PEIR concluded that implementation of the Plan would not result in significant impacts with regard to geology, and no mitigation measures were identified in the Eastern Neighborhoods PEIR.

A geotechnical investigation was prepared for the proposed project.³⁸ The investigation found that the project site is blanketed by about 8 to 11 feet of fill, consisting of loose to medium dense clayey sand with

³⁸ SKS Partners, *Geotechnical Evaluation 1 De Haro Street*, February 2, 2017.

varying amounts of gravel, brick and rubble. The fill is underlain by sandy clay marsh deposits and very soft to soft, highly compressible clay known locally as Bay Mud. Groundwater was measured at a depth of approximately 8 to 8.5 feet during the investigation, although the report indicates that tidal and seasonally fluctuations are likely, with the possibility of encountering groundwater within five feet of ground surface. As basement excavation is not proposed, the report does not anticipate wet soil conditions, but temporary dewatering cells should be installed to keep any excavations free of groundwater. According to the report, the main geotechnical issues for the proposed project are the selection of an appropriate foundation system to support the proposed at-grade mixed use development, and potential construction-related damage to the sanitary sewer infrastructure contained within the San Francisco Public Utilities Commission (SFPUC) easement running through the northern border of the site. The report recommended that the proposed project be supported on a drilled-in-place pile foundation; pile driving would not be included in the proposed project. The proposed project is subject to review by the SFPUC Real Estate Services Division, which will, prior to construction, and subsequent to engineering review, issue a consent letter that would authorize work within the easement. The consent letter will contain insurance requirements, notification procedures, and other requirements and measures for the protection of SFPUC assets.³⁹ The project sponsor will have to sign and return the letter and provide proof of insurance before construction can begin. With the issuance of the consent letter, and the letter's requirements, any potential impacts to SFPUC infrastructure would be reduced to less-than-significant levels.

The project is required to conform to the San Francisco Building Code, which ensures the safety of all new construction in the City. DBI will review the project-specific geotechnical report during its review of the building permit for the project. In addition, DBI may require additional site specific soils report(s) through the building permit application process, as needed. The DBI requirement for a geotechnical report and review of the building permit application pursuant to DBI's implementation of the Building Code would ensure that the proposed project would have no significant impacts related to soils, seismic or other geological hazards.

In light of the above, the proposed project would not result in a significant effect related to seismic and geologic hazards. Therefore, the proposed project would not result in significant impacts related to geology and soils that were not identified in the Eastern Neighborhoods PEIR, and no mitigation measures are necessary.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
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14. HYDROLOGY AND WATER QUALITY—Would the project:

- | | | | | |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| a) Violate any water quality standards or waste discharge requirements? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|

³⁹ SF Public Utilities Commission, *Email to Justin Horner, Planning Department*, June 5, 2018.

<i>Topics:</i>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact on hydrology and water quality, including the combined sewer system and the potential for combined sewer outflows. No mitigation measures were identified in the PEIR.

The project site is currently fully developed and is entirely covered with impervious surfaces. The proposed project would include construction of a 4-story mixed use building that would mostly cover the project site. The proposed project would include some landscaped open space at the ground floor, thereby resulting in a net decrease in impervious surface on the project site. As a result, the proposed project would not increase stormwater runoff.

Therefore, the proposed project would not result in any significant impacts related to hydrology and water quality that were not identified in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
15. HAZARDS AND HAZARDOUS MATERIALS—Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury, or death involving fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR noted that implementation of any of the proposed project’s rezoning options would encourage construction of new development within the project area. The PEIR found that there is a high potential to encounter hazardous materials during construction activities in many parts of the project area because of the presence of 1906 earthquake fill, previous and current land uses associated with the use of hazardous materials, and known or suspected hazardous materials cleanup cases. However, the PEIR found that existing regulations for facility closure, Under Storage Tank (UST) closure, and investigation and cleanup of soil and groundwater would ensure implementation of measures to protect workers and the community from exposure to hazardous materials during construction.

Hazardous Building Materials

The Eastern Neighborhoods PEIR determined that future development in the Plan Area may involve demolition or renovation of existing structures containing hazardous building materials. Some building

materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials addressed in the PEIR include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. The Eastern Neighborhoods PEIR identified a significant impact associated with hazardous building materials including PCBs, DEHP, and mercury and determined that Mitigation Measure L-1: Hazardous Building Materials, as outlined below, would reduce effects to a less-than-significant level. Because the proposed development includes demolition of an existing building, **Project Mitigation Measure 6: Hazardous Building Materials** (which would implement Eastern Neighborhoods PEIR Mitigation Measure L-1) would apply to the proposed project. See full text of **Project Mitigation Measure 6: Hazardous Building Materials** in the Mitigation Measures Section below.

Soil and Groundwater Contamination

Since certification of the PEIR, Article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the City where there is potential to encounter hazardous materials, primarily in industrial zoning districts, sites with industrial uses or underground storage tanks, sites with historic bay fill, and sites in close proximity to freeways or underground storage tanks. The over-arching goal of the Maher Ordinance is to protect public health and safety by requiring appropriate handling, treatment, disposal and when necessary, remediation of contaminated soils that are encountered in the building construction process. Projects that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater within Eastern Neighborhoods Plan area are subject to this ordinance.

The proposed project would include excavation on a site associated with the use and/or storage of hazardous materials. Therefore, the project is subject to Article 22A of the Health Code, also known as the Maher Ordinance, which is administered and overseen by DPH. The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a Phase I Environmental Site Assessment (ESA) that meets the requirements of Health Code Section 22.A.6.

The Phase I ESA would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor may be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances in excess of state or federal standards, the project sponsor is required to submit a site mitigation plan (SMP) to the DPH or other appropriate state or federal agency(ies), and to remediate any site contamination in accordance with an approved SMP prior to the issuance of any building permit.

In compliance with the Maher Ordinance, the project sponsor has submitted a Maher Application to DPH and a Phase I ESA has been prepared to assess the potential for site contamination.⁴⁰ According to the Phase I ESA, the project site does not contain any Recognized Environmental Conditions, Controlled Recognized Environmental Conditions, Vapor Encroachment Conditions, Historic Recognized

⁴⁰ Harris and Lee Environmental Sciences LLC, *All Appropriate Inquiry-Phase I Environmental Site Assessment 552 Berry St and 1 De Haro St San Francisco*, June 1, 2016.

Environmental Conditions, or Activity or Use Limitations. The Phase I ESA does note that the project site contains a shed located adjacent to a former underground storage tank which may contain a pump and piping to the underground storage tank. The warehouse at 1 De Haro was formerly used for truck repair for many years, from at least 1949 to 1974, although there was no evidence of any vehicle repair-related hazardous material releases during the site inspection.

The proposed project would be required to remediate potential soil and groundwater contamination described above in accordance with Article 22A of the Health Code. Therefore, the proposed project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

Therefore, the proposed project would not result in significant impacts related to hazards or hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
16. MINERAL AND ENERGY RESOURCES—Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that the Area Plan would facilitate the construction of both new residential units and commercial buildings. Development of these uses would not result in use of large amounts of fuel, water, or energy in a wasteful manner or in the context of energy use throughout the City and region. The energy demand for individual buildings would be typical for such projects and would meet, or exceed, current state and local codes and standards concerning energy consumption, including Title 24 of the California Code of Regulations enforced by DBI. The Plan Area does not include any natural resources routinely extracted and the rezoning does not result in any natural resource extraction programs. Therefore, the Eastern Neighborhoods PEIR concluded that implementation of the Area Plans would not result in a significant impact on mineral and energy resources. No mitigation measures were identified in the PEIR.

As the proposed project is located within the Showplace Square/Potrero Hill Area Plan and would be required to meet energy requirements in Title 24 and the San Francisco Green Building Ordinance, there would be no additional impacts on mineral and energy resources beyond those analyzed in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Significant Impact Peculiar to Project or Project Site</i>	<i>Significant Impact not Identified in PEIR</i>	<i>Significant Impact due to Substantial New Information</i>	<i>No Significant Impact not Previously Identified in PEIR</i>
17. AGRICULTURE AND FOREST RESOURCES:—Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Eastern Neighborhoods PEIR determined that no agricultural resources exist in the Area Plan; therefore the rezoning and community plans would have no effect on agricultural resources. No mitigation measures were identified in the PEIR. The Eastern Neighborhoods PEIR did not analyze the effects on forest resources.

As the proposed project is located on a developed lot in the Showplace Square/Potrero Hill Area Plan, there would be no additional impacts on agriculture and forest resources beyond those analyzed in the Eastern Neighborhoods PEIR.

MITIGATION MEASURES

Project Mitigation Measure 1: Archeology -- Accidental Discovery

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, etc.); 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 an archeological consultant from the pool of qualified archeological consultants maintained by the Planning Department archaeologist. 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 archeological 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 (EP) 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 describes 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 one bound copy, one unbound copy and one unlocked, searchable PDF copy on CD 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: Construction Noise

The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

- Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses;
- Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site;

- Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses;
- Monitor the effectiveness of noise attenuation measures by taking noise measurements; and
- Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed.

Project Mitigation Measure 3: Operational Noise

The project sponsor shall ensure that the proposed project is designed such that exterior assemblies meet an STC rating of at least 27.

Project Mitigation Measure 4: Construction Air Quality

The project sponsor or the project sponsor's Contractor shall comply with the following

A. Engine Requirements.

1. All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 2 off-road emission standards, and have been retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy. Equipment with engines meeting Tier 4 Interim or Tier 4 Final off-road emission standards automatically meet this requirement.
2. Where access to alternative sources of power are available, portable diesel engines shall be prohibited.
3. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than two minutes, at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The Contractor shall post legible and visible signs in English, Spanish, and Chinese, in designated queuing areas and at the construction site to remind operators of the two minute idling limit.
4. The Contractor shall instruct construction workers and equipment operators on the maintenance and tuning of construction equipment, and require that such workers and operators properly maintain and tune equipment in accordance with manufacturer specifications.

B. Waivers.

1. The Planning Department's Environmental Review Officer or designee (ERO) may waive the alternative source of power requirement of Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the

ERO grants the waiver, the Contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).

2. The ERO may waive the equipment requirements of Subsection (A)(1) if: a particular piece of off-road equipment with an ARB Level 3 VDECS is technically not feasible; the equipment would not produce desired emissions reduction due to expected operating modes; installation of the equipment would create a safety hazard or impaired visibility for the operator; or, there is a compelling emergency need to use off-road equipment that is not retrofitted with an ARB Level 3 VDECS. If the ERO grants the waiver, the Contractor must use the next cleanest piece of off-road equipment, according to Table below.

Table – Off-Road Equipment Compliance Step-down Schedule

Compliance Alternative	Engine Emission Standard	Emissions Control
1	Tier 2	ARB Level 2 VDECS
2	Tier 2	ARB Level 1 VDECS
3	Tier 2	Alternative Fuel*

How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor would need to meet Compliance Alternative

1. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 1, then the Contractor must meet Compliance Alternative 2. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 2, then the Contractor must meet Compliance Alternative 3.

** Alternative fuels are not a VDECS.

- C. *Construction Emissions Minimization Plan.* Before starting on-site construction activities, the Contractor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval. The Plan shall state, in reasonable detail, how the Contractor will meet the requirements of Section A.
 1. The Plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, the description may include: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used.
 2. The project sponsor shall ensure that all applicable requirements of the Plan have been incorporated into the contract specifications. The Plan shall include a certification statement that the Contractor agrees to comply fully with the

- Plan.
3. The Contractor shall make the Plan available to the public for review on-site during working hours. The Contractor shall post at the construction site a legible and visible sign summarizing the Plan. The sign shall also state that the public may ask to inspect the Plan for the project at any time during working hours and shall explain how to request to inspect the Plan. The Contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right-of-way.
- D. *Monitoring.* After start of Construction Activities, the Contractor shall submit quarterly reports to the ERO documenting compliance with the Plan. After completion of construction activities and prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the Plan.

Project Mitigation Measure 5: Best Available Control Technology for Diesel Generators

The project sponsor shall ensure that all backup diesel generators located at the proposed project meet or exceed one of the following emission standards for particulate matter: (1) Tier 4 certified engine, or (2) Tier 2 or Tier 3 certified engine that is equipped with a California Air Resources Board (ARB) Level 3 Verified Diesel Emissions Control Strategy (VDECS). A non-verified diesel emission control strategy may be used if the filter has the same particulate matter reduction as the identical ARB verified model and if the Bay Area Air Quality Management District (BAAQMD) approves of its use. The project sponsor shall submit documentation of compliance with the BAAQMD New Source Review permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emission standard requirement of this mitigation measure to the Planning Department for review and approval prior to issuance of a permit for a backup diesel generator from any City agency.

Project Mitigation Measure 6: Hazardous Building Materials

The project sponsor shall 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.



SAN FRANCISCO PLANNING DEPARTMENT

Land Use Information

PROJECT ADDRESS: 1 DE HARO ST/552 BERRY ST
RECORD NO.: 2015-015010CUA/OFA

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

	EXISTING	PROPOSED	NET NEW
GROSS SQUARE FOOTAGE (GSF)			
Lot Area	43,350	-	-
Residential	-	-	-
Commercial/Retail	-	-	-
Office	-	86,301	86,301
Industrial/PDR <i>Production, Distribution, & Repair</i>	10,620	43,318	32,698
Parking	-	2,520	2,520
Usable Open Space	-	6,500+	6,500+
Public Open Space	-	4,000+	4,000+
Other ()			
TOTAL GSF	10,620	129,619	118,999
	EXISTING	NET NEW	TOTALS
PROJECT FEATURES (Units or Amounts)			
Dwelling Units - Market Rate	-	-	-
Dwelling Units - Affordable	-	-	-
Hotel Rooms	-	-	-
Parking Spaces	-	14	14
Loading Spaces	-	2	2
Car Share Spaces	-	-	-
Bicycle Spaces	-	36	36
Number of Buildings	3	1	1
Number of Stories	1	4	4
Height of Building(s)	25 ft.	58 ft.	58 ft.
Other ()			



SAN FRANCISCO
PLANNING
DEPARTMENT

AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM

Administrative Code

Chapter 83

1650 Mission Street, Suite 400 • San Francisco CA 94103-2479 • 415.558.6378 • <http://www.sfplanning.org>

Section 1: Project Information

PROJECT ADDRESS		BLOCK/LOT(S)	
552 Berry St. / 1 De Haro St.		3800 / 003 + 004	
BUILDING PERMIT APPLICATION NO.	CASE NO. (IF APPLICABLE)	MOTION NO. (IF APPLICABLE)	
	2015-015010		
PROJECT SPONSOR	MAIN CONTACT	PHONE	
One De Haro, LLC c/o SKS Partners, LLC	John Fisher	415 421 8200	
ADDRESS			
601 California St., Suite 1310			
CITY, STATE, ZIP		EMAIL	
San Francisco, CA 94108		jfisher@sksre.com	
ESTIMATED RESIDENTIAL UNITS	ESTIMATED SQ FT COMMERCIAL SPACE	ESTIMATED HEIGHT/FLOORS	ESTIMATED CONSTRUCTION COST
0	127,150 SF	58' - 0" / 4 floors	\$25,000,000.00
ANTICIPATED START DATE			
July 1, 2018			

Section 2: First Source Hiring Program Verification

CHECK ALL BOXES APPLICABLE TO THIS PROJECT	
<input type="checkbox"/>	Project is wholly Residential
<input type="checkbox"/>	Project is wholly Commercial
<input checked="" type="checkbox"/>	Project is Mixed Use
<input type="checkbox"/>	A: The project consists of ten (10) or more residential units;
<input checked="" type="checkbox"/>	B: The project consists of 25,000 square feet or more gross commercial floor area.
<input type="checkbox"/>	C: Neither 1A nor 1B apply.

NOTES:

- If you checked **C**, this project is **NOT** subject to the First Source Hiring Program. Sign Section 4: Declaration of Sponsor of Project and submit to the Planning Department.
- If you checked **A** or **B**, your project **IS** subject to the First Source Hiring Program. Please complete the reverse of this document, sign, and submit to the Planning Department prior to any Planning Commission hearing. If principally permitted, Planning Department approval of the Site Permit is required for all projects subject to Administrative Code Chapter 83.
- For questions, please contact OEWD's CityBuild program at CityBuild@sfgov.org or (415) 701-4848. For more information about the First Source Hiring Program visit www.workforcedevelopmentsf.org
- If the project is subject to the First Source Hiring Program, you are required to execute a Memorandum of Understanding (MOU) with OEWD's CityBuild program prior to receiving construction permits from Department of Building Inspection.

Continued...

Section 3: First Source Hiring Program – Workforce Projection

Per Section 83.11 of Administrative Code Chapter 83, it is the developer’s responsibility to complete the following information to the best of their knowledge.

Provide the estimated number of employees from each construction trade to be used on the project, indicating how many are entry and/or apprentice level as well as the anticipated wage for these positions.

Check the anticipated trade(s) and provide accompanying information (Select all that apply):

TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS	TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS		
Abatement Laborer	\$42.97	0	1	Laborer	\$53.79	1	8		
Boilermaker	\$81.63	0	0	Operating Engineer	\$76.03	0	2		
Bricklayer	\$70.40	1	5	Painter	\$68.40	1	4		
Carpenter	\$75.30	2	14	Pile Driver	\$77.71	1	8		
Cement Mason	\$59.01	1	5	Plasterer	\$68.84	0	6		
Drywall/Latherer	\$76.39	1	8	Plumber and Pipefitter	\$113.90	1	3		
Electrician	\$98.70	1	8	Roofer/Water proofer	\$60.95	0	6		
Elevator Constructor	\$99.14	0	2	Sheet Metal Worker	\$70.12	1	5		
Floor Coverer	\$72.32	0	4	Sprinkler Fitter	\$90.94	1	1		
Glazier	\$74.55	1	8	Taper	\$70.35	1	4		
Heat & Frost Insulator	\$87.72	0	2	Tile Layer/ Finisher	\$64.29	1	1		
Ironworker	\$66.46	1	10	Other:					
			TOTAL:				67	TOTAL:	48

1. Will the anticipated employee compensation by trade be consistent with area Prevailing Wage? YES NO
2. Will the awarded contractor(s) participate in an apprenticeship program approved by the State of California’s Department of Industrial Relations? YES NO
3. Will hiring and retention goals for apprentices be established? YES NO
4. What is the estimated number of local residents to be hired? 37

Section 4: Declaration of Sponsor of Principal Project

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	EMAIL	PHONE NUMBER
Daniel Kingsley, Manager	dkingsley@sksr.com	415.421.8200

I HEREBY DECLARE THAT THE INFORMATION PROVIDED HEREIN IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT I COORDINATED WITH OEWD'S CITYBUILD PROGRAM TO SATISFY THE REQUIREMENTS OF ADMINISTRATIVE CODE CHAPTER 83.

 (SIGNATURE OF AUTHORIZED REPRESENTATIVE) 11/29/17 (DATE)

FOR PLANNING DEPARTMENT STAFF ONLY: PLEASE EMAIL AN ELECTRONIC COPY OF THE COMPLETED AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM TO OEWD'S CITYBUILD PROGRAM AT CITYBUILD@SFGOV.ORG

Cc: Office of Economic and Workforce Development, CityBuild
 Address: 1 South Van Ness 5th Floor San Francisco, CA 94103 Phone: 415-701-4848
 Website: www.workforcedevelopmentsf.org Email: CityBuild@sfgov.org



SKS Partners, LLC
601 California St., Suite 1310
San Francisco, CA 94108
415.421.8200

One De Haro Sponsor Packet (Case No. 2015.015010 E CUA OFA)

Table of Contents

- I. Project Introduction Letter Brief (prepared by J. Gregg Miller Jr. of Coblenz Ptach Duffy & Bass LLP, dated June 6, 2018)
- II. PDR Business Plan (prepared by SKS Partners, dated June 5, 2018)
- III. Community Letters of Support
- IV. Project “Planning Commission Presentation” (prepared by Pfau Long Architecture, dated May 3, 2018)

J. Gregg Miller, Jr.
D (415) 772-5736
gmiller@coblentzlaw.com

June 6, 2018

Rich Hillis, President
San Francisco Planning Commission
1650 Mission Street, 4th Floor, Suite 400
San Francisco, CA 94103

Re: 552 Berry Street/ One De Haro, Case No. 2015.015010ECUAOFA.

Dear President Hillis and Honorable Commissioners:

We submit this letter on behalf of the Project Sponsor, One De Haro, LLC. We respectfully request that you grant conditional use authorization and approve a "large cap" office allocation for the proposed project – a four story, mixed use building that will contain approximately 86,301 sq. ft. of office space and 43,318 sq. ft. of PDR space.

I. Project Summary

A. Background

The proposed project is located on the site of a former gravel supply company that has not operated at the site since 2015. The Nicolai family, which has owned the property for three generations, approached the Project Sponsor to create a joint venture after the family closed the gravel business. The Nicolai family will maintain an ownership interest in the Project after entitlement.

The proposed project would demolish the functionally obsolete, existing storage sheds and back-office building and construct an approximately 130,000 sq.ft. building, containing approximately 86,301 sq.ft. of office space and 43,318 sq.ft. of PDR space. Project Sponsor will provide approximately 10,500 sq.ft. of the PDR space at below-market rate rents to Humanmade, a workforce training and education non-profit with a focus on democratizing advanced manufacturing skills.

The proposed project is proceeding under Section 210.3C of the Planning Code. Added to the Planning Code in 2014 for a three-year test period, this Commission recently voted to make Section 210.3C a permanent part of the Code. Section 210.3C provides for construction of new office and PDR space in PDR-1-G Districts with a Conditional Use Authorization if certain criteria are met, including then-existing FAR of 0.3 or less and creation of a PDR Business Plan "to maximize the potential for the project to produce new PDR space that is viable and affordable" (§§210.C3(b)(3) and (9)). In addition, §210.C3 requires that at least one-third of the total gross floor area developed on the parcel contain PDR uses.

June 6, 2018
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The proposed project is located in the PDR-1-G zoning district, in a 58-X height-bulk district, in the Eastern Neighborhoods Plan Area and within the boundaries of the Showplace Square/Potrero Hill Area Plan.

On April 22, 2016, the Zoning Administrator issued a Letter of Determination in which he determined that the property had a FAR of under 0.3 to 1 and, therefore, that the property is eligible to seek approvals under Section 210.3C. The Letter of Determination is attached to this letter at Exhibit A.

On December 11, 2015, Project Sponsor submitted its PPA application for the proposed project. On September 6, 2016, the Planning Department issued its PPA response letter. Since submitting its PPA application, Project Sponsor has worked closely with the Planning Department, neighbors, stakeholders, and SFMade to refine the proposed project.

The Project Sponsor and its representatives held a Pre-Application meeting on June 26, 2017. In subsequent meetings, the Project Sponsor met with members of the community and community groups on numerous separate occasions. A table of the meeting attendees and dates can be seen below. In addition, the Project Sponsor has provided detailed responses to follow-up questions from community members. Elements of the building design have been modified to be responsive to community feedback, including the addition of POPOS, adding an extra loading door on Berry Street, and increasing the number of passenger loading spaces on De Haro Street. The Project Sponsor has received several letters of support for the Project.

One De Haro Outreach Tracking

Date	Attendees	Topic
05/22/18	888 7th Street Residents	Technical studies presentation and discussion
04/26/18	Community Meeting #2	Project presentation
04/24/18	Potrero Boosters Members	Project presentation
04/23/18	888 7th Street HOA	Project presentation
03/29/18	888 7th Street Residents	Property Management, homeless persons encampment resolution
02/01/18	888 7th Street HOA	Letter response to questions
01/05/18	SFMade	PDR Business Plan discussion
10/17/17	888 7th Street HOA	Project presentation
09/20/17	Potrero Boosters Dev. Comm.	Project presentation
08/30/17	888 7th Street Residents	POPOS Design, Property Management
07/11/17	Friends of Jackson Park	Project introduction
06/26/17	Pre-Application Meeting	Project presentation
06/21/17	Potrero Boosters Leadership	Project introduction
06/19/17	SFMade	Project introduction
05/23/17	Walk SF	Project introduction

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B. Community Benefits of the Proposed Project

In addition to creating new PDR space to accommodate the needs of San Francisco's growing PDR sector, the proposed project would provide numerous community benefits, including the following:

- Over \$6,400,000.00 in development impact fees
- Approximately 10,500 sq.ft. of PDR space for use at a below-market rate by Humanmade, a workforce training and education non-profit that provides job training skills to people in economically marginalized local communities to prepare them for jobs in the PDR sector
- Approximately 2,200 sq. ft. of publicly accessible, privately-owned open space
- 36 Class 1 bicycle parking spaces and 24 Class 2 bicycle parking spaces, as well as 24 clothes lockers and 4 showers
- Compliance with a TDM program
- Realignment and improvement to the Division, De Haro and King Street intersection, which has been considered one of the most dangerous for pedestrians by Walk SF, per SFMTA's direction with input by Walk SF
- New sidewalks and street trees on both building frontages, including traffic calming and pedestrian safety improvements
- Compliance with San Francisco's First Source Hiring program
- A new, state-of-the art PDR/Office building, constructed of cross-laminated-timber (CLT), that will include solar panels and a green roof and will seek to meet LEED Gold certification
- The first multi-story CLT building in San Francisco -- it will have tremendous safety benefits. The San Francisco Firefighters Union (Local 798) strongly supports the Project.

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II. CEQA Review

The Project has undergone careful environmental review under CEQA, resulting in a Certificate of Determination ("Determination") that the Project is exempt from Environmental Review (i.e., the "Community Plan Exemption").

After almost a decade of planning, community outreach, and public review, the Planning Commission certified the EIR for the Eastern Neighborhoods re-zoning in August 2008 and the Board of Supervisors adopted the Eastern Neighborhoods Plan, including the Showplace Square/Potrero Hill Area Plan, in December 2008. The Eastern Neighborhoods Plan included changes to existing zoning and height and bulk districts in some areas, including the Project site.

Project-specific studies were prepared for the proposed Project to determine whether the Project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods EIR. The Determination and CPE evaluate the potential project-specific environmental effects of the Project and conclude that the proposed Project is consistent with and was encompassed within the analysis in the Eastern Neighborhoods EIR. The Determination also finds that the Eastern Neighborhoods EIR adequately anticipated and described the impacts of the proposed Project and identified the mitigation measures applicable to the Project.

In addition to the studies required for the Determination and CPE, the Project Sponsor commissioned several technical studies at the request of the residents at the adjacent condominium project at 888 7th Street. These studies examined the noise, shadow, glare, and privacy effects of the Project on 888 7th Street and revealed there will be no meaningful negative effects. These studies were shared with residents at 888 7th St. on May 22, 2018.

III. Planning Code Approvals Requested – Planning Code §§210.3C, 303 and 320-322

A. Conditional Use Authorization -- §§210.3C and 303

Section 210.3C requires conditional use authorization under §303. For the reasons stated in the attached Exhibit B (Sections 210.3C and 303 Conditional Use Findings; Priority General Plan Policies Findings), the proposed project satisfies the requirements for granting conditional use authorization. As such, we respectfully ask the Planning Commission to grant conditional use authorization for the proposed project.

B. Office Allocation -- §§320-322

The project requires an allocation of 86,301 sq.ft. from the so-called "large cap" pool of available office square footage under §321. According to the Department's January 12, 2018 Office

June 6, 2018
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Development Annual Limitation Program summary, there are 2,032,886 gross square feet ("gsf") of office allocation space currently available for large allocation projects (those of 50,000 gsf or larger). Although there is a large deficit of office square footage available for allocation when "pending" and "pre-application" projects are taken into account, the proposed project only represents approximately 4.2% of the currently available large cap office allocation. The proposed project's requested allocation is also the smallest allocation request among the eight other projects that have a Section 321 application on file as of January 12, 2018. The next smallest application is approximately 34,000 sq.ft. larger than the proposed project. However, if approved, then, in addition to providing new office space, the proposed project will provide much-needed, modern PDR space to accommodate San Francisco's growing PDR sector. For the foregoing reasons and for the reasons set forth in the attached Exhibit C (Section 321 Findings; Priority General Plan Policies Findings), the Project Sponsor respectfully requests that the Commission authorize the requested office allocation.

C. PDR Business Plan - §210.3C

The Project Sponsor has worked carefully with the City's Office of Economic and Workforce Development, with consultation by SFMade, to prepare the proposed project's PDR Business Plan, as required under §210.3C. This Plan solidifies the Project Sponsor's commitment to leasing 10,500 square feet of the Project to Humanmade at a below-market rate rent, outlines a leasing strategy for the remaining PDR space in the Project, and reinforces the Project Sponsor's intention to adhere to the City's workforce development and First Source Hiring goals. OEWD has reviewed and approved the Plan.

IV. Reasons to Approve the Proposed Project

A. The Proposed Project is Consistent with the Applicable Zoning

The proposed project is consistent with the applicable PDR-1-G zoning and 58-X height and bulk district. The Project Sponsor is not requesting any changes to the applicable zoning, height or bulk limits. This Commission recently voted to do away with the sunset clause in §210.3C. In so doing, this Commission expressed its support generally for projects that can satisfy the requirements of §210.3C. The proposed project is the first project under §210.3C to come before this Commission since the vote to renew §210.3C.

B. The Proposed Project would Create a New, State-of-the Art, Energy Efficient, Seismically-Sound PDR Building that would Help to Retain Light Industrial Jobs in the City and Promote the Growth of New Light Industrial Jobs

One of the major public policy goals of the City's re-zoning of the Eastern Neighborhoods is to preserve large areas of the City for light industrial uses, such as those described in the PDR-1-G zoning controls. Approval of the proposed project would be consistent with and would affirm

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Page 6

the City's policies that support the continuation of existing, and creation of new, light industrial uses in areas zoned for such uses and the light industrial jobs associated with such uses. Further, the Project will be built using 100% Union construction labor.

The proposed project would replace functionally obsolete buildings and create approximately 43,318 square feet of new, state-of-the-art PDR space in a new building constructed using CLT and pursuant to current building codes and other applicable City-standards, including solar panels, a green roof, and various energy and water conservation features. Additionally, the corner of Berry Street and De Haro Street will be improved with a well detailed and architecturally appropriate building designed by Pfau Long Architects, a local firm with longstanding experience in the immediate neighborhood. This acute corner, which also marks the gateway to Showplace Square, will be accentuated with the construction of the Project. The proposed design will use glass and wood to feature this intersection as a unique urban design feature in the City topography.

The Project Sponsor would provide approximately 10,500 sq. ft. of space to Humanmade at below-market rate rents. Humanmade's program, with curriculum developed by leaders in the "maker" community, seeks to democratize the skills and tools necessary to participate in the growing advanced manufacturing sector. "With pathway in and pathway out partnerships, [Humanmade will] get people on the market for employment in as little as four weeks vs. a traditional four-year program, where they only spend about a month of that time on actual machines. Therefore, [Humanmade] will be creating more market ready, qualified employees faster than ever before." For more information on the Humanmade program, please see the attached Exhibit D.

* * *

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V. Conclusion

For the reasons set forth above and in Exhibits A through D attached hereto, we respectfully request that the Planning Commission grant conditional use authorization for the proposed project and authorize the requested allocation of office square footage from the pool of "large cap" office square footage.

Respectfully submitted,

GREGG MILLER

Gregg Miller

Attachments

Exhibit A – Letter of Determination (dated 4/22/16)
Exhibit B – Conditional Use Authorization Findings (dated 4/16/18)
Exhibit C – Office Allocation Application Guidelines (dated 4/16/18)
Exhibit D – Humanmade "Call to Action" (dated 5/18)

cc: Myrna Melgar, Commission Vice President
Rodney Fong, Commissioner
Millicent Johnson, Commissioner
Joel Koppel, Commissioner
Katherin Moore, Commissioner
Dennis Richards, Commissioner
Doug Vu, San Francisco Planning Department

Exhibit A
Letter of Determination



SAN FRANCISCO PLANNING DEPARTMENT

Letter of Determination

April 22, 2016

Lawrence Badiner
Badiner Urban Planning, Inc.
95 Brady Street
San Francisco, CA 94103

Site Address: 552 Berry Street (aka 1 De Haro Street)
Assessor's Block/Lot: 3800/003 and 004
Zoning District: PDR-1-G (Production, Distribution & Repair -1- General)
Staff Contact: Corey Teague, (415) 575-9081 corey.teague@sfgov.org
Record No.: 2015-015010ZAD

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Dear Mr. Badiner:

This letter is in response to your request for a Letter of Determination regarding the property at 552 Berry Street (aka 1 De Haro Street). This property is located within the PDR-1-G Zoning District and 58-X Height and Bulk District. The request is to confirm that the subject property has a Floor Area Ratio (FAR) of under 0.3 to 1 and is therefore eligible for the provision in Planning Code Section 210.3C (formerly Section 219.1).

Planning Code Section 210.3C allows for certain non-residential uses, such as office and institutional uses, to subsidize and support the development of new Production, Distribution, and Repair (PDR) space in the PDR-1-D and PDR-1-G districts so long as the proportion of gross floor area on the site dedicated to PDR uses remains at least 1/3 of the total gross floor area on the parcel. In order for this code section to be applicable, parcels must meet all of the following criteria as outlined in Section 210.3C(b):

- Are located in either the PDR-1-D or PDR-1-G Districts; and
- Are located north of 20th Street; and
- Contain a floor area ratio of 0.3 gross floor area or less as of January 1, 2014; and
- Are 20,000 square feet or larger.

You submitted a Letter of Determination request letter on October 26, 2015 and a supplemental request on February 3, 2016. Those letters state that the subject property was occupied by the San Francisco Gravel Company from the 1920s until recently and is comprised of several unenclosed storage sheds, warehouses, and open gravel bunkers, more than half of which were built without building permits throughout the decades. Your letter analyzed the buildings' permit history, and according to your findings, only three roofed structures on this site have documented building permits and thus may be the only buildings that contribute to the site's FAR. The remaining structures were built without benefit of a building permit and therefore may not contribute to the site's FAR.

Lawrence Badiner
Badiner Urban Planning, Inc.
95 Brady Street
San Francisco, CA 94103

April 22, 2016
Letter of Determination
552 Berry Street (aka 1 De Haro Street)

Your submittal also makes a case that a majority of the structures on the site, or portions of the structures, do not meet the definition of Gross Floor Area, per Planning Code Section 102. This is due to the fact that the structures are not enclosed, or that they contain accessory loading area that is excluded from the definition of Gross Floor Area.

More specifically, per Table A and Exhibit B of your February 3, 2016 submittal, accessory off-street loading space in Buildings A, I, J, and K should be excluded from the definition of Gross Floor Area. Additionally, you state that Buildings B, C, D, F, and H should be excluded from the definition of Gross Floor Area because they are not enclosed buildings.

Per the definition of Gross Floor Area, per Planning Code Section 102, all accessory off-street loading spaces and maneuvering areas within buildings outside the C-3 zoning districts are excluded. Additionally, Gross Floor Area is "measured from the exterior faces of exterior walls or from the centerlines of walls separating two buildings." When buildings are not enclosed, there are not walls from which to take such a measurement.

Therefore, it is my determination that the accessory off-street loading and maneuvering space within Buildings A, I, J, and K, and the entirety of the unenclosed Buildings B, C, D, F, and H are not considered to be Gross Floor Area per Planning Code Section 102. If excluding these areas and buildings from Gross Floor Area results in a FAR of 0.3 or less, then the subject property would meet all the applicability requirements for Planning Code Section 210.3C(b), "Allowance For Uses to Support the Development of New PDR Space in the PDR-1-D and PDR-1-G Districts."

Please note that a Letter of Determination is a determination regarding the classification of uses and interpretation and applicability of the provisions of the Planning Code. This Letter of Determination is not a permit to commence any work or change occupancy. Permits from appropriate Departments must be secured before work is started or occupancy is changed.

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

Sincerely,



Scott F. Sanchez
Zoning Administrator

cc: Corey Teague, Assistant Zoning Administrator
Property Owner
Neighborhood Groups

Exhibit B
Conditional Use Authorization Findings

One De Haro – Conditional Use Findings (Conditional Use Authorization Supplement)

Pursuant to Planning Code Section 303(c), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below. In the space below and on separate paper, if necessary, please present facts sufficient to establish each finding.

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community; and

As proposed, One De Haro ("the Project") is compliant with the zoning established in the Eastern Neighborhoods Area Plan (Showplace Square/Potrero Hill District). The impacts of the Project have been studied through a Community Plan Exemption ("CPE") determination under the California Environmental Quality Act ("CEQA"). The Project's neighborhood has seen a recent influx of housing development. However, the creation of new office and PDR space has not kept up with demand, as evidenced by increasing rental rates in those asset classes. The combination of office and PDR use will add 86,301 SF of office space and 43,318 SF of PDR space (31,108 SF net added PDR space) and alleviate some market pressure. The proposed PDR and office uses will also host jobs to workers with a variety of skills. The Project Sponsor anticipates leasing approximately 10,500 SF of PDR space in the Project to an independent non-profit focused on education and job training in the manufacturing sector.

The Project is designed with strong consideration for its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants. The upper floors of the project will be constructed of cross-laminated-timber (CLT), creating a warm space that will enhance the urban realm. CLT is also a sustainable building technology, and One De Haro will be one of its first applications in the Bay Area. The building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building's users.

Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Additionally, the Project Sponsor worked with SFMTA and SFDPW to reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety.

The Project is near ample transportation options ("91 – Rider's Paradise" according to walkscore.com) and is connected to the City's extensive bicycle network ("99 – Biker's Paradise" according to walkscore.com).

2. That such use or feature as proposed will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity, or

injurious to property, improvements, or potential development in the vicinity, with respect to aspects including but not limited to the following:

- (a) The nature of the proposed site, including its size and shape, and the proposed size, shape, and arrangement of structures;

As proposed, the Project is compliant with the zoning established in the Eastern Neighborhoods Area Plan (Showplace Square/Potrero Hill District). Each façade of the Project is specifically designed to respond to the individual characteristics of their adjacent frontage. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants.

- (b) 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 accessibility and traffic impacts of the proposed PDR and office uses were studied in a CPE under CEQA. No significant accessibility or traffic impacts associated with those uses have been discovered. The Project will feature an interior "loading court" that will alleviate the need for disruptive on-street loading. In addition, the Project will have 3 white zones near the lobby entrance and a yellow loading zone on each frontage to allow for on-street loading that is not blocking traffic.

- (c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust, and odor;

The proposed PDR and office use will not produce any abnormal or offensive emissions. All potential noise and air quality impacts of the project were studied in the CPE, and mitigation measures were adopted where necessary.

- (d) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking, and loading areas, service areas, lighting, and signs; and

The proposed PDR and office uses comply with the zoning of the Eastern Neighborhoods Area Plan with regards to landscaping, screening, open spaces, parking, and loading areas, service areas, lighting, and signs. The parking area will be separated from the public realm in accordance with Code Section 142 and will have a landscaped buffer on all sides. Exterior lighting is designed in accordance with Title 24 and will not create undue light pollution for the neighborhood. Future tenant signage will comply with Section 602 and 607 of the Code.

3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan.

The Project will comply with the Code in all cases and no variances are being requested.

The site at One De Haro consists of several dilapidated open storage sheds and warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the existing improvements. The

proposed Project would transform this functionally obsolete site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood.

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, “[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant.” The office space requested in this Conditional Use Authorization enables the creation of 43,318 SF of PDR space in this neighborhood, nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. In addition, the PDR space dedicated to an education and workforce training non-profit will enhance the impact of the new building far beyond its walls.

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into a functionally obsolete property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site.

Additionally, One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes. The Project sponsor believes the proposed PDR and office uses will enhance the Showplace Square/Potrero Hill neighborhood as a model example of San Francisco's economic and environmental goals.

The Project will affirmatively promote, is consistent with, and will not adversely affect the General Plan, as follows:

COMMERCE AND INDUSTRY ELEMENT

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.

The Project will have a substantial net benefit to the City and neighborhood. The development will transform a functionally obsolete, low-density site into a 4-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services/amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels. An education and workforce training non-profit located in the building will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

POLICY 1.2

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Currently, the Project site is occupied by structures that are not up to minimal, reasonable performance standards. The proposed Project will create high quality PDR and office spaces that

will encourage economic growth, be of leading physical capacities, strive for environmental excellence, and offer positive social benefits through job creation.

POLICY 1.4

Establish commercial and industrial density limits as indicated in the Generalized Commercial and Industrial Density Plan map.

The Project adds density consistent with the use and FAR stipulated in the Land Use Plan and Density Plan maps.

POLICY 2.1

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

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into a functionally obsolete property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector.

POLICY 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

For a relatively small allocation of "large cap" Prop M office square footage, One De Haro maximizes public benefit. One De Haro seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. The Project Sponsor will also vet prospective tenants, identifying companies that will strive to put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce development non-profit, hiring directly from the organization's client pool. With the potential sponsoring of workforce development and skills training, future PDR and office tenants at One De Haro can bring hundreds of good paying positions to City, opening doors to the hands-on jobs of the future that do not require a college degree. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world.

POLICY 3.3

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

The Project Sponsor will encourage potential tenants to engage with the local population and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce development non-profit, hiring directly from the organization's client pool.

POLICY 3.4

Assist newly emerging economic activities.

By creating an adjacency between PDR and office uses, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in One De Haro will attract tenants that are setting the benchmark of innovation in San Francisco. In addition, an education and workforce training non-profit located in the building will instruct the local workforce in emerging economic activities, allowing potential tenants to draw on a field of quality workers.

OBJECTIVE 4

Improve the viability of existing industry in the city and the attractiveness of the city as a location for new industry.

The site at One De Haro consists of several dilapidated open storage sheds and warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the improvements at the site. The proposed Project would transform this functionally obsolete site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. By reconstructing the facilities at the property, the Project will improve the viability of existing industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. The clients of an education and workforce training non-profit located in the building will also add to the depth of employee pool for companies interested in doing business in the City.

POLICY 4.3

Carefully consider public actions that displace existing viable industrial firms.

The Project will not displace any permanent industrial firms. The San Francisco Gravel Company, which used to occupy the property, has ceased business operations as the owners have retired. The family property owners (and former proprietor of SF Gravel Co.) are now partners in a joint venture with the Project Sponsor, with the goal to convert the property from a functionally obsolete gravel yard into a legacy family asset.

URBAN DESIGN ELEMENT

POLICY 3.3

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

The Project is located at an intersection that holds neighborhood significance in Potrero Hill/Showplace Square. As cars and pedestrians exit the traffic circle intersection and head east on Division Street, the western façade of One De Haro will greet them. Currently, those travelers

are welcomed to the Potrero Hill neighborhood with the view of the decrepit warehouse at the site. The Project will project a vibrant image for one of the City's most dynamic neighborhoods.

Additionally, the corner of Berry Street and De Haro Street will receive the aesthetic facelift it needs direly. This acute corner, which also marks the gateway to Showplace Square, will be accentuated with the construction of the Project. The proposed design will use glass and wood to feature this intersection as a unique urban design feature in the City topography.

SHOWPLACE SQUARE/POTRERO AREA PLAN

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.

The Project will transform a functionally obsolete, low-density site into a 4-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services/amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels.

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a $\frac{1}{3}$ PDR, $\frac{2}{3}$ office mix, One De Haro's office space pays for the development of new PDR space, injecting life into a functionally obsolete property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. An education and workforce training non-profit located in the building will also provide opportunity for people in economically marginalized communities to access skills required to participate in San Francisco's growing manufacturing sector.

POLICY 1.1.3

Allow for active ground floor uses and a more neighborhood commercial character in newly designated mixed use areas within Showplace Square.

The Project is designed with strong consideration of its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses. The Berry Street frontage has five large overhead garage doors to allow for flexible access to the space by PDR tenants.

POLICY 1.1.5

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design, and administrative functions.

The site at One De Haro consists of several dilapidated open storage sheds and warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent

businesses operating at the Project site due to the poor quality of the existing improvements. The proposed Project would transform this functionally obsolete site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. By reconstructing the facilities at the property, the Project will improve the viability of existing industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. Potential PDR tenants of One De Haro could span from innovative companies that pioneer advanced technologies for medical equipment like Potrero Medical and Invuity, to landmark manufacturing for autonomous vehicle services like Cruise Automation.

For a relatively small allocation of “large cap” Prop M office square footage, One De Haro maximizes public benefit. One De Haro seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City’s growing manufacturing sector. The Project Sponsor will also vet prospective tenants, identifying companies that will put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project’s PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization’s client pool. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City’s edge as the innovation capital of the world.

OBJECTIVE 1.4

Support a role for “knowledge sector” businesses in appropriate portions of Showplace Square/Potrero Hill

The Project sponsor will encourage prospective tenants to collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project’s PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization’s client pool. By creating an adjacency between PDR and office uses, One De Haro will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in One De Haro will attract tenants that are setting the benchmark of innovation in San Francisco.

POLICY 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of Showplace Square/Potrero Hill.

The Project will contain both PDR and office uses. The combination of these spaces will encourage manufacturing while also supporting Knowledge Sector jobs.

POLICY 1.4.2

Allow Knowledge Sector office-type uses in portions of Showplace Square/Potrero Hill where it is appropriate.

The proposed office uses of the Project are appropriate at One De Haro due to the Project site’s adjacency to SOMA and Mission Bay. Additionally, the adjacency of the office uses to the new PDR space will encourage growth in PDR businesses and innovation.

POLICY 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

The site at One De Haro consists of several dilapidated open storage sheds and warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the improvements at the site. The proposed Project would transform this functionally obsolete site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood.

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into a functionally obsolete property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills.

POLICY 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

The Project provides significant flexibility for all tenants, offering generous ceiling heights on the ground floor (nearly 20') and upper floors (nearly 12'), large floor plates, and ample loading facilities on all building facades. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

POLICY 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project is designed with strong consideration for its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants. The upper floors of the project will be constructed of cross-laminated-timber (CLT), creating a warm space that will enhance the urban realm. CLT is also a sustainable building technology, and One De Haro will be one of its first applications in the Bay Area. The building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building's users.

Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building

tenants and passersby. Additionally, the Project Sponsor has engaged SFMTA and SFDPW and will reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety.

Additionally, One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes.

POLICY 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses. The Berry Street frontage has five large overhead garage doors to allow for flexible access to the space by PDR tenants. The ground floor PDR suites are of ample height (up to 20').

POLICY 3.2.3

Minimize the visual impact of parking.

The majority on-site parking will be shielded from the public right-of-way by landscaping and fencing. The loading court will be treated as a multi-use space, allowing tenants to enliven the space with outdoor activities while the area is not in use for freight loading and parking.

POLICY 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

POLICY 3.3.4

Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes. Additionally, the project will employ cross-laminated timber (CLT) construction, which is a highly sustainable material and novel construction type in this region. The Project will feature photovoltaic (PV) panels, highly efficient glass curtainwall, and significant landscaping to retain storm water.

POLICY 4.4.1

Provide an adequate amount of short-term, on-street curbside freight loading spaces throughout Showplace Square.

The Project streetscape plan has 3 short-term, on-street curbside freight loading spaces. These loading spaces are designed to minimize impact on traffic circulation and the pedestrian realm.

POLICY 4.4.2

Continue to require off-street facilities for freight loading and service vehicles in new large non-residential developments.

The Project will contain two off-street freight loading spaces, as required by the Planning Code.

POLICY 4.4.3

In areas with a significant number of PDR establishments, design streets and sidewalks to serve the needs and access requirements of trucks while maintaining a safe pedestrian environment.

POLICY 4.6.2

Prioritize pedestrian safety improvements at intersections and in areas with historically high frequencies of pedestrian injury collisions.

The Project streetscape plan will provide ample freight loading access while also greatly improving the pedestrian environment. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Additionally, the Project Sponsor has engaged SFMTA and SFDPW and will reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety. The Project Sponsor collaborated with Walk SF on the proposed streetscape design.

POLICY 5.2.3

Encourage private open space to be provided as common spaces for residents and workers of the building wherever possible.

The Project will feature an entrance court with plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety.

Pursuant to Planning Code Section 210.3C:

- (1) All projects seeking entitlement pursuant to this Section 210.3C shall be required to receive a Conditional Use authorization, per Section 303 of the Planning Code. In evaluating a proposed authorization under this Section, the Planning Commission shall consider:
 - (A) The likely viability of the new PDR space created by the development, as influenced by such factors as the content of the project sponsor's PDR Business Plan, and whether the project sponsor has the commitments of established PDR tenants and/or a demonstrated relationship with organizations established in the PDR community.

As stated in the PDR Business Plan, the Project Sponsor is confident in the viability of the new PDR space due to: 1) the high quality of the space; 2) the Project Sponsor's track record in leasing with PDR tenants, and; 3) the presence of an on-site education and workforce training non-profit, to which the Project Sponsor anticipates leasing some of the Project's PDR space.

The Project provides significant flexibility for PDR tenants, offering generous ceiling heights on the ground floor (nearly 20') and second floor (nearly 12') and large floor plates. The ground floor on De Haro Street features significant fenestration to accommodate potential accessory retail uses for PDR tenants. The Berry Street frontage has five large overhead

doors to allow for flexible access to the space by PDR tenants. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

The Project Sponsor has experience in leasing space to a variety of PDR tenants from jewelers (888 Brannan) to genetic testing laboratories (The McClintock Building) to autonomous vehicle pioneers (The McGuire Building). The future tenants at One De Haro could be just as diverse. The Project Sponsor will focus on all open leads for filling the PDR space in the building and the Project Sponsor has instructed the leasing broker, Newmark, to conduct a broad search for all eligible users.

The Project Sponsor anticipates leasing approximately 10,500 SF of the PDR space in the building to an education and workforce training non-profit to provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector. The client pool of this organization can also be drawn from by the building's future PDR tenants, as these people will have received the relevant training to be attractive candidates for new jobs.

- (B) Whether the project is an appropriate location and intensity for the proposed non-PDR use, including but not limited to whether the location of non-PDR uses would be compatible with or disruptive to PDR uses on the site and in the vicinity, recognizing that PDR uses may generate noise, vibrations, odors, trucking activity, or other PDR-related operational characteristics.

The non-PDR use in this Project, office, is appropriate in this neighborhood and will not be disrupted by the PDR use. Rather, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish through the adjacency between PDR and office uses. In addition, the flexible facilities in One De Haro will attract tenants that are setting the benchmark of innovation in San Francisco.

The Project is located at an intersection that holds neighborhood significance in Potrero Hill/Showplace Square. As cars and pedestrians exit the traffic circle intersection and head east on Division Street, the western façade of One De Haro will greet them. Currently, those travelers are welcomed to the Potrero Hill neighborhood with the view of the decrepit warehouse at the site. The Project will project a vibrant image for one of the City's most dynamic neighborhoods.

4. Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and

The Project proposes to provide new office and PDR space pursuant to Section 210.3C of the Planning Code. As required under Section 210.3C, the Project site is located in a PDR-1-G use district. As such, development of the Project is in conformity with the PDR-1-G zoning.

5. The use or feature satisfies any criteria specific to the use or feature in Subsections (g), et seq. of Section 303 of the Planning Code.

Not applicable.

One De Haro – Priority General Plan Policies Findings (Conditional Use Application Supplement)

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects and demolitions are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. IF A GIVEN POLICY DOES NOT APPLY TO YOUR PROJECT, EXPLAIN WHY IT DOES NOT.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The site at One De Haro (the "Project") currently consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. The existing site does not host any neighborhood-serving retail uses. The Project provides space facing De Haro Street and Berry Street that could accommodate individual retail uses as well as those accessory to the ground floor PDR suites. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead garage door openings to allow for flexible access to the space by PDR tenants.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

There is no existing housing on the site. One De Haro is located at the nexus of several neighborhoods, each with its own distinct character: Potrero Hill (an industrial past with a creative present), Showplace Square (the heart of San Francisco's design community), SOMA (the diverse home of vibrant communities and the technology industry), and Mission Bay (a leader in biotech and medical innovation). The Project aims to enhance the neighborhood character with its exterior design, while providing a flexible interior with the potential to host a multitude of users.

The intention of the Project is to draw on each of the surrounding neighborhoods' distinctive qualities while revitalizing a downtrodden site in a premier neighborhood location.

3. That the City's supply of affordable housing be preserved and enhanced;

There is no existing affordable housing on the site. The Project does not propose residential uses, and will be contributing Jobs-Housing Linkage impact fees associated with the construction of new PDR and office uses.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

The Project site is located in a transit-rich area of the City: it is in close proximity to several bus lines, Caltran (4th Street Station), and Muni Metro ("91 – Rider's Paradise" according to walkscore.com). In addition, the Project site is ideally located within the City's bike path network, connecting commuters to significant residential and retail nodes of the City ("99 – Biker's Paradise" according to walkscore.com). The location of the Project site and proximity to

multiple modes of public transit will serve to minimize the additional traffic impact of the Project. 10 parking spaces, 36 secure bicycle spaces, and 24 on-street bicycle parking spaces will be provided to minimize impact on neighborhood parking.

5. 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 Project will create 43,318 SF (a net increase of 31,108 SF) of industrial (PDR) uses. One De Haro upholds the purpose of Section 210.3C of the Planning Code by, “[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant or substantially underutilized and that do not contain significant PDR space that would be demolished.” With a 1/3 PDR activities 2/3 office space mix, One De Haro will protect and grow San Francisco’s PDR sector.

The Project Sponsor anticipates leasing approximately 10,500 SF of PDR space in the Project to an education and workforce training non-profit. This organization will provide opportunities for people in economically marginalized communities to gain the skills necessary to participate in San Francisco’s growing manufacturing sector. In addition, potential development of ground floor accessory retail uses would provide entry level jobs, thus increasing service sector employment opportunities currently available in the neighborhood.

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

The building will employ state of the art structural and seismic design, which will meet all aspects of the most up to date building, fire, accessibility, and life safety codes.

7. That landmarks and historic buildings be preserved; and

No existing buildings at the site are designated landmark buildings or rated historic and the site is not located within an historic district.

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

The project’s impact on any open space under the jurisdiction of the Recreation and Park Department or publicly accessible open spaces in the vicinity of the project were studied and mitigated as appropriate. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The Project Sponsor will be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage.

Exhibit C
Office Allocation Application Guidelines

One De Haro – Office Allocation Guidelines (Application for Office Allocation Supplement)

Pursuant to Planning Code Section 321, the Planning Commission shall approve only those office developments which promote the public welfare, convenience, and necessity. The following guidelines shall be considered by the Planning Commission during the approval process. Please respond to each guideline on this sheet or use another sheet if necessary.

1. Apportionment of the office space over the course of the approval period in order to maintain a balance between economic growth, on one hand, and housing, transportation and public services, on the other;

The site at One De Haro (the "Project") consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the improvements at the site. The proposed Project would transform this underutilized site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood.

The modest apportionment of office space in this instance would enable the project sponsor to create a dynamic development that includes increasing the amount of PDR on this site by nearly four times using Section 210.3C of the Planning Code. There are currently 2,032,886 SF of so-called "large cap" space available in the Office Development Annual Limitation Program (as of January 12, 2018). With a request of 86,301 SF, One De Haro would use 4.2% of the space available for allocation. One De Haro provides increased PDR space in the neighborhood without obtaining a significant allocation from the large cap pool. In addition, the Project Sponsor anticipates leasing approximately 10,500 SF of the Project's PDR space to an education and job training non-profit. This organization will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

The Project's neighborhood has seen a recent influx of housing development. However, the creation of new commercial and industrial space has not kept up with demand, as evidenced by increasing rental rates in those asset classes. The new PDR and office space in this location would help alleviate pressure on rents and locate jobs near housing. While the Project will not contain residential uses, the project sponsor will contribute Jobs-Housing Linkage impact fees.

The Project adds density in an appropriate location. One De Haro is near ample transportation options ("91 – Rider's Paradise" according to walkscore.com) and is connected to the City's extensive bicycle network ("99 – Biker's Paradise" according to walkscore.com). By replacing this underutilized, low-density gravel yard with a 4-story mixed-use building, jobs are being added in an area that is well served by transit and services. The Project will also contribute voluntary POPOS to increase the amount of usable open space in the area and help activate the adjacent street and public greenway, improving safety. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. Therefore, the Project will help maintain the balance between economic growth, housing, transportation, and public services.

2. The contribution of the office development to, and its effects on, the objectives and policies of the Master Plan;

The Project will affirmatively promote, is consistent with, and will not adversely affect the General Plan, as follows:

COMMERCE AND INDUSTRY ELEMENT

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.

The Project will have a substantial net benefit to the City and neighborhood. The development will transform a functionally obsolete, low-density site into a 4-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services/amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels. In addition, the Project Sponsor anticipates leasing approximately 10,500 SF of the Project's PDR space to an education and job training non-profit. This organization will provide opportunities for people in economically marginalized communities to obtain the skills necessary to participate in the City's growing manufacturing sector.

POLICY 1.2

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Currently, the Project site is occupied by structures that are not up to minimal, reasonable performance standards. The proposed Project will create high quality PDR and office spaces that will encourage economic growth, be of leading physical capacities, strive for environmental excellence, and offer positive social benefits through job creation.

POLICY 1.4

Establish commercial and industrial density limits as indicated in the Generalized Commercial and Industrial Density Plan map.

The Project adds density consistent with the use and FAR stipulated in the Land Use Plan and Density Plan maps.

POLICY 2.1

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

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into an underutilized property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. The

education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector.

POLICY 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

For a relatively small allocation of "large cap" Prop M office square footage, One De Haro maximizes public benefit. One De Haro seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. The Project Sponsor will also vet prospective tenants, identifying companies that will put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce development non-profit, hiring directly from the organization's client pool. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world.

POLICY 3.3

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

The Project Sponsor will encourage potential tenants to engage with the local population and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce development non-profit, hiring directly from the organization's client pool.

POLICY 3.4

Assist newly emerging economic activities.

By creating an adjacency between PDR and office uses, this Project will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in One De Haro will attract tenants that are setting the benchmark of innovation in San Francisco. In addition, an education and workforce training non-profit located in the building will instruct the local workforce in emerging economic activities, allowing potential tenants to draw on a field of quality workers.

OBJECTIVE 4

Improve the viability of existing industry in the city and the attractiveness of the city as a location for new industry.

The site at One De Haro consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the improvements at the site. The proposed Project would transform this underutilized site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. By reconstructing the facilities at the property, the Project will improve the viability of existing

industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. The clients of an education and workforce training non-profit located in the building will also add to the depth of the employee pool for companies interested in doing business in the City.

POLICY 4.3

Carefully consider public actions that displace existing viable industrial firms.

The Project will not displace any permanent industrial firms. The San Francisco Gravel Company, which used to occupy the property, has ceased business operations as the owners have retired. The family property owners (and former proprietor of SF Gravel Co.) are now partners in a joint venture with the Project Sponsor, with the goal to convert the property from a functionally obsolete gravel yard into a legacy family asset.

URBAN DESIGN ELEMENT

POLICY 3.3

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

The Project is located at an intersection that holds neighborhood significance in Potrero Hill/Showplace Square. As cars and pedestrians exit the traffic circle intersection and head east on Division Street, the western façade of One De Haro will greet them. Currently, those travelers are welcomed to the Potrero Hill neighborhood with the site of the decrepit warehouse at the site. The Project will project a vibrant image for one of the City's most dynamic neighborhoods.

Additionally, the corner of Berry Street and De Haro Street will receive the aesthetic facelift it needs direly. This acute corner, which also marks the gateway to Showplace Square, will be accentuated with the construction of the Project. The proposed design will use glass and wood to feature this intersection as a unique urban design feature in the City topography.

SHOWPLACE SQUARE/POTRERO AREA PLAN

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.

The Project will transform an underutilized, low-density site into a 4-story mixed-use building. The jobs housed in this building will be located near a significant number of transit options and public services/amenities. The PDR uses in the Project will encourage economic dynamism in this neighborhood, adding jobs for workers with a variety of skill levels.

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into an underutilized property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage

on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills. An education and workforce training non-profit located in the building will also provide opportunity for people in economically marginalized communities to access skills required to participate in San Francisco's growing manufacturing sector.

POLICY 1.1.3

Allow for active ground floor uses and a more neighborhood commercial character in newly designated mixed use areas within Showplace Square.

The Project is designed with strong consideration of its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses. The Berry Street frontage has five large overhead garage doors to allow for flexible access to the space by PDR tenants.

POLICY 1.1.5

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design, and administrative functions.

The site at One De Haro consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the existing improvements. The proposed Project would transform this underutilized site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood. By reconstructing the facilities at the property, the Project will improve the viability of existing industry in the City while greatly enhancing the attractiveness of the City as a location for new industry. Potential PDR tenants of One De Haro could span from innovative companies that pioneer advanced technologies for medical equipment like Potrero Medical and Invuity, to landmark manufacturing for autonomous vehicle services like Cruise Automation.

For a relatively small allocation of "large cap" Prop M office square footage, One De Haro maximizes public benefit. One De Haro seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. The Project Sponsor will also vet prospective tenants, identifying companies that will put the local population to work and collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. With the potential sponsoring of workforce development and skills training, future PDR and office tenants at One De Haro can bring hundreds of good paying positions to City, opening doors to the hands-on jobs of the future that do not require a college degree. The approval of One De Haro will further enable San Francisco to keep pace with the global economy and maintain the City's edge as the innovation capital of the world.

OBJECTIVE 1.4

Support a role for "knowledge sector" businesses in appropriate portions of Showplace Square/Potrero Hill

The Project sponsor will encourage prospective tenants to collaborate with economic empowerment nonprofits, growing industries, and world-renowned educational institutions to identify and train employees for the light manufacturing jobs that may occur in the Project's PDR space. Potential tenants could also engage directly with the on-site education and workforce training non-profit, hiring directly from the organization's client pool. By creating an adjacency between PDR and office uses, One De Haro will encourage collaboration between workers with a diversity of skills and provide a dynamic space to allow for emerging economic activities to flourish. The flexible facilities in One De Haro will attract tenants that are setting the benchmark of innovation in San Francisco.

POLICY 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of Showplace Square/Potrero Hill.

The Project will contain both PDR and office uses. The combination of these spaces will encourage manufacturing while also supporting Knowledge Sector jobs.

POLICY 1.4.2

Allow Knowledge Sector office-type uses in portions of Showplace Square/Potrero Hill where it is appropriate.

The proposed office uses of the Project are appropriate at One De Haro due to the Project site's adjacency to SOMA and Mission Bay. Additionally, the adjacency of the office uses to the new PDR space will encourage growth in PDR businesses and innovation.

POLICY 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

The site at One De Haro consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. Currently, there are no permanent businesses operating at the Project site due to the poor quality of the improvements at the site. The proposed Project would transform this underutilized site into a mixed-use PDR/office building at the center of the Potrero Hill/Showplace Square neighborhood.

The proposed Project qualifies under Section 210.3C per a Letter of Determination administered in 2016 (Record No. 2015-015010ZAD), and satisfies the intent of the Code Section by, "[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant."

With a 1/3 PDR, 2/3 office mix, One De Haro's office space pays for the development of new PDR space, injecting life into an underutilized property while growing PDR business in line with the Mayor Lee's 5-point plan for the future of the PDR sector in San Francisco. In this case, the new office space will unlock the Project's ability to nearly quadruple the existing PDR square footage on-site. The combination of PDR and office space will augment the productivity of the building's users and increase dynamic economic growth that benefits workers with a variety of skills.

POLICY 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

The Project provides significant flexibility for all tenants, offering generous ceiling heights on the ground floor (nearly 20') and upper floors (nearly 12'), large floor plates, and ample loading facilities on all building facades. The Project also features an interior loading court that allows for freight access that does not impede traffic flow.

POLICY 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project is designed with strong consideration for its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants. The upper floors of the project will be constructed of cross-laminated-timber (CLT), creating a warm space that will enhance the urban realm. CLT is also a sustainable building technology, and One De Haro will be one of its first applications in the Bay Area. The building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building's users.

Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Additionally, the Project Sponsor has engaged SFMTA and SFDPW and will reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety.

Additionally, One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes.

POLICY 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses. The Berry Street frontage has five large overhead garage doors to allow for flexible access to the space by PDR tenants. The ground floor PDR suites are of ample height (up to 20').

POLICY 3.2.3

Minimize the visual impact of parking.

The majority on-site parking will be shielded from the public right-of-way by landscaping and fencing. The loading court will be treated as a multi-use space, allowing tenants to enliven the space with outdoor activities while the area is not in use for freight loading and parking.

POLICY 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

POLICY 3.3.4

Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes. Additionally, the project will employ cross-laminated timber (CLT) construction, which is a highly sustainable material and novel construction type in this region. The Project will feature photovoltaic (PV) panels, highly efficient glass curtainwall, and significant landscaping to retain storm water.

POLICY 4.4.1

Provide an adequate amount of short-term, on-street curbside freight loading spaces throughout Showplace Square.

The Project streetscape plan has 3 short-term, on-street curbside freight loading spaces. These loading spaces are designed to minimize impact on traffic circulation and the pedestrian realm.

POLICY 4.4.2

Continue to require off-street facilities for freight loading and service vehicles in new large non-residential developments.

The Project will contain two off-street freight loading spaces, as required by the Planning Code.

POLICY 4.4.3

In areas with a significant number of PDR establishments, design streets and sidewalks to serve the needs and access requirements of trucks while maintaining a safe pedestrian environment.

POLICY 4.6.2

Prioritize pedestrian safety improvements at intersections and in areas with historically high frequencies of pedestrian injury collisions.

The Project streetscape plan will provide ample freight loading access while also greatly improving the pedestrian environment. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Additionally, the Project Sponsor has engaged SFMTA and SFDPW and will reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety. The Project Sponsor collaborated with Walk SF on the proposed streetscape design.

POLICY 5.2.3

Encourage private open space to be provided as common spaces for residents and workers of the building wherever possible.

The Project will feature an entrance court with plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety.

3. The quality of the design of the proposed office development;

The Project is designed with strong consideration for its surroundings. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead doors to allow for flexible access to the space by PDR tenants. The upper floors of the project will be constructed of cross-laminated-timber (CLT), creating a warm space that will enhance the urban realm. CLT is also a sustainable building technology, and One De Haro will be one of its first applications in the Bay Area. The building facades are designed to maximize both energy performance and transparency, exposing the wood interiors to the public while maximizing natural light for the building's users.

Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The entrance court will feature plantings and other natural elements to provide a calming atmosphere to building tenants and passersby. Additionally, the Project Sponsor has engaged SFMTA and SFDPW and will reconfigure the intersection of Division, De Haro, and King Streets adjacent to the site, which has been the location of several traffic accidents. The Project Sponsor will also be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage. These changes will greatly improve pedestrian safety.

Additionally, One De Haro will embody the City's sustainable future: The Project will strive for LEED Gold certification and add density in an area served by multiple transportation modes.

4. The suitability of the proposed office development for its location, and any effects of the proposed office development specific to that location;

One De Haro is located at the nexus of several neighborhoods, each with its own distinct character: Potrero Hill (an industrial past with a creative present), Showplace Square (the heart of San Francisco's design community), SOMA (the diverse home of vibrant communities and the technology industry), and Mission Bay (the world leader in biotech and medical innovation). The Project aims to enhance the neighborhood character with its exterior design, while providing a high-quality interior with the potential to host a multitude of users; the adjacency of the office uses to the new PDR space will encourage growth in PDR businesses and innovation. The intention of the Project is to draw on each of the surrounding neighborhoods' distinctive qualities.

5. The anticipated uses of the proposed office development, in light of employment opportunities to be provided, needs to existing businesses, and the available supply of space suitable for such anticipated uses;

The Project provides a unique economic growth opportunity due to the adjacency of PDR and office space in the same building. This combination of uses will allow for workers with a variety of skills to interact with innovative technologies. One De Haro seeks to provide a diversity of employment and job opportunities for local residents. The education and workforce training non-

profit housed at the Project will provide opportunity for economically marginalized communities to engage with the City's growing manufacturing sector. This organization's clients will also add to the depth of employee pool for companies interested in doing business in the City. As companies look to expand to California and the Bay Area region, One De Haro will give San Francisco a competitive advantage as a unique venue for attracting innovative companies specializing in fabrication, research, and design.

The potential uses for the Project are diverse, spanning from innovative companies that pioneer technologies for advanced medical equipment, like Potrero Medical, landmark manufacturing for autonomous vehicle services, like Cruise Automation, and the product testing and hardware development from companies such as PCH International

6. The extent to which the proposed development will be owned or occupied by a single entity;

Once completed, the Project will be owned by a single entity: a joint venture consisting of the longtime family owner and a development partner. The Project Sponsor is in discussions with potential tenants to occupy the entirety of the Project; however, these discussions are preliminary and no commitments have been made.

7. The use, if any, of TDR by the project sponsor.

The Project does not require the use of TDRs.

One De Haro – Priority General Plan Policies Findings (Office Allocation Application Supplement)

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects and demolitions are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. IF A GIVEN POLICY DOES NOT APPLY TO YOUR PROJECT, EXPLAIN WHY IT DOES NOT.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The site at One De Haro (the "Project") currently consists of several dilapidated open storage sheds and functionally obsolete warehouses formerly occupied by the San Francisco Gravel Company. The existing site does not host any neighborhood-serving retail uses. The Project provides space facing De Haro Street and Berry Street that could accommodate individual retail uses as well as those accessory to the ground floor PDR suites. The ground floor on De Haro Street features significant fenestration to accommodate potential retail uses and activate the pedestrian realm. The Berry Street frontage has five large overhead garage door openings to allow for flexible access to the space by PDR tenants.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

There is no existing housing on the site. One De Haro is located at the nexus of several neighborhoods, each with its own distinct character: Potrero Hill (an industrial past with a creative present), Showplace Square (the heart of San Francisco's design community), SOMA (the diverse home of vibrant communities and the technology industry), and Mission Bay (a leader in biotech and medical innovation). The Project aims to enhance the neighborhood character with its exterior design, while providing a flexible interior with the potential to host a multitude of users.

The intention of the Project is to draw on each of the surrounding neighborhoods' distinctive qualities while revitalizing a downtrodden site in a premier neighborhood location.

3. That the City's supply of affordable housing be preserved and enhanced;

There is no existing affordable housing on the site. The Project does not propose residential uses, and will be contributing Jobs-Housing Linkage impact fees associated with the construction of new PDR and office uses.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

The Project site is located in a transit-rich area of the City: it is in close proximity to several bus lines, Caltran (4th Street Station), and Muni Metro ("91 – Rider's Paradise" according to walkscore.com). In addition, the Project site is ideally located within the City's bike path network, connecting commuters to significant residential and retail nodes of the City ("99 – Biker's Paradise" according to walkscore.com). The location of the Project site and proximity to

multiple modes of public transit will serve to minimize the additional traffic impact of the Project. 10 parking spaces, 36 secure bicycle spaces, and 24 on-street bicycle parking spaces will be provided to minimize impact on neighborhood parking.

5. 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 Project will create 43,318 SF (a net increase of 31,108 SF) of industrial (PDR) uses. One De Haro upholds the purpose of Section 210.3C of the Planning Code by, “[utilizing] the value of other non-residential space, such as office and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant or substantially underutilized and that do not contain significant PDR space that would be demolished.” With a ½ PDR activities ⅓ office space mix, One De Haro will protect and grow San Francisco’s PDR sector.

The Project Sponsor anticipates leasing approximately 10,500 SF of PDR space in the Project to an education and workforce training non-profit. This organization will provide opportunities for people in economically marginalized communities to gain the skills necessary to participate in San Francisco’s growing manufacturing sector. In addition, potential development of ground floor accessory retail uses would provide entry level jobs, thus increasing service sector employment opportunities currently available in the neighborhood.

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

The building will employ state of the art structural and seismic design, which will meet all aspects of the most up to date building, fire, accessibility, and life safety codes.

7. That landmarks and historic buildings be preserved; and

No existing buildings at the site are designated landmark buildings or rated historic and the site is not located within an historic district.

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

The project’s impact on any open space under the jurisdiction of the Recreation and Park Department or publicly accessible open spaces in the vicinity of the project were studied and mitigated as appropriate. Voluntary POPOS on the property will increase the amount of usable open space in the area and will help activate the adjacent street and public greenway, improving safety. The Project Sponsor will be adding new sidewalks and street trees along the property line in accordance with the Better Streets Plan. Currently, no sidewalk exists on the Berry Street frontage.

Exhibit D
Human Made "Call to Action"

Humanmade

Executive Summary

May 2018

Humanmade is a non-profit community-based training, manufacturing, and prototyping studio on a mission to democratize access to the tools of innovation to individuals from all walks of life. Under the leadership of the most talented former maker space leaders in the Bay Area and in partnership with community organizations including SFMade and other key community workforce and youth development partnerships, Humanmade will bring a new “learn-design-make-manufacture” model to San Francisco. Humanmade will be the first of its kind, with an explicit mission around both training and inclusion in the maker movement. Humanmade will serve a diverse community of creators including makers, artists, fabricators, inventors, architects, hackers, masterminds, and entrepreneurs- both young and old. Humanmade especially aims to bring a more diverse community into the maker movement, including those with disabilities, individuals from low income communities, immigrants, veterans, and people of color.

The Need.

San Francisco and the Bay Area are at an economic and cultural tipping point. While there is more wealth in the area than ever before, entire communities of people do not have access to the skills and networks needed to participate and thrive in the economy. While many people have the will to create, they lack the personal skill sets to affect the desired outcome. Some require the network, skills, tools, and space needed to execute their ideas; while most simply lack the resources. Couple the lack of resources and a lack of access to tools and necessary skill-based training, along with the lack of a mature sector of non-profit, mission-driven intermediaries in this space and the result is a maker movement - and maker spaces – that cater only to those with the financial resources to pay access or training fees. Unfortunately, these spaces attract a primarily white, highly educated demographic.

Studies have shown that there is no difference in the success rate of above average, ambitious, low-income students vs. below average, less ambitious, low-income students that want to be inventors. However, it is no surprise that the statistics change dramatically when students come from high-income families. While the high-income student has an almost guaranteed chance at becoming an inventor, a low-income student that scores in the top 5% have ultimately no better chance of becoming an inventor than a below average, low-income student. Similar statistics can also be applied to people of color as well. Humanmade will provide an economic onramp for low-income adults and youth by giving them advanced fabrication skills that can be used to gain quality jobs and by providing individuals with the vision and tools to create their own businesses while making in an environment that is inclusive of a diverse community of people.

The Humanmade Solution.

Humanmade is a first of its kind facility that was explicitly founded to be the bridge for individuals to gain the skills to fill manufacturing, fabrication, and design jobs in the Bay Area. Humanmade will offer a space to learn and master the skills needed for the modern maker economy. With pathway in and pathway out partnerships, we can get people on the market for employment in as little as four weeks vs. a traditional four-year program, where they only spend about a month of that time on actual machines. Therefore, we will be creating more market ready, qualified employees faster than ever before.

The Facility.

Humanmade will offer approximately 10500 square feet of state of the art equipment and space dedicated to training and making. In addition to a wide range of equipment – including a metal shop, wood shop, both CNC and hand tools, and a wide range of digital production equipment including 3D printers and laser cutters- the facility will include designated areas for offices, conference rooms, demonstration spaces, and classrooms. Humanmade’s permanent home will be in a below market rate space at One DeHaro in the Showplace Square/Design District of

San Francisco. Humanmade will operate from an interim facility between when we launch in September 2018 and when our permanent space is ready in September 2020.

The Programs.

Humanmade will offer maker-space access that is supported by on-site skill-based training and hands on workshops. Our facility will enable individuals to access state of the art equipment, tools, and software all aimed at building skills typically not afforded to underserved communities. Humanmade will also support extensive S.T.E.A.M. programs that provide youth access to the means of modern manufacturing and enhance their problem-solving abilities. Humanmade will give individuals both young and old a significant advantage in the market.

The People.

Ryan Spurlock - As the former General Manager of TechShop San Francisco, starting out in Member Services, Ryan worked his way up to eventually assisting thousands of members as the Maker and DIY'er movement started to thrive. With a background in HR, management, and help from his degree in Industrial and Graphic Design, Ryan guided TechShop San Francisco's product management, product development, and business development strategies. While always focusing on high level customer service and support to his members, Ryan nurtured an environment that celebrated a competitive market edge through innovation, community, and teamwork.

Steven B. Wheeler – Is a designer and maker and was the former Facilities Manager of TechShop SF. With a professional design background working for companies such as Betabrand and The North Face, Steven now focuses on branding and environmental design as Creative Director at The MADE.

Sarayah Moore – Is an Events and Marketing Manager who has a passion for innovation, and a focus on social impact entrepreneurship. During her time as Events Coordinator for TechShop San Francisco, she worked with top tier clients to execute innovative maker-based team-building events, tradeshow, and hackathons.

Sam Lamott – Is an NY Times Bestselling Author, the Founder of HelloHumans digital media company, and the host of their popular "How to Human" podcast. Sam previously served as the Education Coordinator for TechShop San Francisco and then moved on to help with advising all of the Education Coordinators, at all 8 locations nationwide.

Impact of Humanmade.

Humanmade will create and foster an environment where makers and students can not only learn and grow, but a place where their contributions are crucial by serving and enabling individuals from all walks of life, including those with disabilities, low-income, immigrants, veterans, and people of color. By subsidizing shop usage costs for low income individuals through client fees, grants, and local partnerships, Humanmade will enable those who may otherwise not have the financial means to gain access. When Humanmade reaches scale, we will serve over 1000 individuals annually, with approximately 30% of our community receiving deeply subsidized access and training fees. Long term, as a result of available workforce development and skill-based training, more low-income adults and youth will be employed in the community's vibrant economy. Supporting skill-based positions that are, more often than not, given to those with expensive college degrees.

The Partners

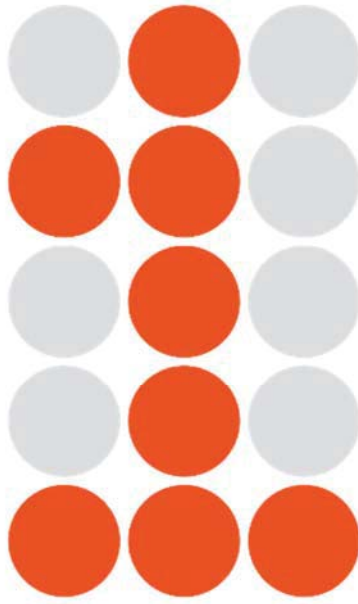
SFMade is a California 501(c)(3) non-profit corporation, established in 2010 and headquartered in San Francisco. SFMade's mission is to build and support a vibrant manufacturing sector in San Francisco that sustains companies producing locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce. SFMade currently engages more than 650 manufacturers across San Francisco who collectively sustain more than 5000 jobs.

SFMade will be engaging Humanmade in its workforce, hiring and youth programs, which annually place hundreds of low-income adults and high school youth into full-time jobs and paid "makerships" at local manufacturers. SFMade already works with a diverse range of more than 30 community partners - including Jewish Vocational Services, Swords to Plowshares, Young Community Developers, Mission Economic Development Agency, Enterprise for Youth, Goodwill Industries, Aribba Juntos, and Chinatown Self Help for the Elderly - to engage their clients with manufacturing employment opportunities. Now, SFMade and Humanmade will ensure that San Francisco's communities of the most profound need are given direct pathways to skill development - using Humanmade's training and workshop facilities as a platform - which will, in turn, empower them to secure employment and even entrepreneurship opportunities in the local maker-manufacturing economy.

SKS Partners is a San Francisco based Real Estate Developer that builds spaces for the knowledge economy. Founded in 1992, SKS set out to establish a different approach to development in the Bay Area by having a positive impact on the built environment. Since then, SKS has developed some of the most innovative and durable properties in the Bay Area, providing a variety of buildings for the industries and entrepreneurs who are changing the way we live our lives. As a founding partner, SKS is providing seed funding support to Humanmade and providing us with a brand new custom facility to help bring this maker-based mission to life.

Funding Humanmade.

Humanmade aspires to secure additional funders to join our mission. For more information, please contact Ryan Spurlock at ryan@humanmade.org



De Haro

PDR Business Plan

June 5, 2018

One De Haro – PDR Business Plan: SUMMARY
(Conditional Use Authorization Supplement)

<p>(A) Overall strategy to incorporate PDR businesses, including specifying which kinds of PDR businesses are the target for the development;</p>	<p>The Project Sponsor, SKS Partners (“SKS”), SKS proposes to develop a vibrant new mixed-use creative campus that includes 42,546 SF of new PDR and 84,903 SF of office space. The entire campus will provide an integrated ecosystem for innovative design, prototyping, and manufacturing companies to start and expand in San Francisco, offering employment and entrepreneurship opportunities for diverse residents.</p> <p>The PDR portion of the project will focus on two emerging key elements in San Francisco’s industrial economy: 1) a 10,500 SF non-profit maker/education facility – housed in below-market/subsidized space -to provide both training opportunities and a robust maker space for individuals and start-up businesses space to grow; and 2) approximately 32,000 SF of Class A PDR to provide much needed space for the City’s growing advanced manufacturing sector. Potential tenants would include companies that pioneer advanced technologies for medical equipment (such as Potrero Medical and Invuity), to landmark prototyping and design for autonomous vehicles (such as Cruise Automation), to space for start-up hardware/device manufacturers to grow.</p>
<p>(B) A description of the kinds of non-PDR businesses intended for the site and a plan for how they will co-exist with the PDR businesses and any strategies required to achieve this balance;</p>	<p>The Project will host a variety of non-PDR tenants, drawing on the reservoir of innovative companies that call San Francisco home. In turn, these businesses would enhance the creativity and productivity of the PDR tenants. The Project will be designed to promote adjacencies between the PDR and non-PDR tenants to encourage “cross-pollination” between workers with a diversity of thinking and skill sets.</p> <p>Potential non-PDR tenants include companies that create “Internet of Things” (IoT) internet-connected devices (example: Nest Labs, FitBit), design-focused software companies (example: Adobe, Autodesk), hardware-focused venture capital firms (example: Y Combinator, QB3), or industrial design companies example: IDEO, Frog Design, Lemnos Labs).</p>
<p>(C) A description of how the site's marketing and outreach plan will effectively target these same PDR businesses;</p>	<p>SKS has been at the forefront of developing and leasing PDR space in San Francisco since the zoning designation was established in the 2008 <i>Eastern Neighborhoods Plan</i>. SKS has created deep relationships within the PDR community, ranging from industry support organizations (SFMade), educational institutions (CCA), City departments (OEWD), a range PDR companies, and community organizations, such as Young Community Developers and Arriba Juntos. SKS will leverage these relationships to market the project both to PDR tenants and to potential job seekers across San Francisco’s diverse, low-income communities.</p>
<p>(D) A description of how the development's design is suited to PDR businesses;</p>	<p>The Project will be designed with strong consideration of the needs of PDR tenants. The ground floor on De Haro Street will feature significant fenestration to allow for ample daylighting or accommodate potential accessory retail uses. The Berry Street frontage will offer five large overhead garage doors to allow for flexible access to the space by PDR tenants. The ground floor will have 20-foot ceilings in some areas, while providing mezzanine space in areas closer to the building core. The upper floors of the building will be constructed of cross-laminated timber (CLT) panels, but the PDR spaces will be built out of concrete to ensure long-lasting durability. Additionally, the Project will have a private “loading</p>

	<p>court” on the north side of the building. This area will be a flexible outdoor space that will provide off-street loading dock access to the building’s PDR suites. The loading dock will be able to accommodate two full-sized semi-trucks.</p>
<p>(E) A description of the rent/purchase price proposed by the developer for the PDR spaces and the approach to keep these rents accessible to PDR tenants over time;</p>	<p>10,500 SF (approximately 25%) of the PDR space at One De Haro will be offered at a below-market PDR rent and dedicated to house a non-profit organization – called Humanmade – with a mission to educate diverse individuals in the design-make-manufacturing competencies. For more information on Humanmade, please see Appendix C. The remainder of the PDR space will be rented at market rates for industrial space, sufficient to cover the cost of new, Class-A PDR construction. All PDR rents will be significantly lower than office rents.</p>
<p>(F) A detailed overview of the workforce and hiring strategy for the PDR businesses on the site, as well as for the non-PDR businesses, including how the project sponsor will abide by City programs such as the First Source Hiring Program; how the project sponsor might utilize other local, State, and federal subsidized hiring programs such as work opportunity tax credits, Jobs Now!, Hire SF, and the California new employment tax credit set forth in Chapter 93 of the California 2013-2014 legislative session; and how the project sponsor will inform its tenants about other relevant public programs; and,</p>	<p>SKS is committed to supporting workforce development efforts inside the Project and throughout the Bay Area.</p> <p>Maker-education and workforce training will be a key component of the One De Haro project through a partnership with a non-profit maker/education provider (Humanmade) In addition, SKS will be partnering with SFMade to engage the PDR businesses on site in local hiring. Both SKS and SFMade will aim to work with several workforce development non-profits to provide a pipeline for their clients to obtain free maker-manufacturing training on site, free access to equipment and makerspace for projects and to facilitate small business start-ups, and connections to job opportunities both on-site and across the broader manufacturing sector in San Francisco. For a full list of outreach targets, please see Appendix D.</p> <p>In addition, in the market-rate PDR space, SKS will seek tenants that are willing to collaborate locally with economic empowerment nonprofits and local educational institutions to identify and train both adults and young people for the advanced manufacturing jobs that will occur now, and in the future. The Project will take part in the City’s First Source Hiring Program and seek to advance the Program’s goals wherever possible.</p>
<p>(G) A detailed community outreach plan, including a plan for engaging any specific community partners in the development, tenanting of the project, and ongoing management of the PDR portions of the property.</p>	<p>SKS strongly believes community outreach is a vital component of a successful development and is committed to working with its community partners to achieve sustained, effective community engagement during all stages of development, tenanting, and ongoing management.</p> <p>As an anchor tenant, Humanmade will help create hiring connections between the Project’s market-rate tenants and local workers. SKS will promote Humanmade in the Project’s leasing materials with the intention to attract market-rate tenants that see the program as a pipeline for hiring. SKS will also leverage its own relationships with educational institutions, economic empowerment organizations, and other workforce training programs to create connections with Humanmade, increasing the reach of the program’s impact and increasing its client base. This broad outreach will connect market-rate tenants to local workers and local workers to the training they need to fill those new jobs. For a full list of outreach targets, please see Appendix D.</p> <p>The development business plan for the Project is long-term ownership by SKS, further ensuring this PDR Business Plan will be adhered to over time.</p>

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1. Introduction:

1.1. **Executive Summary:**

The proposed building at One De Haro Street in San Francisco (the “Project”) will be an innovative Production, Distribution & Repair (“PDR”) and Office mixed-use development in the heart of the City’s Potrero Hill/Showplace Square neighborhood. As a combination PDR/Office building, the Project will be a catalyzing development in attracting and retaining companies that will shape San Francisco’s economy over the next several generations. Although small in stature (measuring approximately 127,500 gross square feet), One De Haro’s mix of uses and potential workforce development opportunities will provide significant community benefits to the surrounding neighborhood and City at-large.

PDR uses, which make up one-third of the total Project (42,546 SF PDR; 84,903 SF Office), are a key component of ensuring One De Haro’s broad economic impact. PDR users have become dynamic contributors to the San Francisco economy, providing jobs to workers from a diversity of backgrounds while leading the City’s innovation in several sectors, from medical devices to hi-tech hardware to consumer products. The PDR portion of the project will focus on two emerging key elements in San Francisco’s industrial economy: 1) a 10,500 SF non-profit maker/education facility – housed in below-market/subsidized space -to provide both training opportunities and a robust maker space for individuals and start-up businesses space to grow; and 2) approximately 32,000 SF of Class A PDR to provide much needed space for the City’s growing advanced manufacturing sector.

Overall, the Project will provide an integrated ecosystem for innovative design, prototyping, and manufacturing companies to start and expand in San Francisco. And by supporting these companies through a combination of accessible rent and access to a broad network of community and workforce partners, the Project will create education and employment pathways, with an **explicit focus on helping individuals with barriers to employment** – including youth and adults from low-income households, immigrants, veterans, individuals with disabilities and more – **develop the skills and access they need to achieve long-term sustainable employment in the region’s growing advanced manufacturing sector.**

Potential lead community partners at One De Haro are: Young Community Developers, Arriba Juntos, and SFMade.

1.2. **Project Description:**

One De Haro is in a PDR-1-G zoning district and received a Zoning Administrator’s Letter of Determination in April 2016 confirming the site conforms to the requirements of Section 210.3C of the Planning Code. One De Haro is therefore eligible for a Conditional Use Permit to allow for the development of a new PDR/Office building. One De Haro is designed for long term flexibility and durability. The ground floor PDR suite will be constructed out of concrete and feature 20’ ceiling heights. The De Haro Street façade will be made up of storefront glass to accommodate potential accessory retail uses, while the Berry Street façade will have five large roll-up glass overhead doors to allow for flexible access to the space by PDR tenants. Close to the building core, a mezzanine will provide for uses that do not need 20-foot ceilings, to maximize space efficiency while still maintaining flexibility. Large double-height spaces will be concentrated around the building exterior to allow for optimal penetration of natural light.

The Project’s ethos to nurture innovation in San Francisco is also reflected in the design. The upper floors of One De Haro will be built from Cross-Laminated Timber (CLT), a sustainable building material composed of large wood members laminated together with glue to create floor

assemblies. CLT panels can be up to 30’ long and 10’ wide and are built up to be about 12” thick using dimensioned lumber (such as 2x4’s). This technique has been used as an alternative to concrete and steel construction in Europe and Canada for over two decades, and the technology is beginning to proliferate within the United States. One De Haro will use 100% union labor and be the first commercial office building in San Francisco to utilize this technology.

As an added benefit, CLT is extremely environmentally-friendly. CLT panels are composed of non-emitting laminating materials, and 90% of the wood used is from “beetle kill” tress, which are already dead when harvested. Please see the below reference images, which depict examples of CLT construction.

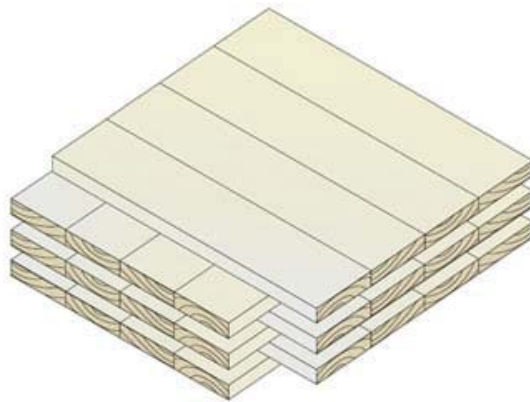


Diagram of cross-laminated timber assembly



Photo of cross-laminated timber panel



Installation of a cross-laminated timber panel on-site

A loading court is located on the north side of the Project, allowing for easy loading access. Additionally, there will be new yellow loading zones near the De Haro Street entrance and adjacent to the Berry Street overhead doors. The building will have 4000 A all new PG&E

electrical service and 50 BTU/HR/SF of gas service, both of which are sufficient to accommodate most light industrial uses along with an office user. The project will have a freight elevator as well as code required bike parking, showers, bathrooms, and fire protection.

For more information regarding the physical characteristics of the proposed project, please see [Appendix A](#).

1.3. **SKS Partners:**

As Project Sponsor, SKS Partners (“SKS”) brings significant experience in San Francisco real estate and the PDR market. Founded in 1992, the firm’s excellent reputation and investment track record culminate from its strong operating capability, extensive network of relationships and its consistent ability to identify emerging demographic and market trends and build to meet the needs of the market. SKS strongly believes in the triple bottom line, striving for economic, environmental, and social benefits with all of its projects. SKS has extensive depth of experience in San Francisco’s PDR market. The firm has developed and leased several PDR projects since the zoning use designation was instituted in 2008, including the Gift Center and Jewelry Mart at 888 Brannan, The McClintock Building (1400 16th Street), and The McGuire Building (1201 Bryant Street).

2. The Opportunity of Advanced Manufacturing

2.1. Introduction

Manufacturing has been a key economic engine in San Francisco throughout the City’s history and is a principal driver in PDR job creation. Like all industries in the 21st Century, manufacturing has seen significant changes over the last decade, leading to disruption and job losses throughout the country. However, the “growth in manufacturing across [the Bay Area is] now outpacing the nation and California”^{vi} as companies adapt to the current global economy.

San Francisco is a vibrant contributor to the regional manufacturing base. “In 2017, there were over 650 manufacturers with production facilities located in the city.”ⁱⁱ These manufacturers specialize in a broad range of sectors, with a focus on consumer products including apparel, food and beverage processing, home goods, and a growing electronics sector. The economic benefits spurred by San Francisco’s manufacturers are broad. The 650 local production facilities “employ 4,500 people, 70% of whom come from low-income households.”ⁱⁱⁱ Additionally, “manufacturing has a high employment multiplier; each manufacturing job on average supports 2.5 jobs in all other industries.”^{iv}

Even with the steady growth in San Francisco manufacturing jobs over the past few years (10% growth rate in 2017, representing a 7th straight year of double-digit job growth^v) there are opportunities for improvement. One area of potential growth that has been recognized by the Office of Economic and Workforce Development (OEWD) and SFMade (a local manufacturing support non-profit) is the Advanced Manufacturing sector. San Francisco is a global leader in innovative hardware design, but the strides made in design locally have not yet led to a corresponding creation of manufacturing jobs of those products. There are a variety of reasons for this discontinuity, which will be explored in later in this section. **One De Haro can serve as a proving ground to fortify the connection between design innovation and manufacturing.**

2.2. Advanced Manufacturing and Jobs

Advanced Manufacturing can be roughly “defined as manufacturing that uses automation, sensing, and other digital technologies to increase efficiency and precision.”^{vi} Advanced manufacturing approaches have led to tremendous innovation in all sectors they are applied to: small producers are able to use these techniques to keep up with demand while maintaining quality, “makers” are able to create unique goods without sacrificing productivity, and new companies are able to test new ideas without the dependence on foreign factories with large order minimums.

San Francisco has been a leader in this renaissance. Advanced manufacturing is the fastest growing manufacturing sector in San Francisco, doubling its size from 2014 to 2015, employing 3,479 people. “About two-thirds of that increase in employment came from the computer and peripheral equipment manufacturing sector alone. Continued growth is expected in these industries leading to an estimated 4,537 jobs in 2020.”^{vii}

There is opportunity to spread the benefits of advanced manufacturing to workers throughout San Francisco, as there is a need for entry level workforce: “70% of the advanced manufacturers surveyed for the *Industrial Jobs of the Future Initiative* stated that they have entry-level assembly positions in their companies. These positions do not require significant technical skill and staff can be trained on the job. In fact, most of these employers report training their employees this way, even those that are not entry level.”^{viii} Job readiness and employment pathways must be established for advanced manufacturing to deliver positive

impacts to a broad cross-section of San Franciscans. These entry-level positions provide an important access point for marginalized local workers to enter a growing sector of our economy.

2.3. Manufacturing in San Francisco: Strengths

San Francisco has a wealth of resources to help new and growing manufacturing companies achieve success. The city has been fortunate to see tremendous prosperity over the last 8 years, and many of the factors that led to this growth can contribute to the manufacturing sector as well.

One of the city’s most notable strengths is its “Entrepreneurial Ecosystem”, which can be measured in the concentration of innovative businesses, incubators, and venture capital investment. San Francisco leads the nation in these categories. This Ecosystem has led to the development of some of the world’s most recognizable technology companies, including Twitter, Uber, and Airbnb. Hardware companies are receiving the beneficial impacts of the city’s deep-rooted entrepreneurship, but there are weak connections between these companies and San Francisco’s manufacturing base. Many incubator graduates and venture capital-backed companies are perfect candidates to produce goods locally, as they are not yet producing at volumes that necessitate overseas production.^{ix}

San Francisco is also home to some of the nation’s leading research institutions, such as UCSF, and innovation centers, such as CCA. These institutions develop new cures, devices, designs, and products that need proximity to production. In many cases, the ideas born in academia are spun off into the private sector for practical application. These ventures require prototyping and manufacturing to hone and scale their ideas to reach a broader audience. San Francisco offers a unique nexus of these capabilities. The density of design and engineering firms in the City follows the same principle, and “San Francisco is home to three of the largest international industrial design firms: Frog Design, IDEO (also in Palo Alto) and Lunar Design.”^x The wealth of knowledge created by both public and private institutions has the potential to cultivate a boom in manufacturing.

Beyond the knowledge base in local research and design institutions, San Francisco is also home to a uniquely capable design and engineering workforce. “When advising hardware or other high-tech manufacturers, SFMade [heard] that the reason companies are based in San Francisco is to gain access to the design and engineering workforce in the city. For those that also manufacture in the city, the primary benefit of co-location is that their engineers can closely oversee the manufacturing process to increase efficiency and quality.”^{xi} **By locating manufacturing near design and engineering centers, hardware manufacturers can be responsive to design changes, customer requests, and problem solving. Additionally, manufacturing workforce development can take place alongside designers and engineers, increasing the depth of understanding the manufacturing among the workforce. This proximity can increase efficiency and quality as well.**

2.4. Manufacturing in San Francisco: Weaknesses

The strengths outlined above have San Francisco primed to become a leader in urban manufacturing. Unfortunately, there are a few weaknesses where the City falls short in supporting a more robust manufacturing sector. Remediating these issues could lead to additional gains in local manufacturing.

For the nascent advanced manufacturing sector in particular, a hurdle to local manufacturing is ensuring workers with sufficient basic skills fulfill the needs of growing companies. According to the *Industrial Jobs of the Future Initiative*, “...the two principal hiring issues seen by manufacturers were competition for a limited supply of skilled labor and a need for some

rudimentary specific skills. In advanced manufacturing, the skills mentioned as difficult to find included machining, 3D printing, general fabrication, quality assurance, lean manufacturing, woodworking, and software such as CAD, CAM and the Adobe Creative Suite.” **The good news: the skills specified by these manufacturers don’t require a 4-year degree, and they can be taught through certificate programs, at the community college level, or most often, on the job.**

Though the City has made strides in promoting advanced manufacturing training through their Career Technical Education (CTE) programming, there is still work to be done. Advanced manufacturing skills are not yet being widely taught by the City’s primary and secondary education system. “At the secondary education level, there are seven public high schools with programs relevant to advanced manufacturing, mostly in CTE classrooms. Although many of these [programs] point students towards continued engineering training rather than towards production jobs, at three of the high schools SFMade now has successful classroom programs in place (called “Inside Manufacturing) to expose CTE students to careers in manufacturing.”^{xii} A continued focus on deepening the City’s local advanced manufacturing CTE training is important.” At this time, the strongest institutional production workforce training programs in the Bay Area are located outside of San Francisco, at places such as Laney College in Oakland and San Jose State University.

Real estate constraints are also a significant barrier to the growth of manufacturing in San Francisco. There are a variety of spaces that could accommodate industrial users in the City, from “Class A” new construction projects (such as 100/150 Hooper) to less well-appointed “Class B” properties to “Class C” properties, which are older buildings that may not meet the needs of contemporary manufacturers. Across all three asset classes, rent is much higher in San Francisco than that of neighboring cities. “While industrial rents have risen in all neighborhoods, they have risen faster in neighborhoods close to the city center and the regional transport hubs of BART and Caltrain, where there is increased demand for commercial and office space. Industrial rents in SoMa for instance average \$41.52 a sqf/year. As rents increase, manufacturing has been pushed to the perimeter of the city”^{xiii}, and this geographic displacement hinders access to other economic advantages in San Francisco such as proximity to engineering talent.

An added impact of manufacturing’s geographic displacement is the lack of public transit infrastructure near jobs. This fact further hinders companies from hiring workers from throughout the region, as production workers often rely on public transit for their commute. The dearth of affordable transit options compounds the already high cost of living in San Francisco. These factors make it difficult for companies with entry level jobs to find employees. Therefore, these companies may choose to relocate outside of San Francisco to be closer to their needed talent base.

On its PDR offering, One De Haro will directly addresses many of these weaknesses. The project represents one of few PDR offerings specifically designed to accommodate growing advanced manufacturers. While overall PDR rents must necessarily reflect the general market costs of new construction, rents will still be well below Class A office rents (where many advanced manufacturing design/prototyping firms are now currently forced to reside) and will be significantly below market for the non-profit education/make component of the PDR.

At the same time, unlike much of the PDR building stock in San Francisco (See Section 3), One De Haro will be well transit-connected and centrally located, close to the city center and proximate to a myriad of design/prototyping firms (Lemnos Labs, Highway 1) other

manufacturers (SFMade’s Manufacturing Foundry at 150 Hooper, the American Industrial Center), as well as anchor educational institutions such as UCSF and CCA.

Importantly, the Project will also be widely accessible to communities of need. One De Haro is a located in a transit rich environment, with access to both local and regional modes of transit including Muni buses, Muni Metro, BART and Caltrain. This access will allow workers from economically disadvantaged areas of San Francisco – in particular the Bayview, the Mission, and SOMA/Tenderloin and the Western Addition - to affordably commute to their jobs at One De Haro.

Transit Line	Route (Neighborhoods)
Muni #19 Bus	Marina District to Hunters Point (via Potrero Hill, Bayview, Tenderloin, and SOMA)
Muni #8 Bus	Balboa Park to SOMA (via Visitacion Valley and Crocker-Amazon)
Muni #9R Bus	Visitacion Valley to Embarcadero (via Portola Valley, Bernal Heights, and Mission)
Muni T Line	Bayshore to Caltrain (via Hunters Point, Dogpatch, and Mission Bay)
Muni N Line	Ocean Beach to Caltrain (via Sunset, Cole Valley, Lower Haight, and Market St.)
Caltrain	San Jose to San Francisco (regional transit access)
BART	Millbrae to San Francisco and Fremont/Bay Point to San Francisco (regional transit)

Exhibit: Transit Lines that Serve One De Haro

3. **PDR Real Estate Market Analysis for Class A PDR Space**

3.1. **Need for Class A PDR Space for Advanced Manufacturing**

The Project contemplates focusing on Class A advanced manufacturers – and allied design and prototyping companies. This focus not only will provide significant on-site educational and job opportunities, but as this next section demonstrates, **One De Haro directly responds to the urgent need for San Francisco to develop more Class A PDR space if it is not to be left behind other communities in the Bay Area and beyond.**

Newmark Knight Frank (“Newmark”) was asked to provide market research and analysis on the availability of production, distribution and repair (“PDR”) buildings in the City of San Francisco. Since tenant occupants will consider all spaces that are zoned to accommodate their usage, Newmark included both PDR designated buildings and other buildings that could accommodate similar production, distribution or repair designations.

PDR tenants seeking Class A space are a relatively new market force. Prior to 2015, landlords did not anticipate the demand from higher credit tenants who can afford the rental rates required for new construction. Currently, Class A buildings make up less than 2% of the total PDR inventory. With such a small inventory at the same time as this recent surge in demand, **Newmark concludes that there is a market imbalance in Class A PDR buildings.** (For more detail, please see [Appendix B.](#))

The global marketplace is ruthlessly competitive and innovative companies must meet demand in their respective industries when it is present, even if that means moving out of San Francisco. San Francisco’s traditional four-year development cycle to produce the new buildings to accommodate these tenants is too long, and the City would benefit by prioritizing Class A PDR development.

At the same time there is abundant Class B and Class C inventory available both to traditional industrial tenants as well as to new entrepreneurs at rates and sizes that foster the creation and longevity of a variety of companies.

3.2. **Industrial Inventory**

For all Classes, there is a base of 1,501 buildings totaling approximately 30,034,609 square feet (“sf”). The breakdown of total inventory is as follows (survey dated 2/8/17):

	Building Count	Total Inventory	% of Total Inventory	Avg. Bldg Size	Average Year Built or Renovated
Class A	14	1,522,139 sf	6%	115,759 sf	2014*
Class B	478	13,424,002 sf	43%	28,084 sf	1958
Class C	1018	15,886,916 sf	51%	15,606 sf	1947
Total Inventory	1512	31,163,057 sf		20,610 sf	1951

*Includes Class A buildings currently under renovation with delivery dates through 2020.

Analysis of Class A Designated Inventory

For our purposes, Class A designated inventory is defined as new ground up development, and buildings that have been entirely renovated with completely new infrastructure, including but not limited to structural upgrades to meet current code for seismic, electrical, mechanical, fire and

life safety, plumbing, and restrooms; in addition to building amenities such as roof decks and outdoor patios.

Class A inventory equates to only 1.7% of the total PDR inventory by size. Furthermore, only 8 of the 1,502 PDR buildings qualify as Class A stock, which equates to 0.5% of the total by building count. Based upon these two data points, Newmark concludes that there is a market imbalance in Class A buildings. The main reason this is the case is that all Class A buildings have been built or renovated since 2015, with many still under renovation. The average Class A building is 64,740 square feet, although these buildings range in size from 28,137 square feet to 176,594 square feet.

Class A PDR tenants are a relatively new market force. Prior to 2015 landlords did not anticipate the demand from higher credit tenants who can afford the rental rates required for new construction. This new breed of tenant are rapidly growing due to exploding market forces such as (i) the reduced cost of rapid prototyping technology, (ii) increased and robust availability of AI and autonomous auto technology, (iii) the growth in demand for Internet of Things (“IoT”) devices, (iv) the growth of medical devices, and (v) dramatic advances in biotech and life sciences.

This robust and dramatic growth has left San Francisco with an imbalance of Class A PDR buildings. These companies must act quickly to meet market demand in their respective fields, even if that means moving out of their preferred location. **San Francisco risks losing our nascent advanced design-manufacturers – in particular across hardware, life science, and autonomous and green transportation - to surrounding communities in the East Bay, the South Bay, and to other regions, unless new PDR buildings are prioritized.**

3.3. Industrial Demand, Availability, and Leasing Rates for Class A PDR

As of the date of this report, Newmark was tracking PDR tenant demand from a variety of tenants ranging in size from 5,000 to 100,000 square feet. The PDR-seeking population Newmark is tracking is looking for Class A PDR space – these users are early-stage companies looking for combined office and production space. As previously referenced, these innovative, creative companies exist in the newly-forming artificial intelligence, automated automotive, and other burgeoning technology markets.

Given the size of the overall industrial market Newmark understands that it is tracking just a fraction of the broader PDR tenant pool. As such, **current demand for Class A PDR space exceeds current Class A availability, further illustrating the imbalance of Class A PDR buildings in the market.**

MARKET OVERVIEW - OVERALL AVAILABILITY ANALYSIS

	Spaces Available	SF Available	% of Total Availability	Average Availability Size	Weighted Average IG Asking Rate
Class A	10	136,613 sf	14%	13,661 sf	\$59.38*
Class B	41	420,431 sf	42%	10,254 sf	\$49.25
Class C	56	454,456 sf	45%	8,115 sf	\$30.95
Total Inventory	101	1,011,500 sf	3.2%	9,453 sf	\$43.22
			total market availability		

Based on availabilities 2/7/18

*Does not include 150 Hooper due to rent subsidies; inclusion of 150 Hooper drops weighted average Class A rate to \$49.51.

Larger PDR Users - Availability & Rental Rates

As of the date of this report, there was approximately 269,785 square feet of Class A space available across 18 spaces, at an average size of nearly 18,000 square feet, although many of these spaces can be combined to accommodate larger users. It is important to note that 211,648 square feet of this space, or 78%, is either currently under renovation or under construction, leaving only 58,137 square feet of Class A space available for near-term occupancy. Since tenants seeking larger spaces have fewer options, particularly for Class A space, tenant demand has driven up rates for larger spaces with better infrastructure and amenities.

Smaller PDR Users - Availability & Rental Rates

Newmark have paid particular attention in this report to the needs of smaller users. As of the date of this report, there was approximately 775,006 square feet of space within moderately-priced Class B buildings and 440,498 square feet of available space within the less-expensive Class C buildings. These classes represent 82% of the current PDR market availability. On the other hand, there are currently NO Class A PDR spaces available for under 5,000 SF.

Based on this analysis, One De Haro will offer both large and small/flexible Class A PDR space in 32,000 SQFT of its PDR.

4. **Subsidized Space for Education/Maker-Space Facilities: Humanmade**

Over the past 10 years, the Maker Movement has gained steam, and San Francisco has proven to be at the center of the “Make to Manufacture” revolution. According to SFMade, over the past 5 years, the designer/maker/creative community in San Francisco has been quietly developing all sorts of new products – in art studios, at local universities like California College of Art, and in shared maker spaces like NoizeBridge and Techshop. TechShop, in particular, provided a critical capacity to both house and incubate new companies AND to provide individuals with “maker” skills and education. Examples of companies that have launched at Tech Shop include eMotimo, which developed an innovative computer-controlled photography device, Type A Machines, which makes 3D printers, and most heartwarming, SFLaser – launched by a formerly homeless man who gained skills in laser-cutting and other digital technologies by taking classes at Tech Shop.

Tech Shop suddenly closed in late 2017 leaving San Francisco and other communities with a gaping hole in both their maker and workforce/education infrastructure. While there has been much speculation, most agree that Tech Shop was over-reliant on a “for-profit” business model and expanded too quickly. At the same time, there are many other viable models of non-profit maker spaces in operation in other cities. Including Digital Harbor in Baltimore (www.digitalharbor.org), Artisans Asylum in Somerville/Boston (<https://artisansasylum.com>), and MakerSpace NYC in New York (www.makerspace.nyc). Tech Shop has recently reopened under new ownership, however little is known of how the new owners plan to use the facility.

Locally, Humanmade is a new non-profit educational and makerspace facility under development by a team of people from the former-Tech Shop San Francisco. Their initial organization plan is attached in [Appendix C](#). Their model gives a deep dive into the capacities and programs of a successful and sustainable non-profit education and makerspace organization.

The Humanmade plan – similar to the services offered by other non-profit maker-spaces across the country, **focuses first and foremost on education**, followed by offering access to their facilities for creation, product development, prototyping and short-run production. Unlike Tech Shop or other for-profit models, **Humanmade also has an explicit focus on the democratization of the tools of making by deliberately driving diversity throughout their programming**. Humanmade will offer a substantial number of free facility memberships to low-income adults and youth, AND even more impressive, will offer up to 35% of their educational offerings at free or highly subsidized cost.

One De Haro proposes to dedicate approximately 10,500 SF or 25% of the PDR space for a non-profit, education-focused makerspace operator. For Humanmade, or any other non-profit operator, having affordable rent will be an essential component to their operating model. Thus, the Project will commit to **charging below market rent and to dedicating this space to a viable non-profit operator as a key part of the community benefit of the Project as a whole.**

For more about Humanmade, please see [Appendix C](#).

5. PDR Marketing and Workforce Development Strategies

5.1. Introduction

Given the information described in the previous sections of this report, it can be concluded there are significant opportunities to bolster San Francisco’s PDR sector. One De Haro is uniquely positioned to serve as a catalyzing project for innovation companies and local workforce development, setting an example for what is possible when investments are made in quality design, thoughtful leasing strategies, and purposeful community outreach.

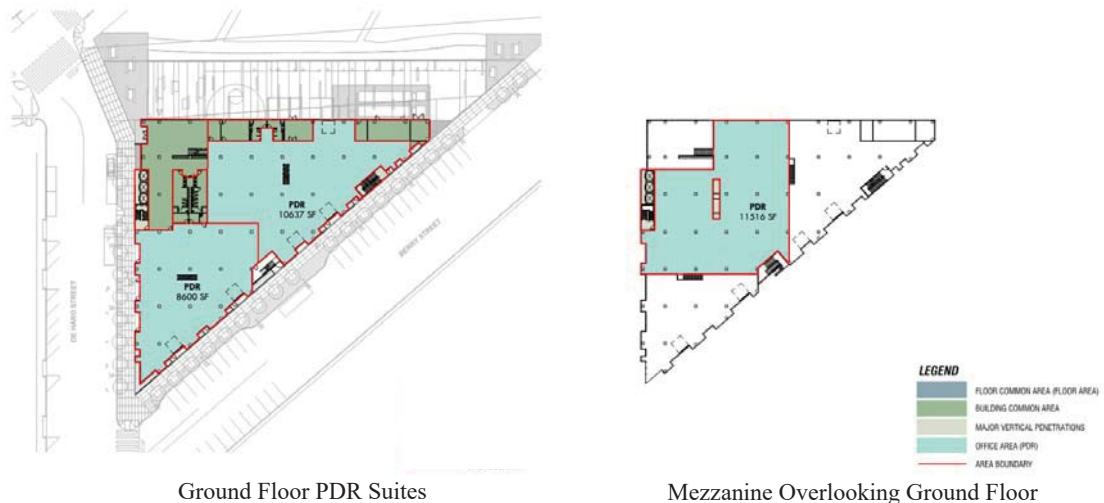
This Business Plan will provide a strategy for ensuring the viability and success of the Project’s PDR space and the tenants that occupy it. These goals will be achieved by adhering to the following principals:

- Strategy 1: Conduct a broad search for potential PDR users
- Strategy 2: Provide flexible and durable PDR space
- Strategy 3: Focus on workforce development
- Strategy 4: Encourage cross-pollination with non-PDR users

5.2. Strategy 1: Conduct a broad search for potential PDR users

The list of potential PDR users looking for space in the San Francisco market is quite broad, and SKS has experience in leasing space to a variety of PDR tenants from jewelers (888 Brannan) to genetic testing laboratories (The McClintock Building) to autonomous vehicle pioneers (The McGuire Building). The future tenants at One De Haro could be just as diverse. SKS will focus on all open leads for filling the PDR space in the building and SKS has instructed Newmark to conduct a broad search for all eligible users.

At 42,546 square feet, the PDR space can accommodate a single tenant, but is also designed to allow for partitioning to create a multi-tenant scenario. Additionally, there are a multitude of mixed-use tenants with both office and PDR requirements who could occupy the entire building. Please see the below diagrams demonstrating a potential multi-tenant scenario.



5.3. Strategy 2: Provide flexible and durable PDR space

SKS does not want to exclude any potential tenants from renting the PDR suites at the Project due to any physical shortcomings. One De Haro will be designed and constructed with a focus on flexibility, durability, and quality. Utilities will also be sized to accommodate a wide variety of users. Please see the rendering below of the expected quality on the interior of the PDR space. Additionally, more detailed information on the building’s physical characteristics can be found in [Appendix A](#).



Rendering of PDR Suite Interior

5.4. Strategy 3: Focus on workforce development

As mentioned earlier in this report, the lack of workforce development opportunities in the manufacturing sector is a barrier for growing companies to hire talent locally. The success of PDR in San Francisco at-large hinges on the ability of PDR companies to hire locally, as this workforce is not proven to move for employment. As a landlord, SKS is committed to maintaining both the health of the City’s economy and of its tenants.

One De Haro provides an opportunity for nurturing a new crop of manufacturing talent, and SKS is committed to bolstering that effort. SKS has begun to engage with community stakeholders, economic empowerment organizations, and educational institutions to understand best practices for workforce development. We are in the process of reaching out to the following community partners, who we hope will lead this effort: Young Community Developers, Arriba Juntos, and SFMade. The partnerships will focus on the following goals:

- Providing FREE education on key equipment and manufacturing fundamentals at Humanmade to low-income adults, with a focus on communities of color.
- Providing FREE access to use the facilities of Humanmade for low-income adults, to work on projects, products and new businesses. We anticipate offering at least 200 “MakerShips” in the initial year of Humanmade’s operation, scaling to more than 500 per year
- Providing a pipeline of access to jobs and youth internships for low-income individuals at PDR tenants at One De Haro and to more than 600 manufacturers citywide through SFMade’s Hiring Made Better and YouthMade programs

In addition to the Project’s lead community partners, we will be leveraging additional relationships with existing workforce partners to serve more communities over time, including

such organizations as Swords to Plowshares (Veterans), Independent Living Resource Center, Goodwill Industries, Chinatown Self-Help for the Elderly, and Jewish Vocational Services (JVS).

In addition to working to educate PDR tenants on San Francisco’s strong network of workforce and manufacturing service providers, we will also encourage close collaboration between Humanmade (or the designated non-profit education/makerspace operator) and other tenants across the campus. By leveraging the educational capacity of Humanmade, One De Haro will be in a position to provide a robust pathway for an individual to gain training and then be positioned to either start their own company or seek employment within another tenant company on site or in adjacent projects such as the SFMade Manufacturing Foundry at 150 Hooper or the American Industrial Center.

In the market-rate PDR space, SKS will seek tenants that are willing to collaborate locally with economic empowerment nonprofits and local educational institutions to identify and train both adults and young people for the advanced manufacturing jobs that will occur now, and in the future. SKS will promote Humanmade in the market-rate leasing materials with the intention to attract tenants that see the program as a pipeline for hiring. SKS will also leverage its own relationships with educational institutions, economic empowerment organizations, and other workforce training programs to create connections with Humanmade, increasing the reach of the program’s impact and increasing its client base. For a comprehensive list of potential partners, please see attached [Appendix D](#). This broad outreach will connect market-rate tenants to local workers and local workers to the training they need to fill those new jobs.

Overall, the workforce development strategy for One De Haro is to:

1. Provide subsidized on-site training and makerspace to low-income communities of color at Humanmade;
2. Provide on-site work and training opportunities at tenant PDR businesses, as well as at the adjacent office tenants where possible;
3. And have One De Haro be a broad center for advanced manufacturing education and training that links to additional job opportunities at manufacturers across the city

Please see [Appendix E](#) for several compelling case studies of how young, growing advanced manufacturers are already beginning to make a difference.

5.5. **Strategy 4: Encourage cross-pollination with non-PDR users**

The success of both the PDR and non-PDR users in One De Haro will be determined in part by how they work together. SKS believes the design of the Project will encourage meaningful interactions between these cohorts. This purposeful configuration of common space will enhance creativity and productivity between workers and companies with a diversity of backgrounds, skill sets, and thinking.

Please see the examples below of collaborative spaces created in other SKS projects, all of which are occupied by a mix of PDR and Office users.

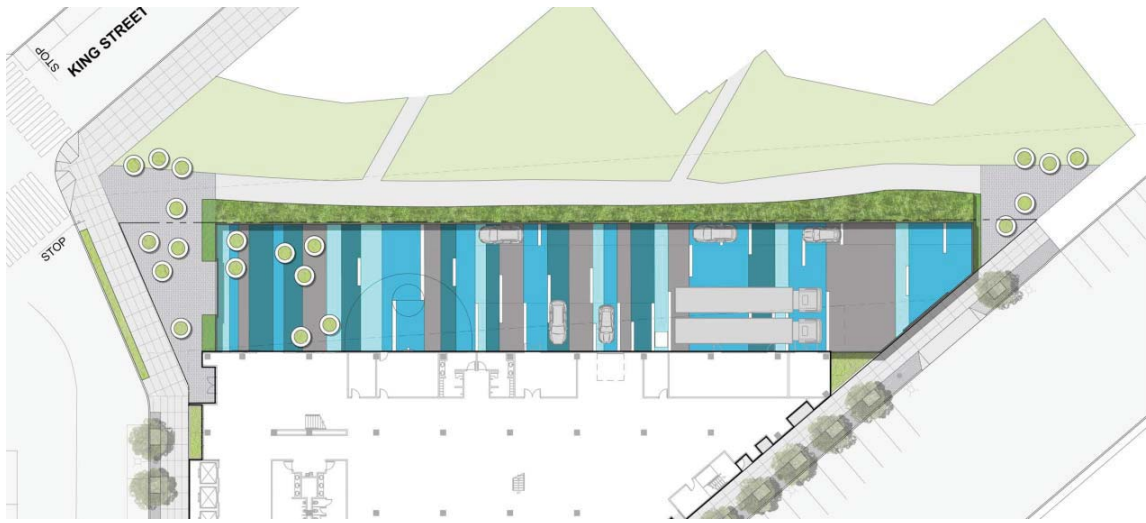


The Atrium at 888 Brannan



The Commons at The McClintock Building

The Plaza at One De Haro is intended to serve the same purpose. This open area will serve as a functional loading dock while also acting as an entrance courtyard, basketball court and community gathering area. Please see the below plans showing the spaces future uses as well as a rendering of what the space may look like.



The Plaza (signified by colored treatment of asphalt)



Rendering of The Plaza at dusk

Sources:

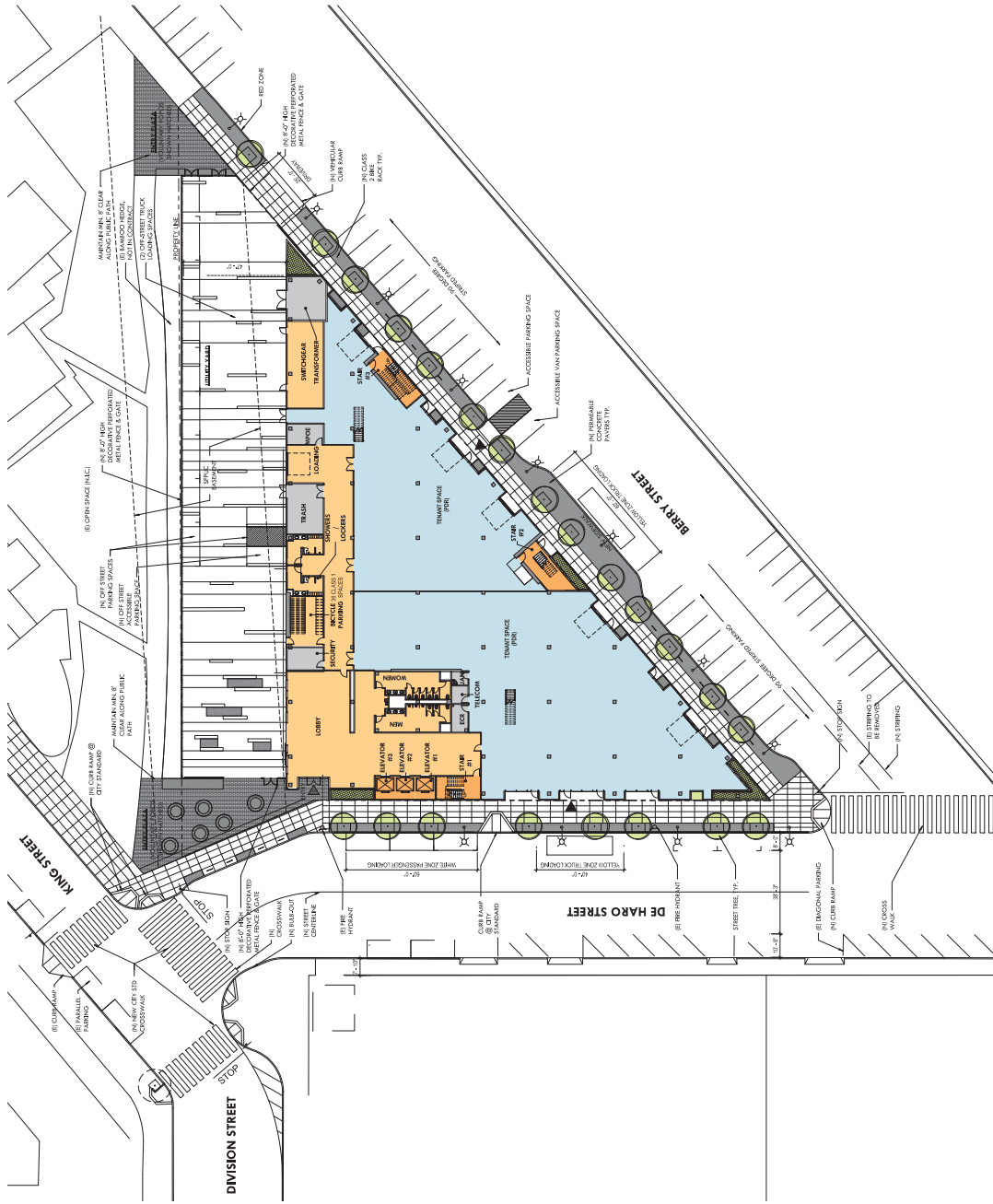
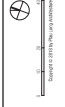
SFMade. (2016). *Bay Area: State of Local Manufacturing*. San Francisco, CA: SFMade.
SFMade, SF Mayor's Office of Civic Innovation, SF OEWD. (2016). *Make to Manufacture: Advanced Manufacturing Playbook*. San Francisco, CA: SFMade.

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- ⁱ (SFMade, 2016)
 - ⁱⁱ (SFMade, SF Mayor's Office of Civic Innovation, SF OEWD, 2016)
 - ⁱⁱⁱ (SFMade, SF Mayor's Office of Civic Innovation, SF OEWD, 2016)
 - ^{iv} (SFMade, SF Mayor's Office of Civic Innovation, SF OEWD, 2016)
 - ^v (SFMade, 2016)
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 - ^{xii} (SFMade, SF Mayor's Office of Civic Innovation, SF OEWD, 2016)
 - ^{xiii} (SFMade, SF Mayor's Office of Civic Innovation, SF OEWD, 2016)

**One De Haro
PDR Business Plan
Appendix A: 100% Schematic Design**



- SHARED OUTDOOR SPACE
- SHARED TENANT SPACE
- VERTICAL CIRCULATION
- PPOR UNITS
- COMMERCIAL TENANT SPACE
- PARKING
- BUILDING SERVICE SPACES





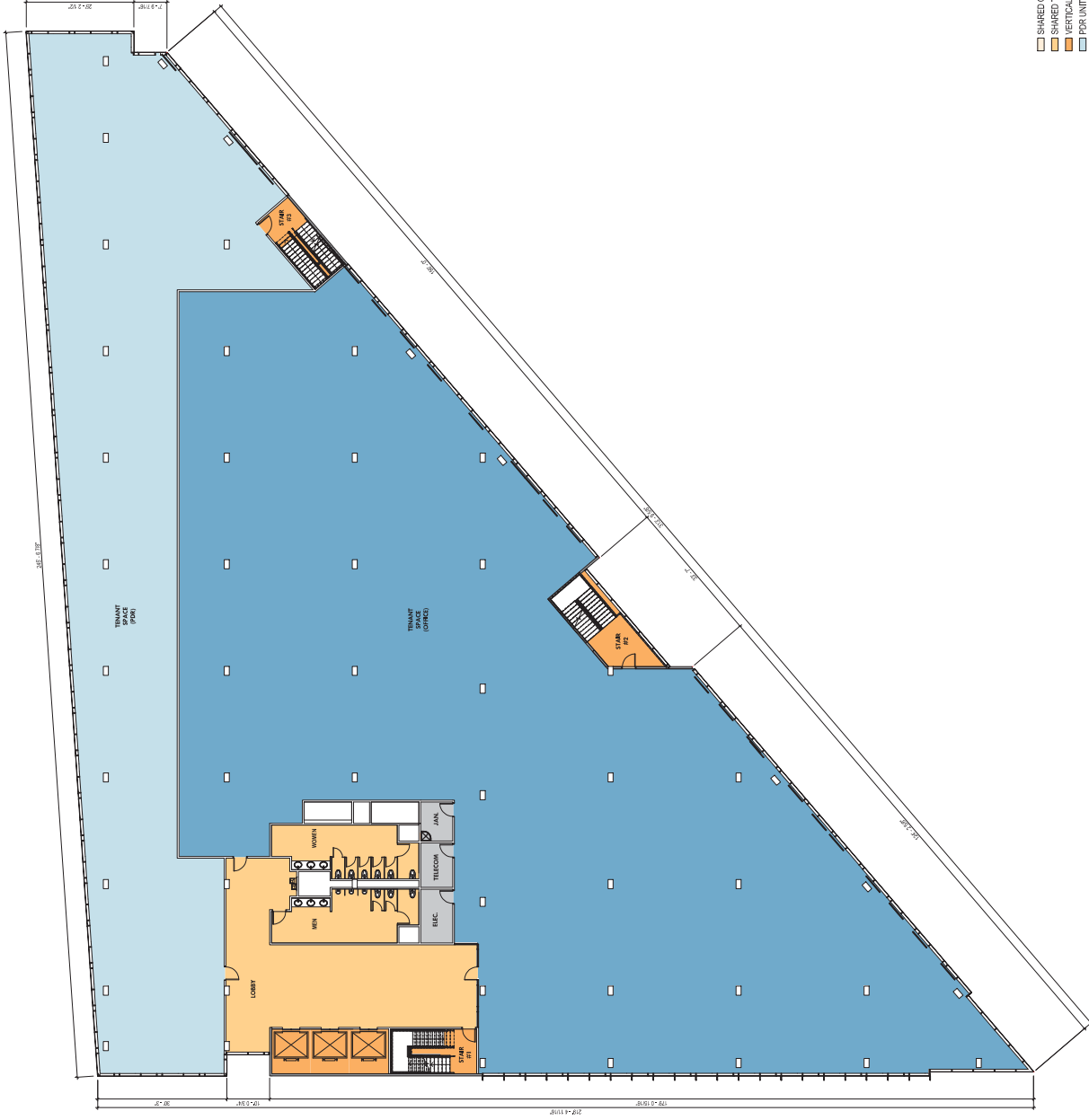
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- SHARED TENANT SPACE
- VERTICAL CIRCULATION
- PPR UNITS
- COMMERCIAL TENANT SPACE
- PARKING
- BUILDING SERVICE SPACES

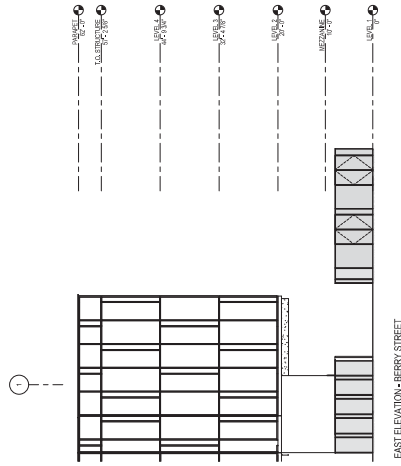
ONE DE HARO - FIRST FLOOR PLAN
 SKS Partners
 05/03/2018 Scale: 1/8" = 1'-0"

- SHARED OUTDOOR SPACE
- SHARED TENANT SPACE
- VERTICAL CIRCULATION
- PORCHES
- COMMERCIAL TENANT SPACE
- PARKING
- BUILDING SERVICE SPACES



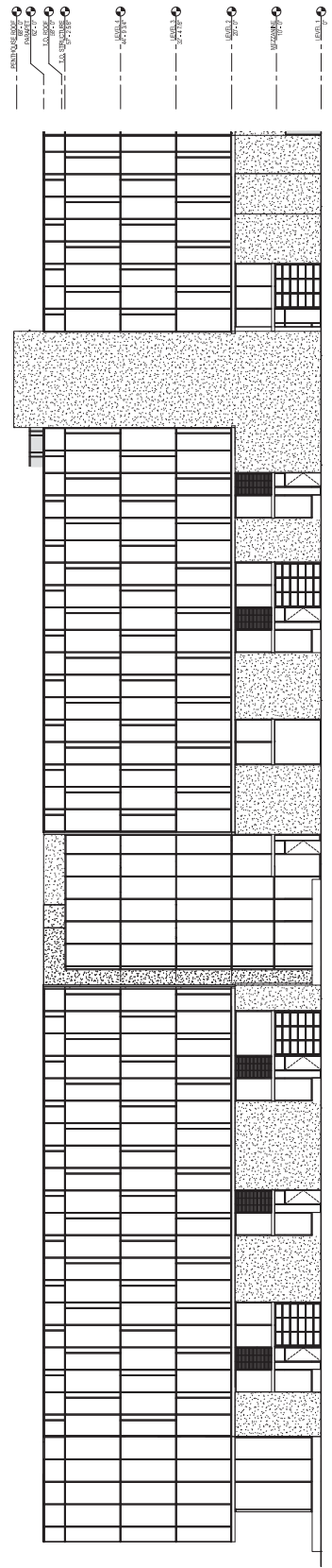
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- SHARED TENANT SPACE
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- POOR UNITS
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- PARKING
- BUILDING SERVICE SPACES





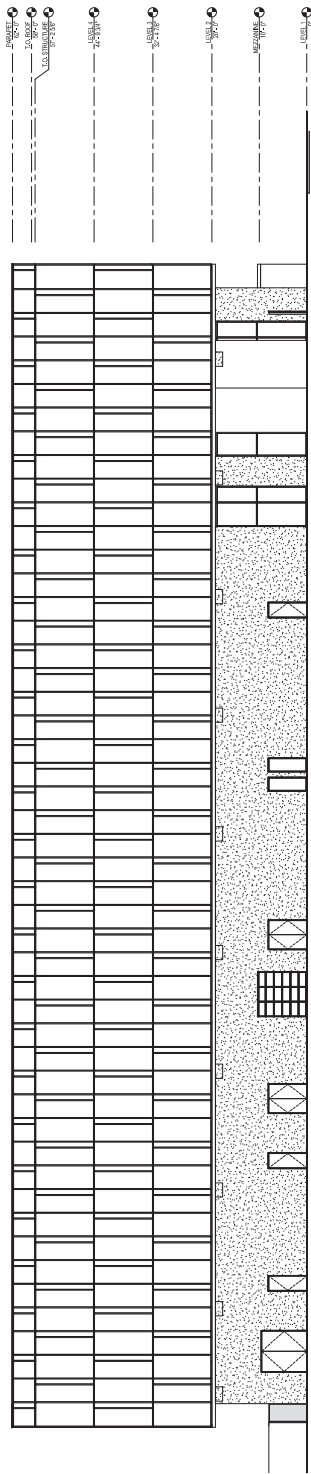
EAST ELEVATION - BERRY STREET

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- ROOF
- MEZANINE FLOOR
- FLOOR
- WALL
- MEZANINE FLOOR
- WALL

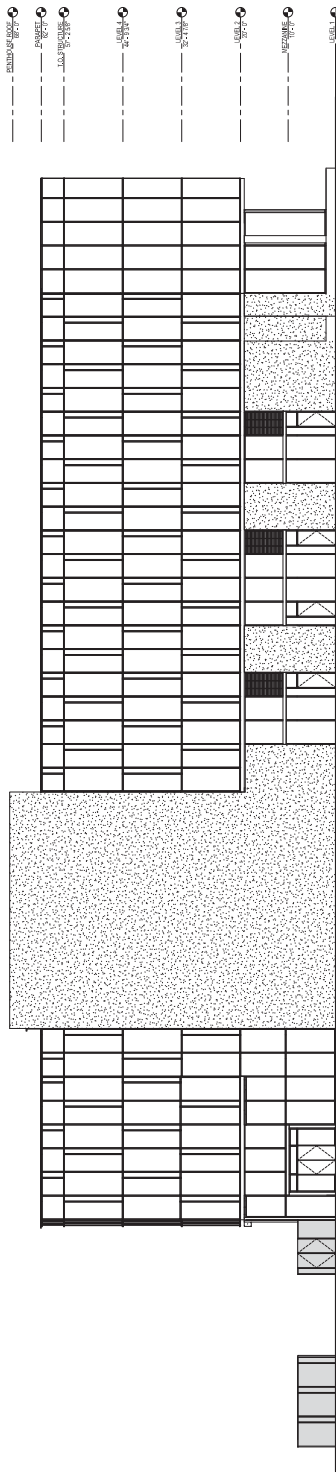


SOUTH ELEVATION - BERRY STREET

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- ROOF
- MEZANINE FLOOR
- FLOOR
- WALL
- MEZANINE FLOOR
- WALL



NORTHELEVATION

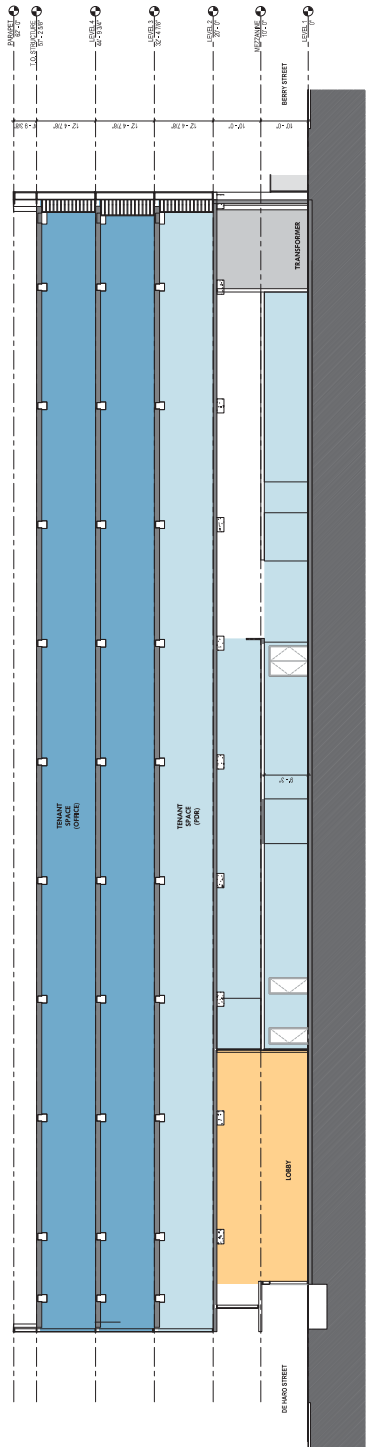


WEST ELEVATION - DE HARO STREET

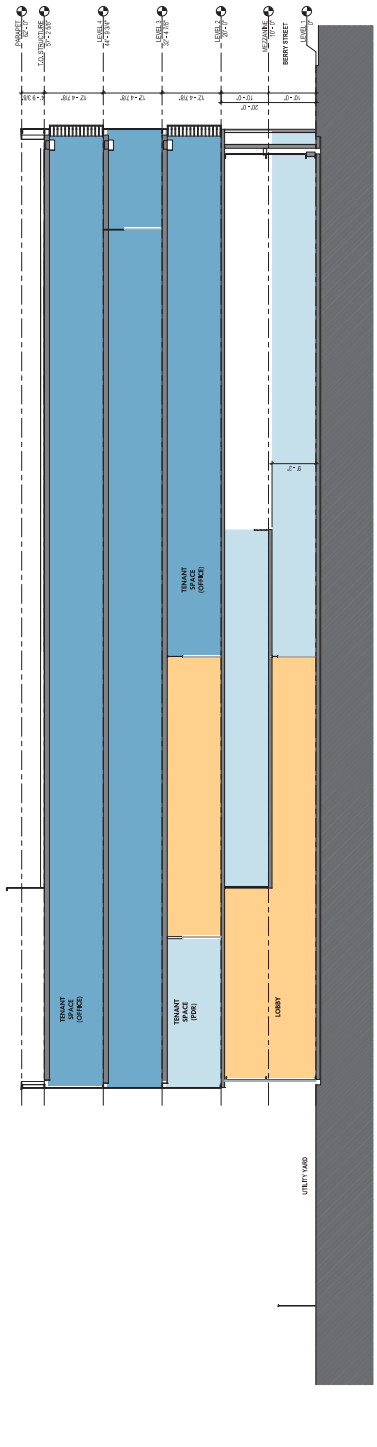
ONE DE HARO - BUILDING ELEVATIONS
 SKS Partners

DATE: 10/10/18 Scale: 1/8" = 1'-0"





BUILDING SECTION - EASTWEST



BUILDING SECTION - NORTHSOUTH

- SHARED TENANT SPACE
- FOR UNITS
- COMMERCIAL TENANT SPACE



**One De Haro
PDR Business Plan
Appendix A: 100% Schematic Design MEP**



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One DeHaro
 1 DeHaro San Francisco
 APN: XXXX.XXXX

PRELIMINARY

DATE: 01/11/2017	SCALE: AS SHOWN
PROJECT: ONE DE HARO	PROJECT NO: 17-0001
SHEET: MECHANICAL SCHEDULES	SHEET NO: 02
TITLE: SCHEDULES - MECHANICAL	

DATE: 01/11/2017
MO.02
 PROJECT: ONE DE HARO
 SHEET: MECHANICAL SCHEDULES
 SHEET NO: 02

DEDICATED OUTDOOR AIR SYSTEM SCHEDULE

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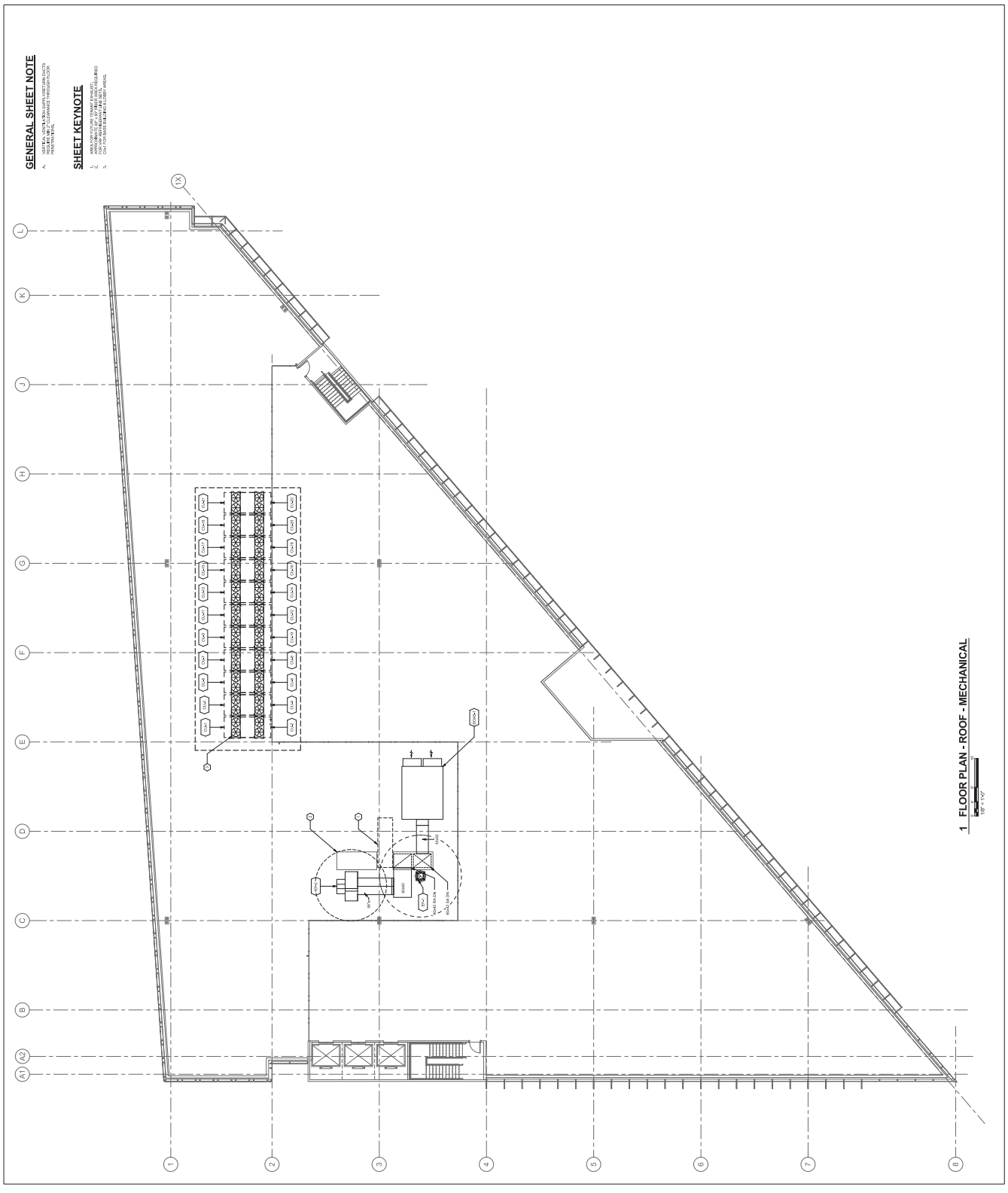
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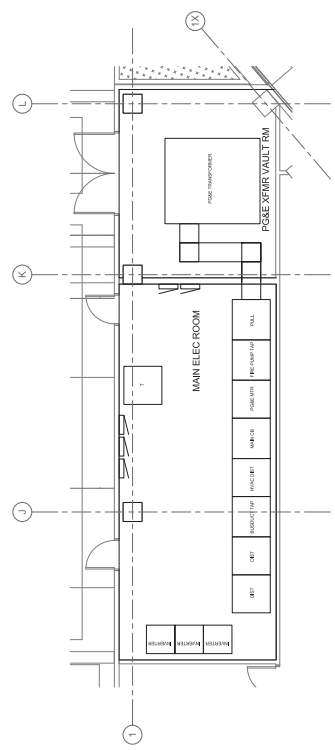


GENERAL SHEET NOTE
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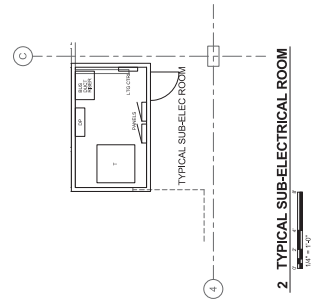
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 M2.05

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50	08/11/2017	ISSUED FOR PERMITS



1 ENLARGED MAIN ELECTRICAL ROOM
 10'0" x 10'0"



2 TYPICAL SUB-ELECTRICAL ROOM
 10'0" x 10'0"



One DeHaro
 1 DeHaro San Francisco
 APN: XXXX.XXXX

PRELIMINARY

NO.	DATE	DESCRIPTION
1	08/11/2017	ISSUE FOR PERMIT
2	08/11/2017	ISSUE FOR PERMIT
3	08/11/2017	ISSUE FOR PERMIT
4	08/11/2017	ISSUE FOR PERMIT
5	08/11/2017	ISSUE FOR PERMIT
6	08/11/2017	ISSUE FOR PERMIT
7	08/11/2017	ISSUE FOR PERMIT
8	08/11/2017	ISSUE FOR PERMIT
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18	08/11/2017	ISSUE FOR PERMIT
19	08/11/2017	ISSUE FOR PERMIT
20	08/11/2017	ISSUE FOR PERMIT

PROJECT: ONE DEHARO
 SHEET: E5.01
 DATE: 08/11/2017
 SCALE: AS SHOWN
 DRAWN BY: J. BROWN
 CHECKED BY: M. SMITH
 PROJECT ENGINEER: ELECTRICAL



GENERAL ELECTRICAL NOTES

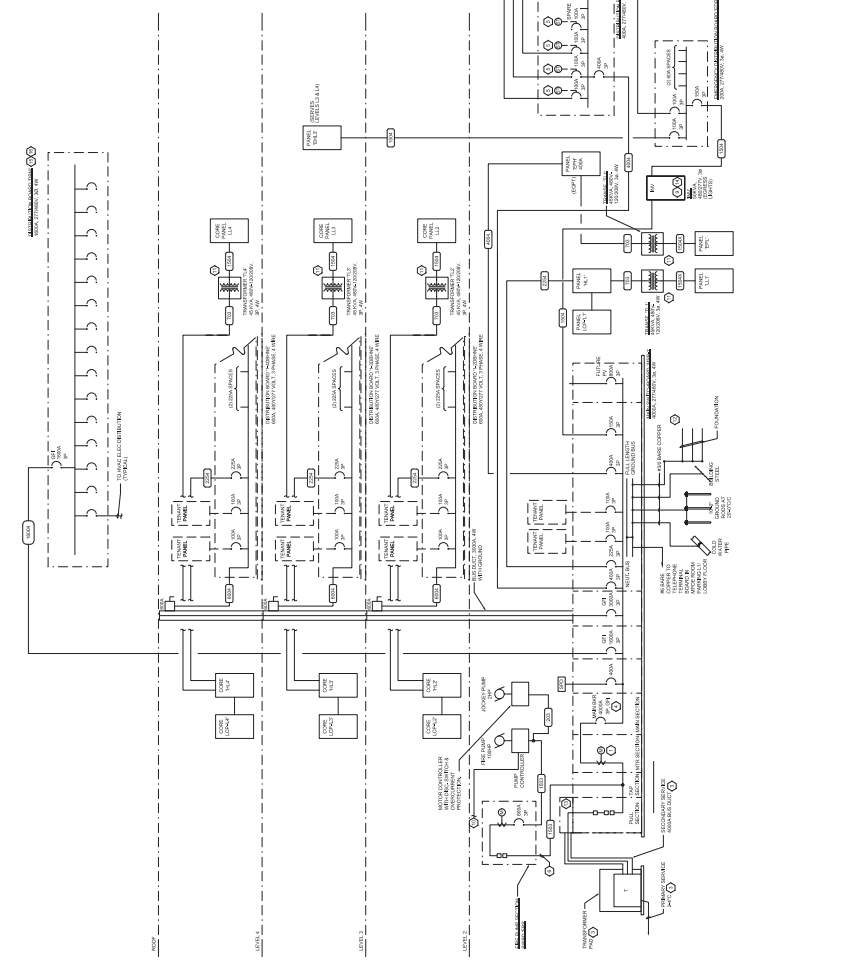
1. ALL ELECTRICAL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC) AND ALL APPLICABLE LOCAL ORDINANCES.
2. ALL ELECTRICAL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC) AND ALL APPLICABLE LOCAL ORDINANCES.
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SHEET KEYNOTES

1. ALL ELECTRICAL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC) AND ALL APPLICABLE LOCAL ORDINANCES.
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FEEDER SCHEDULE

NO.	DESCRIPTION	AMPS	VOLTS	PHASES
1	1PHASE 120V	100	120	1
2	1PHASE 120V	100	120	1
3	1PHASE 120V	100	120	1
4	1PHASE 120V	100	120	1
5	1PHASE 120V	100	120	1
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17	1PHASE 120V	100	120	1
18	1PHASE 120V	100	120	1
19	1PHASE 120V	100	120	1
20	1PHASE 120V	100	120	1



1 SINGLE LINE DIAGRAM
 NO SCALE



Analysis of Production, Distribution and Repair Inventory in San Francisco's Eastern Neighborhoods

Dated: Feb. 8, 2018

EXECUTIVE SUMMARY

Newmark Knight Frank ("Newmark") was asked to provide market research and analysis on the availability of production, distribution and repair ("PDR") buildings in the City of San Francisco. Since tenant occupants will consider all spaces that are zoned to accommodate their usage, we included both PDR designated buildings and other buildings that could accommodate similar production, distribution or repair designations.

PDR tenants seeking Class A space are a relatively new market force. Prior to 2015, landlords did not anticipate the demand from higher credit tenants who can afford the rental rates required for new construction. Currently, Class A buildings make up just 4.9% of the total PDR inventory. With such a small inventory at the same time as this recent surge in demand, we conclude that there is a market imbalance in Class A PDR buildings.

The global marketplace is ruthlessly competitive and innovative companies must meet demand in their respective industries when it is present, even if that means moving out of San Francisco. San Francisco's traditional four-year development cycle to produce the new buildings to accommodate these tenants is too long, and the City would benefit by prioritizing Class A PDR development.

At the same time there is abundant Class B and Class C inventory available both to traditional industrial tenants as well as to new entrepreneurs at rates and sizes that foster the creation and longevity of a variety of companies.



METHODOLOGY

Newmark Knight Frank (“Newmark”) was asked to provide market research and analysis on the availability of production, distribution and repair buildings in the City of San Francisco. Since there is a large concentration of these buildings in the Eastern Neighborhoods as defined by the San Francisco Planning Department in its publication, “Understanding PDR – SF Planning July 2002”, we focused our research on these same neighborhoods. Since tenant occupants will consider all spaces that are zoned to accommodate their usage, we included both PDR designated buildings and other buildings that could accommodate similar production, distribution or repair designations, including:

ZONING DISTRICTS THAT ALLOW PDR COMPLIANT USES

District	Allowed PDR Uses (examples)
M-1	Auto assembly, F&B processing, light & heavy manufacturing
M-2	Auto assembly, F&B processing, light & heavier manufacturing
Folsom NCT	Light manufacturing
MUG	Light manufacturing (exclude conditional office uses)
WMUG	Wholesale sales, light manufacturing
SALI	Light manufacturing, motor repair, storage, non-life science labs
SLI	Light manufacturing, wholesale distribution, greenhouses
SLR	Light manufacturing, distribution (exclude residential uses)
SSO	Light manufacturing (exclude conditional office uses)
PDR-1-B	“Light Industrial Buffer”, light manufacturing, laboratory, wholesale and commercial storage
PDR-1-G	“General”, light manufacturing, laboratory, wholesale and commercial storage and sales
PDR-1-D	“Design”, design-focused light manufacturing, laboratory, wholesale sales, trade shop
PDR-2	“Core PDR”, heavy manufacturing, junkyard, automobile assembly, truck terminal, metal workshop
UMU	Light manufacturing, wholesale distribution (exclude conditional office uses)
TI-MU	Food processing allowed on small scale, all other uses should be excluded

Since all of the above zones focus on some aspect of production, distribution or repair, we will refer to the collective group as “PDR” for the purposes of this report.

Newmark’s inventory data was provided by CoStar and LandVision, two industry-recognized sources, and much of the inventory was individually confirmed by Newmark using the San Francisco Assessor’s Property Information Map. All Class A building information (which includes new ground up developments and buildings that have undergone complete renovations throughout) was independently verified by Newmark; classifications for Class B and C buildings were largely determined by CoStar although many of these classifications were verified by Newmark. Availability data was provided by CoStar and independently audited. Year built or last renovated information was provided by CoStar, and for buildings which have undergone major renovations, the renovation year has been counted as the building year in determining age. Rental rate information was collected by Newmark. All of this research was conducted by Newmark Knight Frank’s research department between August 10, 2017 and August 28, 2017, with an update conducted February 8, 2018.

The rental rate ranges in the Analysis Sections are referenced as Industrial Gross (IG), in which all operating expenses and taxes are included in the rent, with the exception of janitorial and electrical charges, which are contracted and paid for by each tenant occupant. For analysis purposes, when rents were quoted as triple net (NNN) rent (in which the tenant pays 100% of the operating expenses and taxes associated with their building and premises), or as full service (in which all operating expenses and taxes are included in the rent), we converted the rent to the IG equivalent assuming annual operating expenses of \$4/square feet, and taxes based on the 2016 tax bill.

Average rents are weighted, meaning they are calculated based on the total square feet rather than by building, so that a 60,000-square-foot availability has greater impact on the average than a 5,000-square-foot availability.

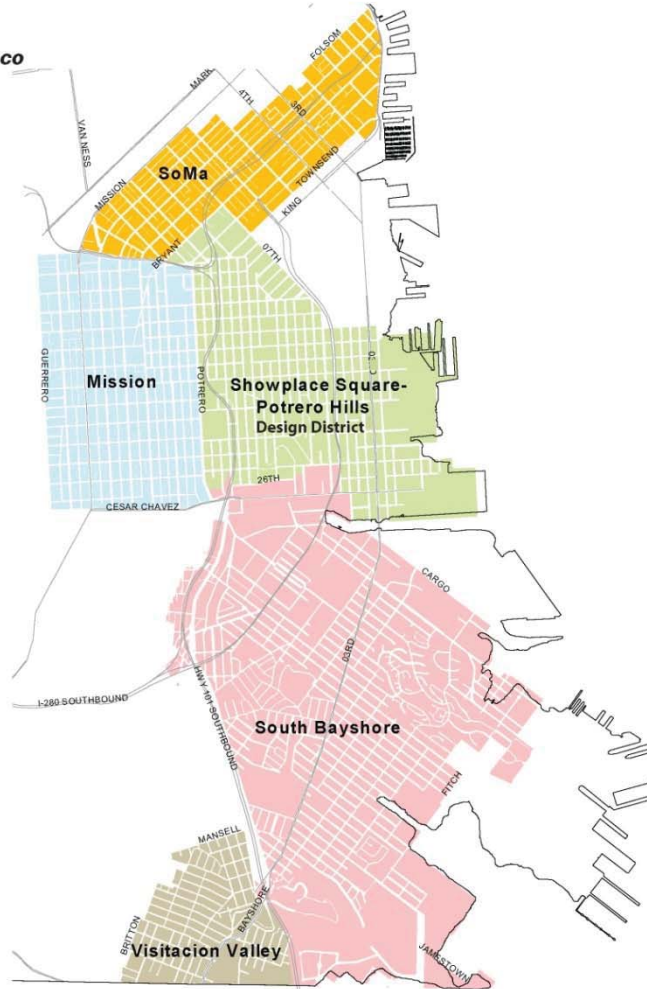


MARKET OVERVIEW

The neighborhoods we reviewed are represented in the map below; however, due to the small inventory of qualifying buildings in Visitacion Valley, we incorporated these properties into the Bayshore analysis:

OVERVIEW

SOURCE MAP: CITY OF SAN FRANCISCO
EASTERN PDR NEIGHBORHOODS



MARKET OVERVIEW - INVENTORY ANALYSIS

In total, we looked at 1,511 buildings totaling approximately 31,163,057 square feet ("sf"). The breakdown is as follows:

	Building Count	Total Inventory	% of Total Inventory	Avg. Bldg Size	Average Year Built or Renovated
Class A	14	1,522,139 sf	6%	115,759 sf	2014*
Class B	478	13,424,002 sf	43%	28,084 sf	1958
Class C	1018	15,886,916 sf	51%	15,606 sf	1947
Total Inventory	1512	31,163,057 sf		20,610 sf	1951

*Includes Class A buildings currently under renovation with delivery dates through 2020.



Overall Inventory Analysis – Breakdown by Neighborhood

	Total Square Feet	SOMA Square Feet	% of Class Total	Showpl. Sq./ Potrero Square Feet	% of Class Total	Mission Square Feet	% of Class Total	Bayshore Square Feet	% of Class Total
Class A	1,852,139	0	0%	1,493,641	81%	358,498	19%	0	0%
Class B	13,424,002	1,864,845	14%	3,783,696	28%	2,552,997	19%	5,222,464	38%
Class C	15,886,916	3,756,257	24%	3,340,732	21%	1,052,380	7%	7,737,547	49%
Total	31,163,057	5,621,102	18%	8,618,069	28%	3,930,946	13%	12,930,946	42%

Analysis of Class A Designated Inventory

For our purposes, Class A designated inventory is defined as new ground up development, and buildings that have been entirely renovated with completely new infrastructure, including but not limited to structural upgrades to meet current code for seismic, electrical, mechanical, fire and life safety, plumbing, and restrooms; in addition to building amenities such as roof decks and outdoor patios.

Class A inventory equates to only 6% of the total PDR inventory by size. Furthermore, only 16 of the 1,511 PDR buildings qualify as Class A stock, which equates to 1% of the total by building count. Based upon these two data points, we conclude that there is a market imbalance in Class A buildings. The main reason this is the case is that nearly all Class A buildings have been built or renovated since 2015, with many still under renovation. The average Class A building is 123,476 square feet, although these buildings range in size from 22,000 square feet to 460,000 square feet.

Class A PDR tenants are a relatively new market force. Prior to 2015 landlords did not anticipate the demand from higher credit tenants who can afford the rental rates required for new construction. This new breed of tenant is rapidly growing due to exploding market forces such as (i) the reduced cost of rapid prototyping technology, (ii) increased and robust availability of AI and autonomous auto technology, (iii) the growth in demand for Internet of Things (“IoT”) devices, (iv) the growth of medical devices, and (v) dramatic advances in biotech and life sciences.

This robust and dramatic growth has left San Francisco with an imbalance of Class A PDR buildings. These companies must act quickly to meet market demand in their respective fields, even if that means moving out of their preferred location. San Francisco risks losing these companies to surrounding communities in the East Bay and North Peninsula unless new PDR buildings are prioritized.

Analysis of Class B and Class C Designated Inventory

Most Industrial users in San Francisco focus on Class B and C designated buildings for several reasons.

- Class B and Class C buildings are smaller and better able to accommodate users with smaller space requirements. The average Class B building size is 28,084 square feet and the average Class C building size is 15,606 square feet.
- These buildings are older and have fewer amenities and thus are less expensive than Class A. The average age of Class B buildings is 60 years, and the average age of Class C buildings is 71 years.
- The far greater inventory among Class B and Class C buildings means there is also far greater availability. The total inventory for these two classes is 29.3 million square feet of which 874,887 square feet is available.

Class B and Class C inventory is heavily concentrated in the Bayshore, at 12.9 million square feet, or 44% of the Class B and Class C inventory. Since this neighborhood is farther from the Downtown core these buildings were not converted to technology company offices in the 1980s and 1990s like in SOMA. However, SOMA still has 18% of the PDR inventory due to the City’s efforts to proactively preserve PDR compliant buildings. Showplace Square/Potrero has 28% of the PDR inventory, and the Mission has 13%. Because many traditional industrial tenants have moved out of San Francisco due to broader economic forces, the older Class B and Class C inventory is available to the new entrepreneurs at rates and sizes that foster the creation of new companies.



MARKET OVERVIEW - OVERALL AVAILABILITY ANALYSIS

	Spaces Available	SF Available	% of Total Availability	Average Availability Size	Weighted Average IG Asking Rate
Class A	10	136,613 sf	14%	13,661 sf	\$59.38*
Class B	41	420,431 sf	42%	10,254 sf	\$49.25
Class C	56	454,456 sf	45%	8,115 sf	\$30.95
Total Inventory	101	1,011,500 sf	3.2% total market availability	9,453 sf	\$43.22

Based on availabilities 2/7/18

*Does not include 150 Hooper due to rent subsidies; inclusion of 150 Hooper drops weighted average Class A rate to \$49.51.

PDR Users - Demand

As of the date of this report, Newmark was tracking PDR tenant demand from a variety of tenants ranging in size from 10,000 to 100,000 square feet. Since the bulk of our business is in office leasing, the PDR users that engage for our services are of the type that need a PDR solution that is often attached to Class A office space as well. The PDR-seeking population we are tracking is looking for Class A PDR space – these users are early-stage companies looking for combined office and production space. As previously referenced, these innovative, creative companies exist in the newly-forming artificial intelligence, automated automotive, and other burgeoning technology markets. Recent noteworthy PDR transactions include Otto (Uber’s self-driving car division), Tea Collection, InVitae, Restoration Hardware, and Cruise Automation (a GM company).

Given the size of the overall industrial market we understand that we are tracking just a fraction of the broader PDR tenant pool. As such, current demand for Class A PDR space exceeds current Class A availability, further illustrating the imbalance of Class A PDR buildings in the market.

Larger PDR Users - Availability & Rental Rates

As of the date of this update, there was approximately 136,613 square feet of Class A space available across 10 spaces, at an average size of just over 13,661 square feet, although many of these spaces can be combined to accommodate larger users. It is important to note that much of this space is either currently under renovation or under construction, leaving little Class A space available for near-term occupancy. Since tenants seeking larger spaces have fewer options, particularly for Class A space, tenant demand has driven up rates for larger spaces with better infrastructure and amenities.

Smaller PDR Users - Availability & Rental Rates

We have paid particular attention in this update to the needs of smaller users. As of the date of this report, there was approximately 420,431 square feet of space within moderately-priced Class B buildings and 454,456 square feet of available space within the less-expensive Class C buildings. These classes represent 86.5% of the current PDR market availability.

The weighted asking rents for Class B and Class C spaces lower than for Class A space, respectively, accommodating a wide range of users with smaller budgets. The less expensive rents in these buildings are partially due to the difference in quality between classes, although ultimately rates are driven by demand. The Class B and Class C spaces are also smaller in size overall compared to Class A.

Many the spaces available on the market are Class B and Class C up to 5,000 square feet. While there are abundant options in these classes for smaller users on a tighter budget, there is only one Class A spaces available less than 5,000 square feet. These size ranges and rental rates support the needs of the smaller PDR users in San Francisco.

Appendix C

Humanmade

Executive Summary

May 2018

Humanmade is a non-profit community-based training, manufacturing, and prototyping studio on a mission to democratize access to the tools of innovation to individuals from all walks of life. Under the leadership of the most talented former maker space leaders in the Bay Area and in partnership with community organizations including SFMade and other key community workforce and youth development partnerships, Humanmade will bring a new “learn-design-make-manufacture” model to San Francisco. Humanmade will be the first of its kind, with an explicit mission around both training and inclusion in the maker movement. Humanmade will serve a diverse community of creators including makers, artists, fabricators, inventors, architects, hackers, masterminds, and entrepreneurs- both young and old. Humanmade especially aims to bring a more diverse community into the maker movement, including those with disabilities, individuals from low income communities, immigrants, veterans, and people of color.

The Need.

San Francisco and the Bay Area are at an economic and cultural tipping point. While there is more wealth in the area than ever before, entire communities of people do not have access to the skills and networks needed to participate and thrive in the economy. While many people have the will to create, they lack the personal skill sets to affect the desired outcome. Some require the network, skills, tools, and space needed to execute their ideas; while most simply lack the resources. Couple the lack of resources and a lack of access to tools and necessary skill-based training, along with the lack of a mature sector of non-profit, mission-driven intermediaries in this space and the result is a maker movement - and maker spaces – that cater only to those with the financial resources to pay access or training fees. Unfortunately, these spaces attract a primarily white, highly educated demographic.

Studies have shown that there is no difference in the success rate of above average, ambitious, low-income students vs. below average, less ambitious, low-income students that want to be inventors. However, it is no surprise that the statistics change dramatically when students come from high-income families. While the high-income student has an almost guaranteed chance at becoming an inventor, a low-income student that scores in the top 5% have ultimately no better chance of becoming an inventor than a below average, low-income student. Similar statistics can also be applied to people of color as well. Humanmade will provide an economic onramp for low-income adults and youth by giving them advanced fabrication skills that can be used to gain quality jobs and by providing individuals with the vision and tools to create their own businesses while making in an environment that is inclusive of a diverse community of people.

The Humanmade Solution.

Humanmade is a first of its kind facility that was explicitly founded to be the bridge for individuals to gain the skills to fill manufacturing, fabrication, and design jobs in the Bay Area. Humanmade will offer a space to learn and master the skills needed for the modern maker economy. With pathway in and pathway out partnerships, we can get people on the market for employment in as little as four weeks vs. a traditional four-year program, where they only spend about a month of that time on actual machines. Therefore, we will be creating more market ready, qualified employees faster than ever before.

The Facility.

Humanmade will offer approximately 10500 square feet of state of the art equipment and space dedicated to training and making. In addition to a wide range of equipment – including a metal shop, wood shop, both CNC and hand tools, and a wide range of digital production equipment including 3D printers and laser cutters- the facility will include designated areas for offices, conference rooms, demonstration spaces, and classrooms. Humanmade’s permanent home will be in a below market rate space at One DeHaro in the Showplace Square/Design District of

Appendix C

San Francisco. Humanmade will operate from an interim facility between when we launch in September 2018 and when our permanent space is ready in September 2020.

The Programs.

Humanmade will offer maker-space access that is supported by on-site skill-based training and hands on workshops. Our facility will enable individuals to access state of the art equipment, tools, and software all aimed at building skills typically not afforded to underserved communities. Humanmade will also support extensive S.T.E.A.M. programs that provide youth access to the means of modern manufacturing and enhance their problem-solving abilities. Humanmade will give individuals both young and old a significant advantage in the market.

The People.

Ryan Spurlock - As the former General Manager of TechShop San Francisco, starting out in Member Services, Ryan worked his way up to eventually assisting thousands of members as the Maker and DIY'er movement started to thrive. With a background in HR, management, and help from his degree in Industrial and Graphic Design, Ryan guided TechShop San Francisco's product management, product development, and business development strategies. While always focusing on high level customer service and support to his members, Ryan nurtured an environment that celebrated a competitive market edge through innovation, community, and teamwork.

Steven B. Wheeler – Is a designer and maker and was the former Facilities Manager of TechShop SF. With a professional design background working for companies such as Betabrand and The North Face, Steven now focuses on branding and environmental design as Creative Director at The MADE.

Sarayah Moore – Is an Events and Marketing Manager who has a passion for innovation, and a focus on social impact entrepreneurship. During her time as Events Coordinator for TechShop San Francisco, she worked with top tier clients to execute innovative maker-based team-building events, tradeshow, and hackathons.

Sam Lamott – Is an NY Times Bestselling Author, the Founder of HelloHumans digital media company, and the host of their popular "How to Human" podcast. Sam previously served as the Education Coordinator for TechShop San Francisco and then moved on to help with advising all of the Education Coordinators, at all 8 locations nationwide.

Impact of Humanmade.

Humanmade will create and foster an environment where makers and students can not only learn and grow, but a place where their contributions are crucial by serving and enabling individuals from all walks of life, including those with disabilities, low-income, immigrants, veterans, and people of color. By subsidizing shop usage costs for low income individuals through client fees, grants, and local partnerships, Humanmade will enable those who may otherwise not have the financial means to gain access. When Humanmade reaches scale, we will serve over 1000 individuals annually, with approximately 30% of our community receiving deeply subsidized access and training fees. Long term, as a result of available workforce development and skill-based training, more low-income adults and youth will be employed in the community's vibrant economy. Supporting skill-based positions that are, more often than not, given to those with expensive college degrees.

The Partners

SFMade is a California 501(c)(3) non-profit corporation, established in 2010 and headquartered in San Francisco. SFMade's mission is to build and support a vibrant manufacturing sector in San Francisco that sustains companies producing locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce. SFMade currently engages more than 650 manufacturers across San Francisco who collectively sustain more than 5000 jobs.

Appendix C

SFMade will be engaging Humanmade in its workforce, hiring and youth programs, which annually place hundreds of low-income adults and high school youth into full-time jobs and paid “makerships” at local manufacturers. SFMade already works with a diverse range of more than 30 community partners - including Jewish Vocational Services, Swords to Plowshares, Young Community Developers, Mission Economic Development Agency, Enterprise for Youth, Goodwill Industries, Aribba Juntos, and Chinatown Self Help for the Elderly - to engage their clients with manufacturing employment opportunities. Now, SFMade and Humanmade will ensure that San Francisco’s communities of the most profound need are given direct pathways to skill development - using Humanmade’s training and workshop facilities as a platform - which will, in turn, empower them to secure employment and even entrepreneurship opportunities in the local maker-manufacturing economy.

SKS Partners is a San Francisco based Real Estate Developer that builds spaces for the knowledge economy. Founded in 1992, SKS set out to establish a different approach to development in the Bay Area by having a positive impact on the built environment. Since then, SKS has developed some of the most innovative and durable properties in the Bay Area, providing a variety of buildings for the industries and entrepreneurs who are changing the way we live our lives. As a founding partner, SKS is providing seed funding support to Humanmade and providing us with a brand new custom facility to help bring this maker-based mission to life.

Funding Humanmade.

Humanmade aspires to secure additional funders to join our mission. **For more information, please contact Ryan Spurlock at ryan@humanmade.org**

Appendix D – Workforce Development Partners Outreach

SKS is committed to creating a robust ecosystem that broadly engages workforce development partners across the community, with a goal to engage both the PDR and office tenants in One DeHaro to create economic on-ramps for San Francisco residents from diverse communities, especially communities of color and low-income residential neighborhoods. We will have a three-pronged workforce outreach strategy: 1) Begin with our founding community partners –HumanMade and SFMade – to build deep connections into the local maker-manufacturing employment base and, 2) leverage SFMade’s existing community partners and develop new partnerships with strategically selected “neighborhood partners” operating in communities of need in the Mission, Bayview, Chinatown, and the Western Addition, and 3) work with other PDR and office tenants across One DeHaro to hire both from Humanmade’s client base as well from clients served by the neighborhood partners.

The following is our initial list of current partners and planned outreach organizations:

<u>Organization</u>	<u>Type/Geography</u>	<u>Strategy</u>
HumanMade	Anchor PDR Tenant Citywide	Humanmade will be the central focus of One De Haro’s workforce development community outreach strategy. Humanmade will have a permanent home in One De Haro, and in this location it will have immediate connectivity to market-rate tenants as well as other PDR businesses operating throughout San Francisco. As a leader in the PDR community, Humanmade will serve as a destination for training local workers and hiring for companies looking to fill talent with adequate training.
SFMade	Founding Community Partner Citywide	SKS has worked closely in collaboration with SFMade over the past year to develop a holistic strategy for creating a vibrant PDR ecosystem at One De Haro. As the fiscal sponsor of Humanmade, SFMade will play an active role in funding, curriculum development, and connecting Humanmade’s clients to the 600 manufacturers who are served by SFMade. In addition, SFMade will be engaging Humanmade in its existing workforce, hiring and youth programs, which annually place hundreds of low-income adults and high school youth into full-time jobs and paid “makerships” at local manufacturers. SFMade currently works with a diverse range of more than 30 community partners to engage their clients with manufacturing employment and maker-entrepreneurship opportunities.
Young Community Developers	Outreach Target Bayview	YCD’s mission is to empower and inspire Southeast Sector Residents to engage in employment and educational opportunities. Through comprehensive preparation and training techniques targeted towards enhancing workforce readiness coupled with an inclusive set of additional services, YCD seeks to assist in the removal of employment and education barriers for our disenfranchised residents. YCD provides the residents of Bayview Hunters Point and San Francisco residents at large a variety of job readiness training programs and support services to facilitate educational advancement and job placement.

Appendix D – Workforce Development Partners Outreach

<u>Organization</u>	<u>Type/Geography</u>	<u>Strategy</u>
Arriba Juntos	Outreach Target Mission	Arriba Juntos was created on May 13, 1965 and was originally named the Organization for Business, Education and Community Advancement (O.B.E.C.A) and the mission was to meet the basic needs of the increasingly large number of Latino immigrants that were moving into what was before a primarily Irish working class neighborhood. The needs of these newcomers were adequate housing and education, improved employment opportunities, reliable childcare, and health care. From the 1990s to the present AJ has expanded its vision and now provides all of its programs on a citywide basis. In doing so AJ serves more of San Francisco's diverse population and better stands for its clarion call: "Upward Together" and provides programs in Nursing Assistant, Home Care, Home Health Aide, and Automated Office Skills Training. All programs have been licensed by the California Bureau for Private Postsecondary Education to operate and offer educational programs for non-accredited institutions
Chinatown Self Help for the Elderly	Outreach Target Chinatown/Tenderloin	At CSHE, "the employment training and economic development department (ETED) creates and provides training, counseling, employment, and job retention for adults of all ages. [...The] purpose is to enhance their independence, self-esteem, and quality of life. [CHSE combats] poverty by supporting older and displaced workers through each step of the job seeking process from training and counseling to job placement and retention." (selfhelpelderly.org)
Jewish Vocational Services	Outreach Target Citywide	JVS transforms lives by helping people to build in-demand skills and make connections to find good jobs. Programs focused on industries that are hiring and can offer career path jobs, such as healthcare, financial services, technology and trades. These Career Pathway programs are developed in partnership with Bay Area employers.
Swords to Plowshares	Outreach Target Veterans	At Swords to Plowshares, veterans work one-on-one with Employment & Training Program staff to address their individual needs, overcome obstacles to employment, and determine a long-term career plan. The organization provides job placement assistance and vocational training programs to help veterans translate their skills and train for new careers in high-growth, high-wage careers in the civilian sector.
Independent Living Resource Center (ILRCSF)	Outreach Target Citywide	ILRCSF is a disability rights advocacy and support organization ensuring that people with disabilities are full social and economic partners, within their families and within a fully accessible community. ILRCSF's mission is achieved by systems change, community education, partnerships with business, community organizations and government, and consumer directed services.
TechSF Office of Economic and Workforce Development (OEWD)	Outreach Target Citywide	TechSF employs a sector strategy in developing job training programs. OEWD offers training to residents for entry level positions in high growth industries: Construction, Health Care, Hospitality, and Technology. Each sector academy integrates skill development, support services, and job development to prepare and place individuals for a range of jobs within these thriving industries. Each sector academy was developed in partnership with the industry and by using the most currently available labor-market information (LMI).

Appendix D – Workforce Development Partners Outreach

<u>Organization</u>	<u>Type/Geography</u>	<u>Strategy</u>
College Track	Outreach Target Bayview/Citywide	College Track’s ten-year program is designed to make sure their students are given the opportunity to fulfill their potential through a four-year college degree. The organization empowers its students to transcend the limits of their circumstance by providing the support that helps them to build their academic skills, discover their dreams, secure financial aid, and persist on the path to and through college. As a result, hundreds of College Track alumni are creating lasting and visible change as they become engineers, teachers, lawyers, higher education professionals, mentors, and coaches.
HOPE SF	Outreach Target Bayview, Potrero Hill, Visitacion Valley	Led by The San Francisco Foundation, Enterprise Community Partners, and the City and County of San Francisco, The Partnership for HOPE SF is a public-private partnership that takes an integrated approach to address generational poverty that has yet to be broken in the most distressed public housing in the Bayview, Potrero Hill, and Visitacion Valley neighborhoods of San Francisco By investing in the whole community at once – improving school attendance, providing a real shot at the skills needed to attain a living-wage job, and turning the tide on health disparities in the southeast sector of San Francisco – The Campaign for HOPE SF is an all-hands-on-deck approach to creating opportunity for all of San Francisco’s residents.
Community Living Campaign	Outreach Target Citywide	The Community Living Campaign’s SF ReServe matches seniors and people with disabilities (ReServists) with rewarding part-time, paid opportunities at local nonprofits and public agencies (Partners). CLC encounters many individuals who want to find work and contribute to their communities, but aren’t sure where to look, or are hampered by ageism, ableism and other barriers. On the other hand, nonprofits and other community organizations are trying to stretch limited resources to meet increasing needs. By tapping into a lifetime of experience, Reservists help Partners build a better San Francisco.
The Arc of San Francisco	Outreach Target Citywide	The Arc San Francisco is a lifelong learning and achievement center for over 700 individuals with developmental disabilities in San Francisco, San Mateo and Marin counties. Program participants can choose a single path or Program (Adult Life & Skills, Employment Development, Careers & Advancement), or a combination that works best for his or her lifepath and goals. Revisit coursework, learn new skills or reinforce others at any stage of adulthood.

Appendix E

Case Studies of Class A PDR Advanced Manufacturers and Workforce Development

The following case studies have been developed to provide examples of how emerging “advanced,” or technology-enabled, manufacturers make a significant impact on the livelihoods of individuals in the community in which the manufacturer is located. We show how these companies can connect individuals living in low-income communities (and/or other individuals with significant structural employment barriers) to employment (including individuals with disabilities, less formal education, immigrants for whom English is a second language, veterans, and others). These jobs provide workers in marginalized communities access to a significantly growing sector of the San Francisco economy. These cases represent the kinds of tenants that One De Haro will house in the PDR portion of its project.

Case Study 1: Large corporation - spin-off company. Location: San Francisco/SOMA. Industry: automotive/autonomous vehicles (Confidential)

Company/Product

Located in the Western SOMA neighborhood of San Francisco, this company (confidential) is on the forefront of developing components and software for self-driving cars. The company performs a variety of prototyping, machining, and testing processes on site and throughout their fleet of self-driving cars.

Job/Employment Profile

The company currently employs approximately 500 people in San Francisco, and they have plans to add about 600 more people to their headcount by 2021. Jobs range from software and radar engineers to members of the mechanic team applying components to cars to test drivers themselves. Employees range in educational attainment based on necessary prerequisites, and the company has a culture of training and internal promotion.

Community Benefit

The extensive staffing needs of the company are leading to creative approaches to hiring and training. Additionally, members of the human resources department are concentrating on how best to serve the company’s community while being responsive to where employees are most needed. Currently, the company is in discussions with a local employment non-profit to assist in developing training curriculum that will help people in the community learn advanced manufacturing skills, which are in high demand among a growing number of San Francisco employers.

Case Study 2: Mid-sized contract-manufacturer. Location: San Francisco/Bayview. Industry: CNC Machining (Plethora)

Company/Product

Located in the Bayview, Plethora is a successful and growing contract manufacturer of CNC machine parts (metal, plastic, etc.). The company can produce anything from a single prototype to thousands of parts.

Job/Employment Profile

Plethora has approximately 60 employees. They are very passionate about hiring locally and using the local workforce development partners to find employees. They have participated in several summer internship programs, and they are active with SFMade’s “Inside Manufacturing” program.

Community Benefit

Plethora has made a considered effort to embrace the low-income workforce by offering tours and holding open-house job fairs. Plethora recently hired an intern through CCSF, and they look forward to continuing that program to open up the industry to a wider audience. They desire to start an apprenticeship program, and are in late-stage discussions towards making that happen.

Appendix D

Case Study 3: Small-startup. Location: San Jose. Industry: Robotics/Delivery Vehicles

Company/Product

Located in San Jose, there are four start-up companies making “delivery robots” – the type that work in warehouses (think Amazon). The companies do the hardware, software, and actual manufacture of the robots all in San Jose. They have a wide variety of employees: sales, marketing, admins, executives, engineers, and technicians.

Job/Employment Profile

These companies currently employ approximately 75-100 people. Of this, about 15% are technicians and admin positions. These are entry-level jobs, with most necessary skills able to be taught on the job. Once production volumes increase, they expect the technician and admin jobs to increase as well.

Community Benefit

While the companies are on the smaller side, they are already making a positive impact by hiring and training individuals with limited to no work experience as technicians and admins. This training both ensures that the companies have skilled workers but also gives each employee portable new skills that are marketable to other companies in the area.

Homeless to hacker: How the Maker Movement changed one man's life

CHRISTINA FARR MAY 16, 2013 7:30 AM

A Silicon Valley tech entrepreneur and a Hollywood actor cross paths at a coffee shop in San Francisco's Financial District.

You'd never know by appearance alone, but one of these men will sleep on the streets tonight.

Scott Glover and Marc Roth are feeling quite comfortable at this branch of Peet's Coffee. Roth tells me that the homeless spend hours on end in coffee shops, which offer optimal shelter on chilly days like this one.



Above: Scott Glover and Marc Roth (L-R)

Glover is in town for a three-day gig providing protection detail at the annual Veteran's Day Parade. His current employers don't know he's homeless. Roth is no longer living in shelters, but he can relate to his new acquaintance's transience. Until last year, he was living in his car, in hostels, the BART (for one night after he missed a curfew), and in shelters around San Francisco.

EXHIBIT E: CASE STUDIES

But Roth is a startup founder now. And in true startup fashion, he reels off ideas for future business ventures minutes after I arrive.

His ideas are in various stages of development and include a food delivery service, a laser company, and a hardware accelerator program. But they all have one thing in common: Whatever he does next, Roth intends to hire from within the homeless community, which he views as a hotbed of untapped talent.

How did he move out of the shelter and into TechShop?

One wintery morning in 2011, Roth awoke after a rough night in a homeless shelter in San Francisco.

It was Christmas, and Roth was determined to make a change for the sake of his two kids living with their mother in Las Vegas. He had originally relocated to San Francisco to build a better life for his family, but had developed nerve damage and a condition called Meralgia Paresthetica from standing for hours on end at a pizza restaurant. This condition left him with medical bills so steep, he was soon unable to pay rent and return to his job, and he found himself on the street.



Above: A quilt and printer at San Francisco's TechShop

Image Credit: Dylan Tweney/VentureBeat

When he spotted a business card for TechShop in the shelter's garbage bin, it seemed like a sign. Intrigued, he fished it out.

TechShop, a membership-based do-it-yourself workshop, provides tools, equipment, and classes for the community. The San Francisco venue is one of the hubs of the burgeoning "maker movement," the trend to employ DIY techniques to develop unique technology products.

"I had these inventions in my head but didn't know I could make them myself," Roth explained. So he spent his remaining dollars on a membership and a few introductory courses. Roth's goal was to pick up basic skills like woodworking, laser cutting, CNC machining, and welding. His first core discipline was 3D printing, the process of making a solid object from a digital model, as members don't need to pay for the materials.

EXHIBIT E: CASE STUDIES

“I was studying 10 or 12 hours a day, seven days a week,” he recalled. This drive was born of necessity, but Roth soon discovered he had a natural aptitude for it. The opportunity to “make something” appealed, given that he had spent much of his career as a C Sharp programmer. C Sharp is considered a bit outdated today; the most popular and employer-friendly languages are Java and Python. “My skills didn’t port to the cloud,” said Roth.

Fortunately, TechShop was catering to a different kind of entrepreneurship, and fueling a kind of “Renaissance” for hardware startups. So it didn’t take long before TechShop’s most dedicated member began to receive requests for help. A number of other makers desperately needed an extra pair of hands to get their prototypes developed and products shipped on time. Many of them were freshly-minted after successfully raising funds for their projects on sites like Kickstarter. A dab hand with a laser cutter, Roth could charge upwards of \$20 an hour. Within a few months, Roth was able to move into a house for startup founders. Chris Fornof, a TechShop member and community builder at 3D gesture controller company LeapMotion, paid his rent for several months “purely out of the goodness of his heart,” Roth said.

He sent a good portion of his earnings to his family in Vegas and started making plans to relocate them to the Bay Area.

A maker, remade.

Fast forward a few years to spring 2013. Roth is now an entrepreneur with a funded laser company. He threw himself into design with such gusto that he’s an Autodesk instructor, consults for LeapMotion, and teaches seven classes at TechShop.

Most importantly to him, Roth still regularly interfaces with the local homeless. He’s a living testament that the right program can make all the difference. His dream is to build his own version of TechShop called “the Learning Shelter” that specifically caters to the homeless. He envisions a venue with shower facilities (a desperate need in the city), accommodation at a nearby church, computers, equipment, 3D printers, and an openness to any and all ideas. He claims to be already in the early stages of discussions with Autodesk about potentially donating computers.

EXHIBIT E: CASE STUDIES



Above: Roth and business partner Matt Stollenwerk unload a laser cutter for new business “SF Laser.”

But the maker movement is no quick-fix solution, in part because existing homeless programs aren’t ready to embrace it. “With few exceptions, I’ve heard nothing but resistance from shelters,” said Roth.

One of the exceptions is Project Homeless Connect, a nonprofit that caters to the roughly 6,500 homeless people in San Francisco, according to a recent count (I use the word “count” in the literal sense; the actual number is thought to be far higher.)

Director Kara Zordel said the main goal is to help the homeless develop the skills they need to take job openings at tech companies. “If they were just given a little training, they could apply,” she said.

Can the tech industry be a true “meritocracy?”

Zordel believes the tech community has a responsibility to its most underserved population. After all, technology is supposed to level the playing field; we often hear the term “meritocracy” bandied about.

However, homeless people have scant access to computers. To make matters worse, it’s exhausting to simply secure housing. If a homeless person isn’t lucky enough to win the lottery for a 90-day bed, they are forced to queue up for a one-day bed. Those with the best shot have stood in line since 2 a.m. or 3 a.m. the previous night. Good luck competing in a meritocracy if you haven’t had a good night’s sleep in a safe place.

Glover, who met Roth through a mutual friend, has not been lucky enough to secure a bed for the night. At this juncture in our conversation, he hands me a resume and shows a video reel for his acting work. He doesn’t ask for anything

EXHIBIT E: CASE STUDIES

but a job. “It feels like we’re stuck in this cycle,” he said.

And there’s another challenge — the lack of self-belief after being told “no” for so many years. Roth tells a revealing story about a friend from a shelter who needed to be coaxed just to admit his life’s goal to open a chicken restaurant. “People aren’t comfortable seeing themselves as creative,” he said. “They just don’t see their own potential.”

With the Learning Shelter, Roth’s goal is to shine a light on the true face of homelessness and a community that is plagued with misconceptions. “I worked hard all my life, but the world changed,” said Roth. But he adapted — it just took \$49 for a month’s membership, a 3D printer, and an open door policy.

As Roth wrote on his profile in TechShop’s meetup group, “I haven’t had a bad experience with anyone I’ve met here. I’m *so at home* here.”

POTRERO BOOSTERS
NEIGHBORHOOD ASSOCIATION
SERVING THE HILL SINCE 1926

May 24, 2018

Dear President Hillis and Members of the Planning Commission:

On April 24, 2018, the Potrero Boosters Neighborhood Association voted unanimously to support the proposed project at 1 DeHaro. The developer, SKS, has worked closely with the Boosters Development Committee over the last year and the result is a project that exemplifies the benefit of a collaborative process with the community.

Since the first designs were circulated last year, the project has evolved in a very positive direction. Our committee members are appreciative of the overall design, noting its overall elegance, LEED rating, flexible floor plans, and features such as the green roof and use of Cross Laminated Timber.

Although it eliminates buildings with a more traditional PDR use, the new building will nearly quadruple the amount of PDR space. We are especially appreciative of the commitment to support HUMANMade's efforts to train a diverse pool of workers in the skills needed to participate in today's economy.

The project is adjacent to a large residential development with the potential for conflicts. From the beginning, SKS has committed to proactively address issues that have been raised by its neighbors such as loss of privacy and need for open space. Additionally they have agreed, as a Condition of Approval, to our requests for a community liaison to notify neighbors of construction and remediation activities, and to field complaints and questions that may arise.

Finally, we are very pleased that SKS has limited private vehicle parking onsite and that they recognize the need for adequate loading and commercial zones for TNC's and delivery trucks. Although we remain concerned about increased congestion on DeHaro resulting from mandated bulb-outs, we feel that SKS has made a good faith effort to do their part to minimize traffic impacts.

We urge you to vote in support of the project.

Sincerely,



Alison Heath
Potrero Boosters Development Committee Chair

THOMAS P. O'CONNOR JR.
PRESIDENT
DANIEL A. GRACIA
VICE PRESIDENT
FLOYD K. ROLLINS II
SECRETARY
SHON M. BUFORD
TREASURER



DIRECTORS
STEPHEN V. GIACALONE
THOMAS A. FOGLE
ADAM H. WOOD
ADRIENNE R. SIMS
DANIEL V. CASEY

SAN FRANCISCO FIRE FIGHTERS
- Local 798 -

May 30, 2018

1139 MISSION STREET, SAN FRANCISCO, CA 94103-1514
TELEPHONE (415) 621-7103 • FAX (415) 621-1578
WWW.SFFDLOCAL798.ORG

Mr. Rich Hillis, President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for the project at One De Haro

Representing the rank and file of the San Francisco Firefighters Local 798, we officially register our support for the proposed project at One De Haro Street in San Francisco and ask for your approval.

As your first responders, the men and women of San Francisco's fire fighting force get up each and every day to serve the residents of our city. Our members face many challenges that are both daunting and dangerous in our line of work, which is why we are proud to support this project for pioneering a new type of construction practice in San Francisco that will ultimately pave the way for safer conditions.

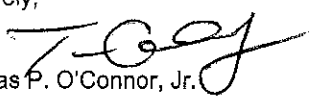
This proposed project at One De Haro will be one of the first in its class locally to utilize the innovative and sustainable building practice known as Cross-Laminate Timber (CLT) construction, designed with Type IV, heavy timber, construction as defined and accepted by the 2016 California Building Code. The building material known as Cross Laminated Timber (CLT) employs layers of 2x4 or 2x6's that form a solid wood panel which is both structurally resilient and has fire performance characteristics identical to heavy timber construction. CLT has been used extensively in Europe and other parts of the world, and in the past few years has been used in the U.S.

Numerous fire tests have been performed following ASTM standards and real-world scenarios, which is relative to this particular project at One De Haro:

- DR Johnson's two hour rated floor test, exposed CLT (from below) and loaded
- Structurlam's two hour rated floor test, exposed CLT and reduced loading
- State of the art full scale fire testing conducted this past year in the American Tobacco and Firearms facility in Maryland by the ICC Tall Wood Ad Hoc committee. Preliminary results from the ICC Tall Wood Ad Hoc committee's testing of full scale fire tests of CLT floor and wall assemblies (with and without exposed CLT surfaces).

The project sponsors have not only approached One De Haro with residents and neighbors in mind, but also looked out for the personal safety of our members. We respectfully ask for Commission approval.

Sincerely,


Thomas P. O'Connor, Jr.
President, Local 798

Cc:
Myrna Melgar, Vice-President
Rodney Fong, Commissioner
Milicent Johnson, Commissioner
Joel Koppel, Commissioner
Dennis Richards, Commissioner
Katherin Moore, Commissioner
Milicent Johnson, Commissioner

Doug Vu, SF Planning Department

SHOWPLACE▶EAST

April 13, 2018

FINE DESIGN SHOWROOMS

Mr. Rich Hillis
President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for One De Haro Project

Dear Commissioner Hillis:

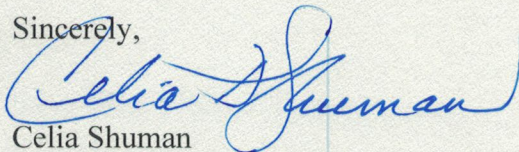
Showplace East, 111 Rhode Island Street, in the San Francisco Design District, encourages the Commission to approve the development as proposed for One De Haro Street in San Francisco.

The project for the property at One De Haro (aka 552 Berry Street) in partnership with SKS as proposed for mixed-use office and PDR space, would be a wonderful asset for the neighborhood - improving street safety and elevating the land use through an aesthetically pleasing and energy forward design.

Long overdue for improvement, this development completes one more piece of the puzzle toward injecting a much-needed vibrancy into the area. With the McClintock building and the new completed McGuire building renovations as precedent, SKS has shown that they are willing to invest in our City to create beautiful structures and in this case, public open space and important safety measures for the very dangerous intersection of Division and DeHaro.

Showplace East ownership supports the One De Haro project and the improvements it will bring to the neighborhood.

Sincerely,



Celia Shuman
Showplace East Building Manager and
Assistant to Larry Wasserman, Property Owner

Cc: Myrna Melgar, Commission Vice President
Rodney Fong, Commissioner
Milicent Johnson, Commissioner
Joel Koppel, Commissioner
Katherin Moore, Commissioner
Dennis Richards, Commissioner
Doug Vu, San Francisco Planning Department



April 20, 2018

Mr. Rich Hillis, President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for the project at One De Haro

Dear Commissioners,

On behalf of Walk San Francisco, I am writing to register our support for the proposed development located at One De Haro Street in San Francisco.

Walk San Francisco is the city's only pedestrian advocacy organization. Our mission is to making walking in San Francisco safe for everyone, so that our community is healthy and more livable. Over the past months, Walk San Francisco has worked collaboratively with the project sponsors SKS Partners to assess the existing conditions for pedestrians at the proposed project site of One De Haro. Our organization performed a comprehensive "walk audit" of the site, during which we found the Division / De Haro / King intersection to contain one of the scariest crossings a pedestrian would ever have to make in the city.

The proposed project at One De Haro will employ state-of-the-art engineering treatments to calm traffic and reorient streets for pedestrian safety. We are most excited about the changes being made at Division, De Haro, and King, which will drastically shorten crossing distances for pedestrians, increase their visibility, and increase yielding by drivers. We're also pleased that the proposed project will illuminate the area with new lighting designed to promote a safe environment around the exterior of the building. Finally, the project will include privately owned public spaces (POPOs), which will give the neighborhood a beautiful place to gather.

SKS Partners took a thoughtful approach with this project. They proactively reached out to our organization for our expertise so that their project was a truly safe place for everyone who lives, works, and passes by. We stand by the merits of this proposed

4/20/18

Walk San Francisco

Letter of Support for One De Haro

Page 2 of 2

project and the improvements that we believe it will bring for this neighborhood and the broader public. We respectfully request your approval of this project.

Sincerely,



Cathy DeLuca

Policy & Program Director

Cc: Myrna Melgar, Commission Vice-President
Rodney Fong, Commissioner
Milicent Johnson, Commissioner
Joel Koppel, Commissioner
Dennis Richards, Commissioner
Katherin Moore, Commissioner
Milicent Johnson, Commissioner
Doug Vu, San Francisco Planning Department

CCa CALIFORNIA COLLEGE OF THE ARTS

Rich Hillis, President
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

April 27, 2018

RE: One DeHaro Street

Dear President Hillis and members of the Commission,

The California College of the Arts has had a long standing and deep engagement with planning efforts in the eastern neighborhoods. While CCA is proud to be making advances on improving our sustainable and dynamic campus, we realize that an urban campus is reliant on the uses and synergies around it to create a truly special place that makes a neighborhood community.

As our immediate neighbor the 100 Hooper project nears completion, we can begin to imagine some of the benefits of this fruitful adjacency that we think will be a model for other communities across the country. But the real promise of our PDR design zone is making this special quality larger than 100 Hooper and CCA.

The One DeHaro project creates the kind of platform and place to support the continued development of our neighborhood as a distinct area of the city that celebrates innovation, prototyping, making and education. The non-profit Humanmade component that provides workforce training and access to digital making skills for the community is the kind of mission driven use we wish all development projects would incorporate.

CCA has confidence in this project born from successful past collaborations with the One DeHaro team of SKS Partners and Pfau Long Architecture. We expect that there will be new opportunities that will grow from locating this project near CCA for very rich collaborations not yet imagined.

We believe that this project will be a job creator, a place maker, an innovative sustainable building, a provider of public open space and an especially good neighbor.

We urge the Commission to approve the development proposal at One DeHaro Street.

Respectfully,



David Meckel
Director of Campus Planning



April 27, 2018

Mr. Rich Hillis
President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for One De Haro project

Dear Commissioner Hillis:

Recology Inc. urges the Commission to approve the development proposal located at One De Haro Street in San Francisco.

The property at One De Haro (aka 552 Berry Street) has been owned by the Nicolai family for four generations, and in partnership with SKS, the current proposal for a mixed-use office and PDR space would be a wonderful asset to the neighborhood. One De Haro, designed by renowned local architect, Pfau Long Architecture, will be a beautiful project, improving street safety, adding jobs, and furthering the City's sustainability goals.

In addition to adding architectural beauty to the neighborhood, One De Haro is also enhancing this great community:

1. The voluntary addition of public open space (POPOS) on the east and west sides of the property will increase usable area for people to gather in a safe and peaceful environment.
2. The reconfiguration of the intersection at Division, De Haro, and King Streets will greatly improve pedestrian safety at one of the City's most dangerous corners.
3. The establishment HUMANMade, the education and workforce training non-profit, as a long-term tenant in the building to help people in San Francisco's economically marginalized communities gain the skills that are essential for accessing jobs in the City's growing technology-enhanced manufacturing sector.

Again, Recology urges your enthusiastic support for the One De Haro project and the jobs and public benefits it creates.

Sincerely,

Michael J. Sangiacomo
President & CEO

Cc: Myrna Melgar, Commission Vice President
Rodney Fong, Commissioner
Milicent Johnson, Commissioner
Joel Koppel, Commissioner
Katherin Moore, Commissioner
Dennis Richards, Commissioner
Doug Vu, San Francisco Planning Department

De Anza Properties

May 25, 2018

Mr. Rich Hillis, President
San Francisco Planning Commission
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for One De Haro project

Dear Commissioner Hillis:

As the owner of a neighboring property to the project in question, I urge the Commission to approve the development proposal located at One De Haro Street in San Francisco.


The property at One De Haro (aka 552 Berry Street) has been owned by the Nicolai family for four generations, and in partnership with SKS, the current proposal for a mixed-use office and PDR space would be a wonderful asset to the neighborhood. One De Haro, designed by renowned local architect, Pfau Long Architecture, will be a beautiful project, improving street safety, adding jobs, and furthering the City's sustainability goals.

In addition to adding architectural beauty to the neighborhood, One De Haro is also enhancing this great community:

1. The voluntary addition of public open space (POPOS) on the east and west sides of the property will increase usable area for people to gather in a safe and peaceful environment.
2. The reconfiguration of the intersection at Division, De Haro, and King Streets will greatly improve pedestrian safety at one of the City's most dangerous corners. The new sidewalks on De Haro and Berry Streets will increase foot traffic and support local businesses.
3. The establishment HUMANMade, the education and workforce training non-profit, as a long-term tenant in the building to help people in San Francisco's economically marginalized communities gain the skills that are essential for accessing jobs in the City's growing technology-enhanced manufacturing sector.

Again, De Anza Properties and I urge your enthusiastic support for the One De Haro project and the jobs and public benefits it creates.

Sincerely,



John Vidovich
De Anza Properties

Cc: Myrna Melgar, Commission Vice President
Rodney Fong, Commissioner
Milicent Johnson, Commissioner
Joel Koppel, Commissioner
Katherin Moore, Commissioner
Dennis Richards, Commissioner
Doug Vu, San Francisco Planning Department



SKS Partners, LLC
601 California St., Suite 1310
San Francisco, CA 94108
415.421.8200

To: **Doug Vu, Planner**
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

From: **John Fisher, SKS Partners**

Re: **One De Haro Street – Community Outreach Narrative**

Case No.: **2015.015010 E CUA OFA**

Date: **May 30, 2018**

As Project Sponsor for the proposed Project at One De Haro St., SKS Partners (“SKS”) has engaged extensively with neighbors, stakeholders, and community members. Input from these parties has influenced the design of the Project and led to a responsive Project with open community dialogue. A list of all community engagements can be found at the end of this document.

The Project Sponsor held two Community Meetings near the project site on June 26, 2017 (Pre-Application Meeting) and April 26, 2018. Notices for these meetings were sent two weeks prior to the meeting via postcard to all property owners and businesses within 300’ of the Project in compliance with the Pre-Application Meeting Instructions published by the Planning Department. Both meetings were about an hour and a half long and attended by between 10 and 20 people. At the first meeting, it was suggested by the community that the Project contribute open space to existing greenway to the north of the Project. POPOS were added to the east and west ends of the Project in response to this suggestion.

Residents at the adjacent property at 888 7th St. (to the immediate north of the Project) have been engaged with extensively over the past year. The first of three formal meetings with the 888 7th St. HOA was held on October 17, 2017. At this meeting, residents wanted to learn more about the noise produced by the Project. In response to these questions, the Project Sponsor commissioned an acoustic study and subsequently added acoustic screening to the rooftop mechanical units. In addition, an extra roll-up door was added to the Berry Street frontage of the project to encourage everyday loading to take place away from the residences at 888 7th St.

The second meeting with the 888 7th St. HOA took place on April 23, 2018. At this meeting, residents asked for to see more illustrative studies analyzing the shadow, glare, privacy, and light pollution effects of the Project. In response, SKS directed the Project’s design team to produce technical studies to better understand these effects. These studies were presented to members of the 888 7th St. HOA on May 22, 2018. The residents of 888 7th St. who attended the meeting were understanding of the results and accepted the findings of these studies.

In addition to the formal meetings at the 888 7th St. building, SKS has held individual coffee meetings with residents at 888 7th St. to discuss various topics such as the design of the POPOS, resolution of the homeless encampment on Berry St., proposed streetscape improvements, and property management.



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Another key community partner for the Project Sponsor has been the Potrero Boosters Neighborhood Association (“Boosters”). SKS has had formal meetings with the Boosters on June 21, 2017, September 20, 2017, and April 24, 2018. Upon the Boosters’ suggestion, the Project will include additional spaces on De Haro Street for passenger loading. This engagement with the Boosters has culminated in a letter of support for the Project.

A member of the SKS team will serve as Community Liaison for One De Haro as it enters the construction phase for the project. In addition, contact information for the general contractor site superintendent will be posted on site during construction.

One De Haro Outreach Tracking

Date	Attendees	Topic
05/22/18	888 7th Street Residents	Technical studies
04/26/18	Community Meeting #2	Project presentation
04/24/18	Potrero Boosters Members	Project presentation
04/23/18	888 7th Street HOA	Project presentation
03/29/18	888 7th Street Residents	Property Management, homeless encampment resolution
02/01/18	888 7th Street HOA	Letter response to questions
01/05/18	SFMade	PDR Business Plan discussion
10/17/17	888 7th Street HOA	Project presentation
09/20/17	Potrero Boosters Dev. Comm.	Project presentation
08/30/17	888 7th Street Residents	POPOS Design, Property Management
07/11/17	Friends of Jackson Park	Project introduction
06/26/17	Pre-Application Meeting	Project presentation
06/21/17	Potrero Boosters leadership	Project introduction
06/19/17	SFMade	Project introduction
05/23/17	Walk SF	Project introduction



ONE DE HARO STREET
 SAN FRANCISCO, CALIFORNIA 94107

PLANNING COMMISSION PRESENTATION
 May 3, 2018

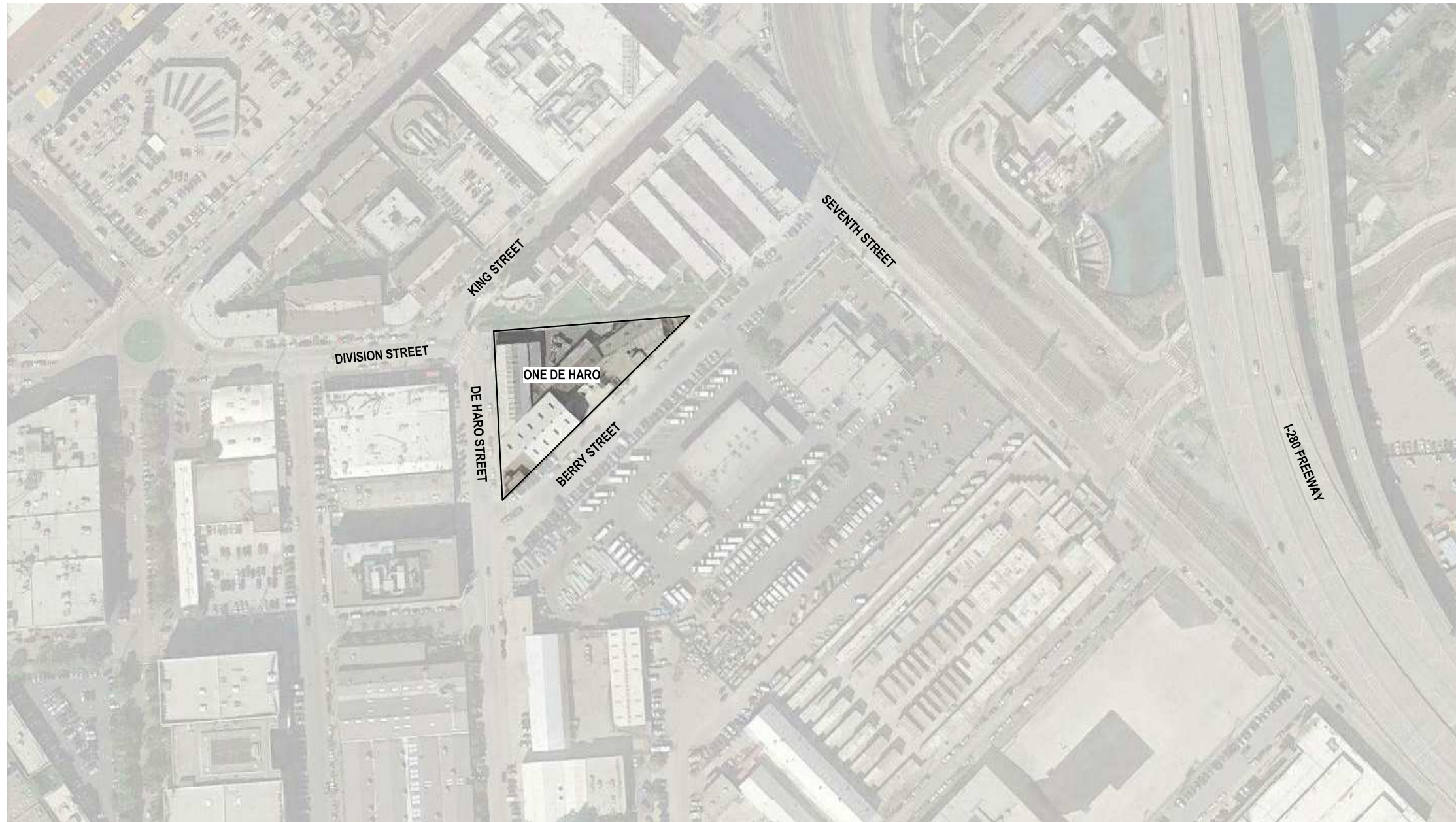
SHEET INDEX

EXISTING CONDITIONS - AERIAL SITE PLAN
 EXISTING CONDITIONS - AERIAL SITE PHOTOS
 EXISTING CONDITIONS - AERIAL & STREET SITE PHOTOS
 EXISTING CONDITIONS - STREET SITE PHOTOS
 RENDERING - BERRY STREET LOOKING NORTH
 RENDERING - BERRY STREET LOOKING WEST
 RENDERING - DE HARO STREET LOOKING NORTHEAST
 RENDERING - DIVISION STREET LOOKING EAST
 RENDERING - DE HARO STREET LOOKING NORTH
 RENDERING - DIVISION STREET LOOKING EAST
 RENDERING - NORTH PLAZA
 RENDERING - AERIAL VIEW

SITE PLAN - EXISTING CONDITIONS
 SITE PLAN
 FIRST FLOOR PLAN
 MEZZANINE LEVEL PLAN
 SECOND FLOOR PLAN
 THIRD FLOOR PLAN
 FOURTH FLOOR PLAN
 ROOF PLAN
 BUILDING ELEVATIONS
 BUILDING ELEVATIONS
 BUILDING SECTIONS
 GROSS BUILDING AREA CALCULATIONS



98 Jack London Alley San Francisco CA 94107
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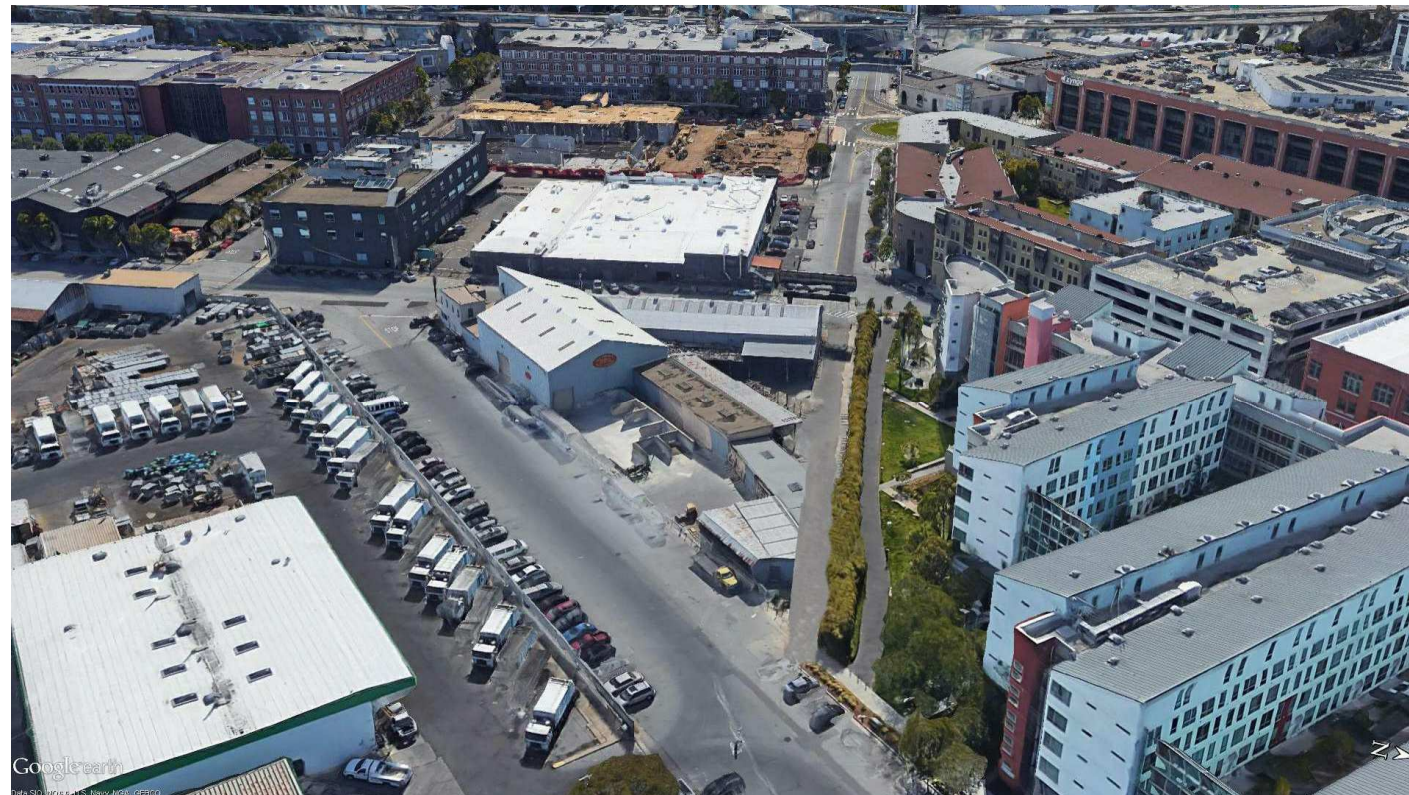
AERIAL LOOKING NORTHEAST



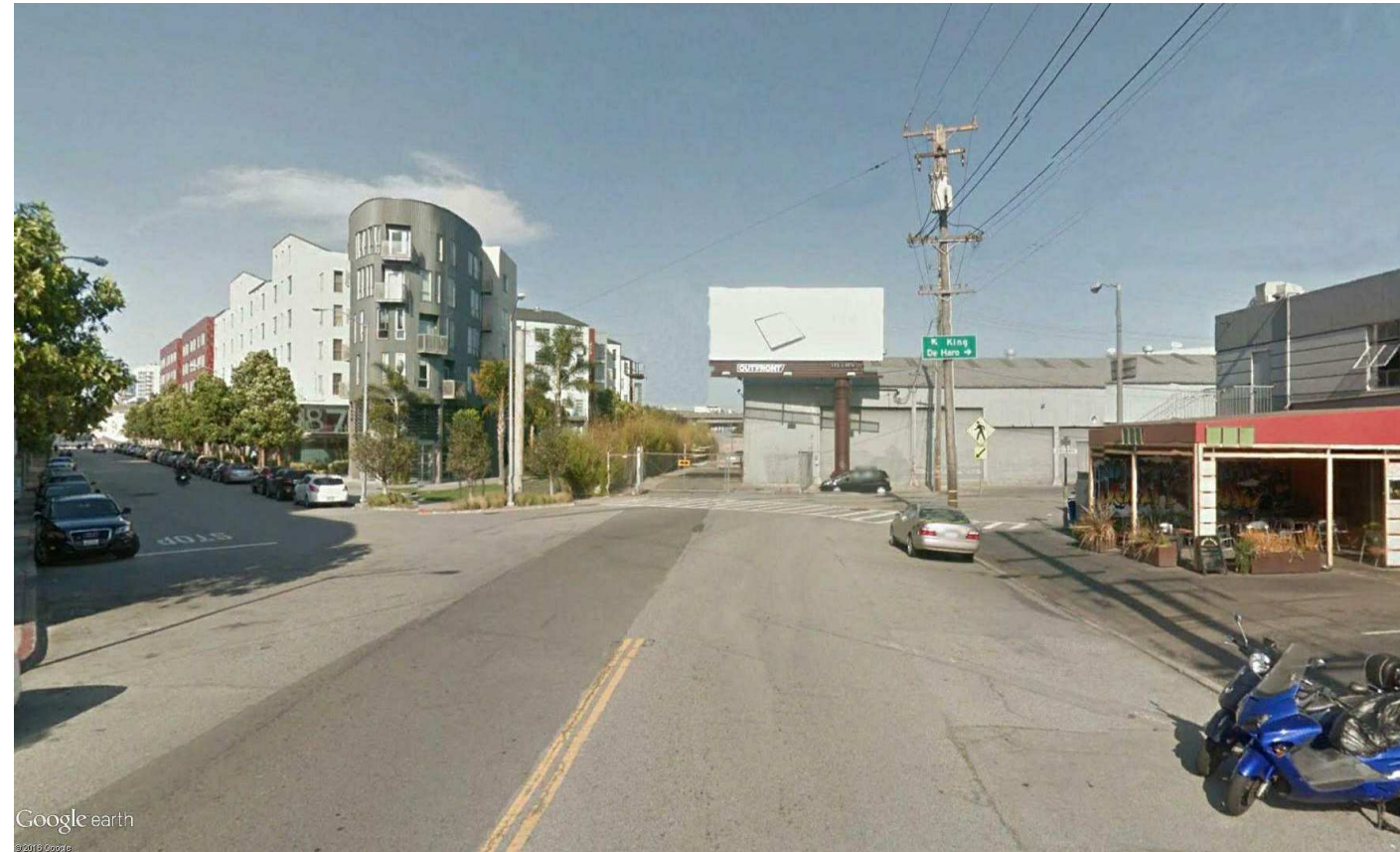
AERIAL LOOKING SOUTHEAST



BERRY ST. LOOKING WEST

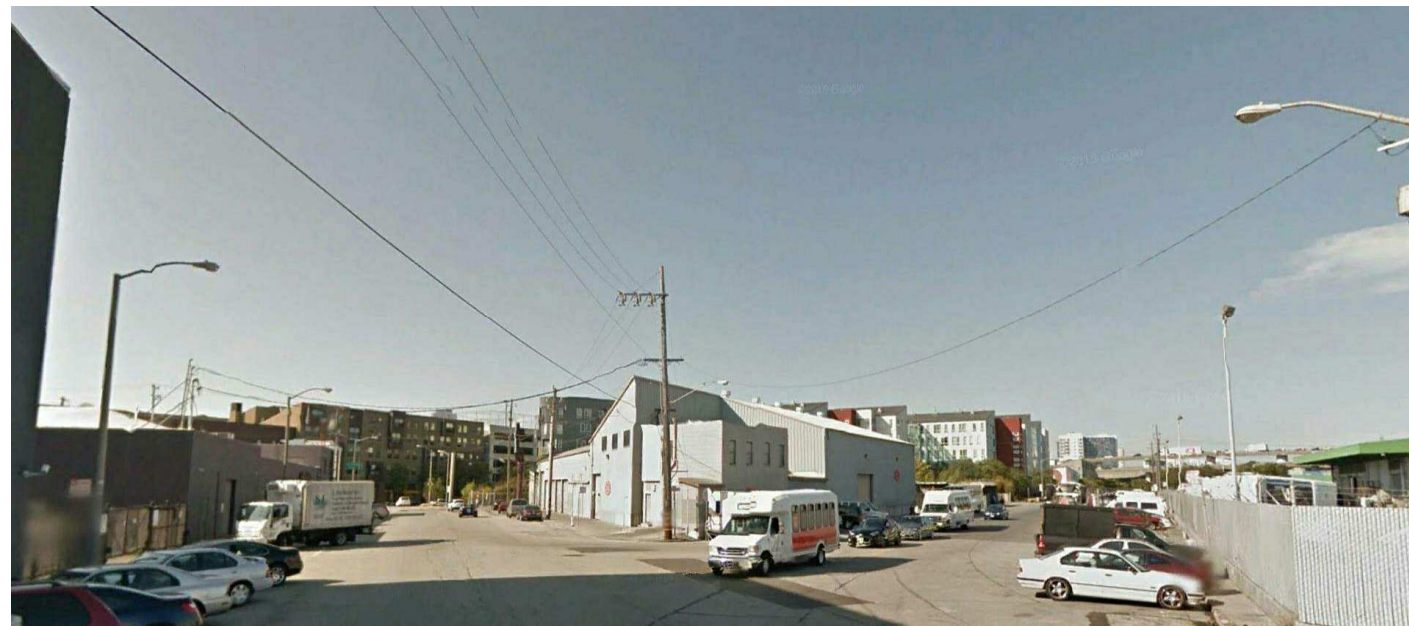


AERIAL LOOKING WEST



Google earth
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DIVISION STREET LOOKING EAST



DE HARO STREET LOOKING NORTH







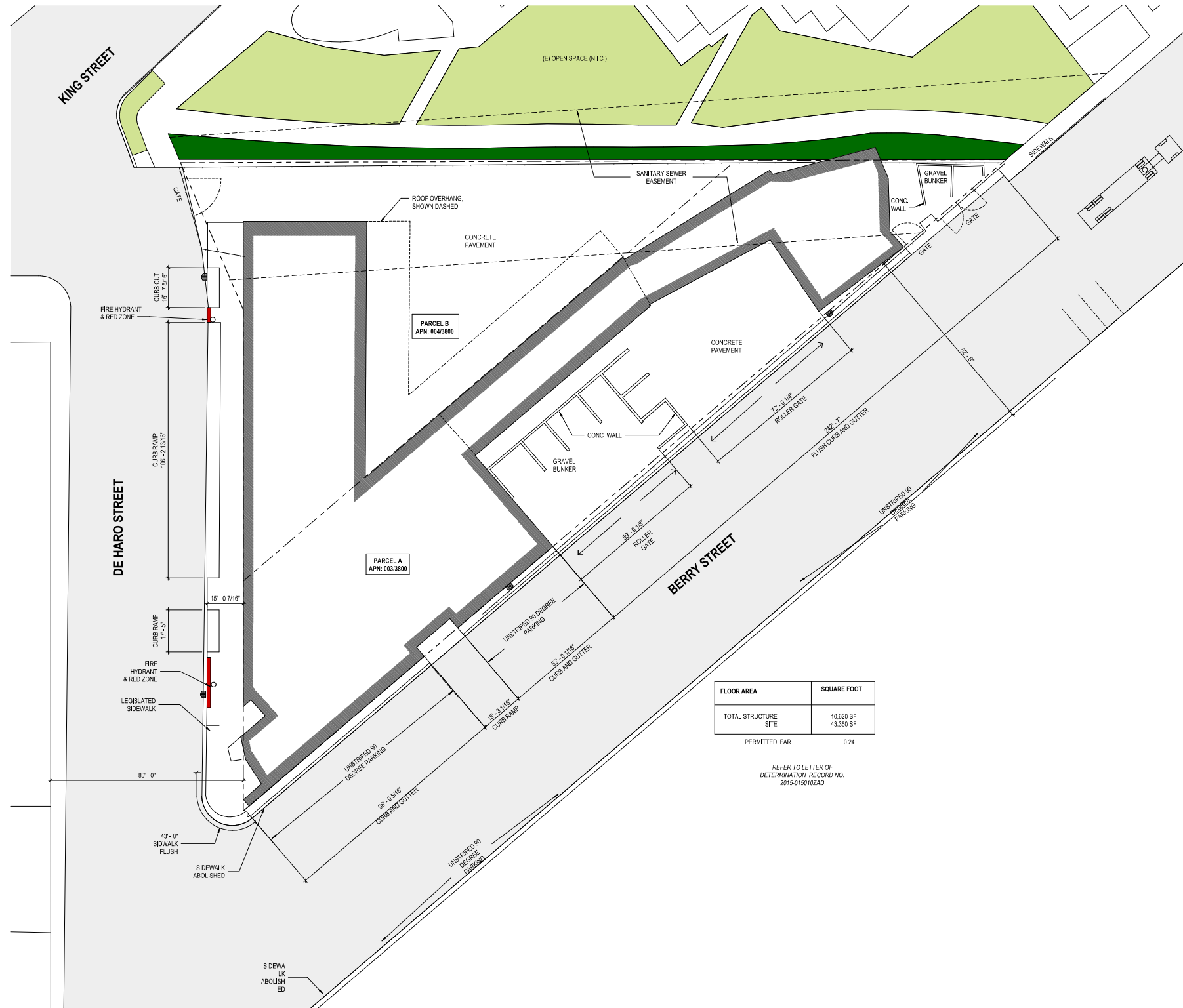










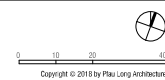


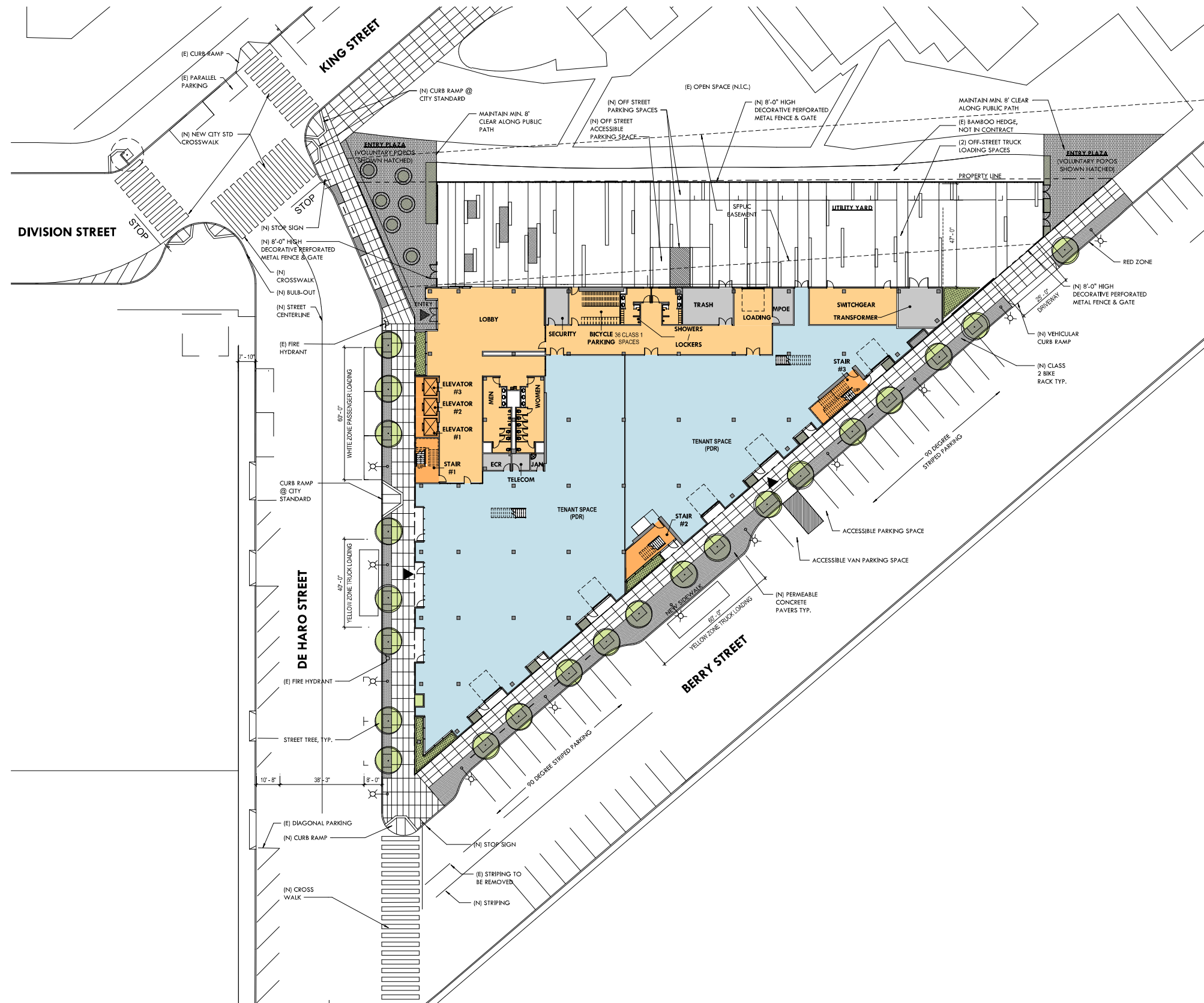
FLOOR AREA	SQUARE FOOT
TOTAL STRUCTURE	10,620 SF
SITE	43,350 SF
PERMITTED FAR	0.24

REFER TO LETTER OF DETERMINATION RECORD NO. 2015-015010ZAD

ONE DE HARO - EXISTING SITE PLAN

SKS Partners
04/11/18 Scale: 1/16" = 1'-0"

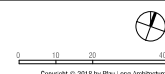




- SHARED OUTDOOR SPACE
- SHARED TENANT SPACE
- VERTICAL CIRCULATION
- PDR UNITS
- COMMERCIAL TENANT SPACE
- PARKING
- BUILDING SERVICE SPACES

ONE DE HARO - SITE PLAN

SKS Partners
05/03/2018 Scale: 1/16" = 1'-0"



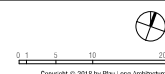
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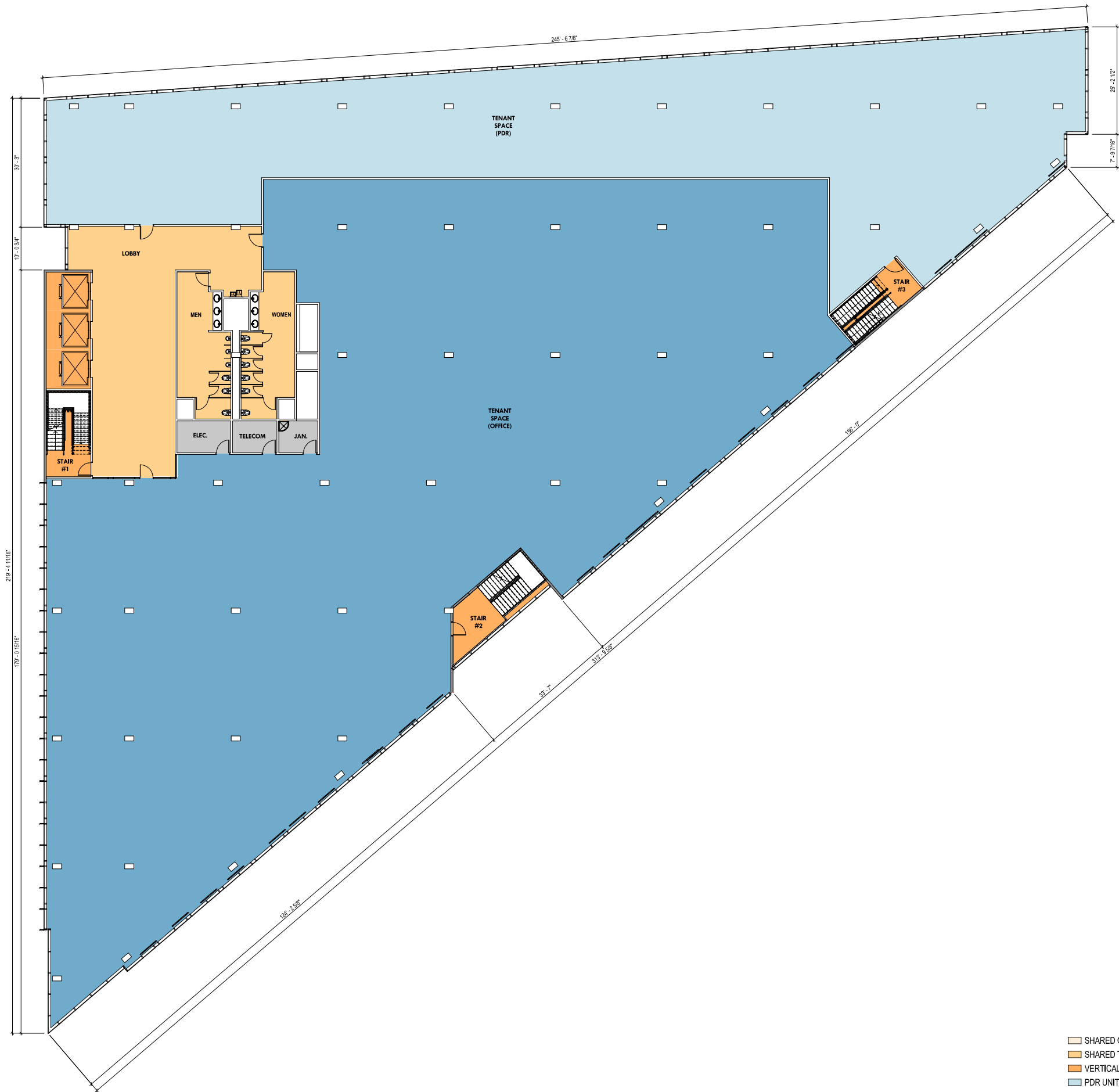
ONE DE HARO - FIRST FLOOR PLAN

SKS Partners
 05/03/2018 Scale: 1/8" = 1'-0"





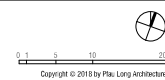
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- PDR UNITS
- COMMERCIAL TENANT SPACE
- PARKING
- BUILDING SERVICE SPACES



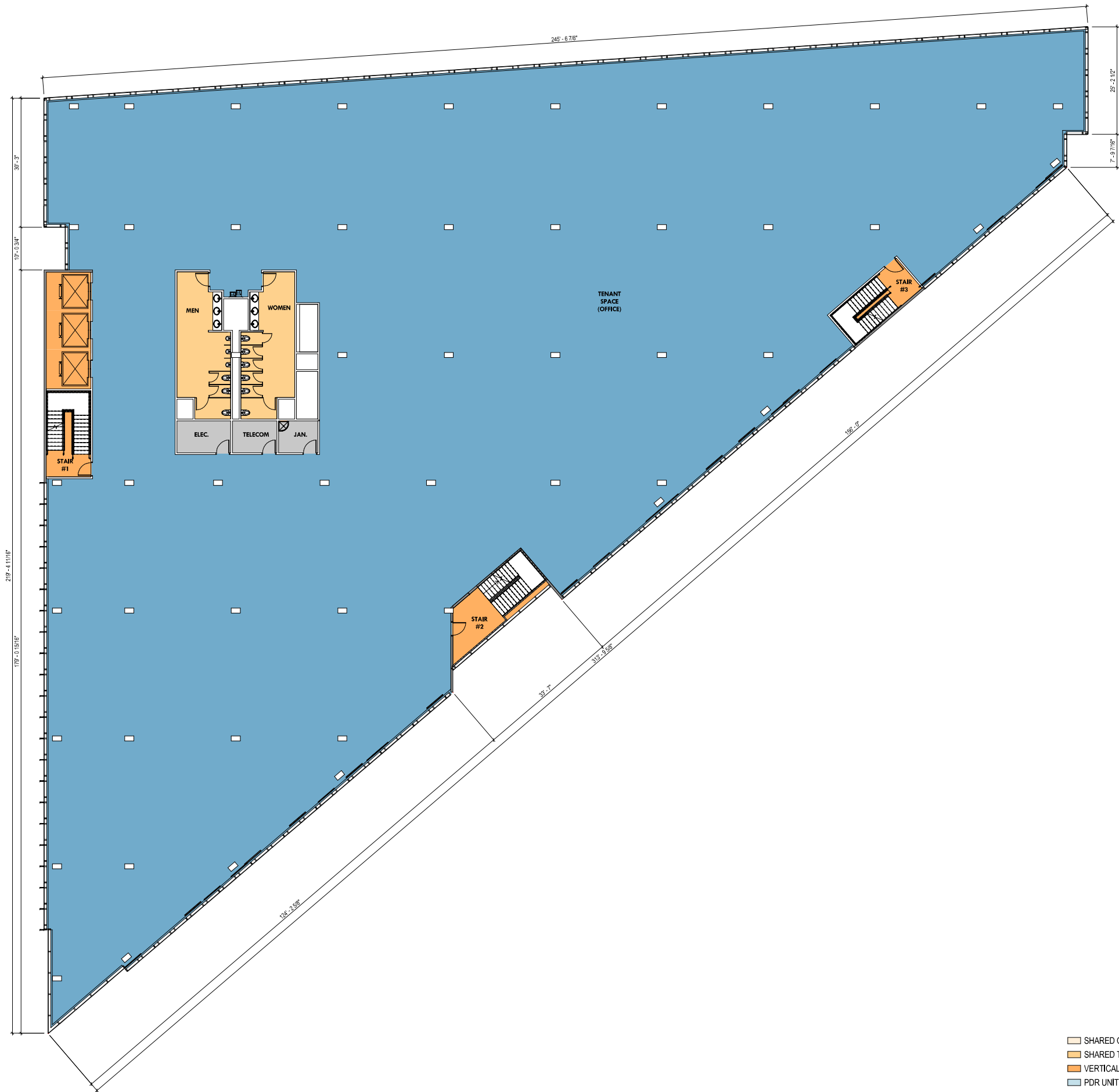
- SHARED OUTDOOR SPACE
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ONE DE HARO - SECOND FLOOR PLAN
SKS Partners

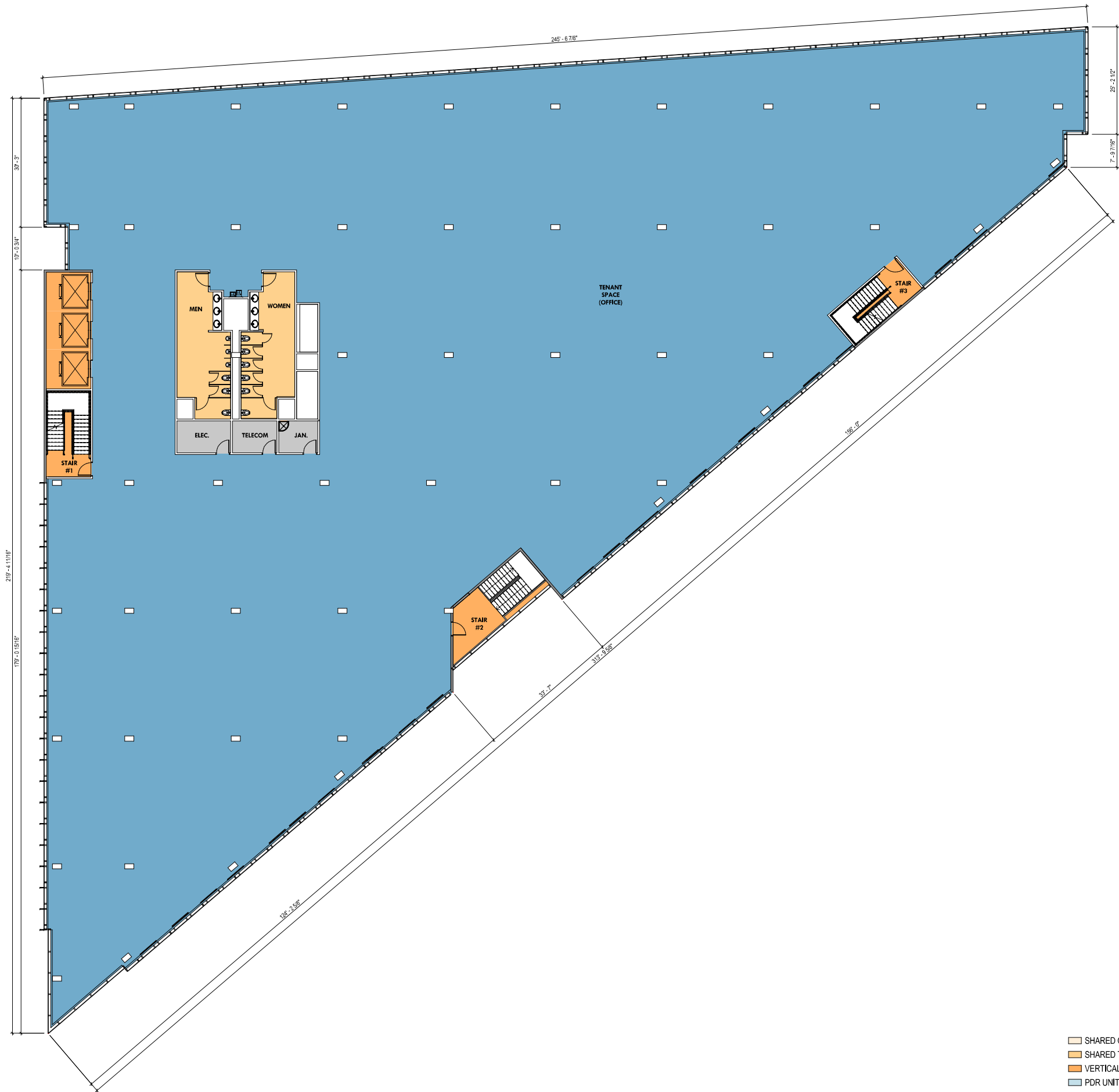
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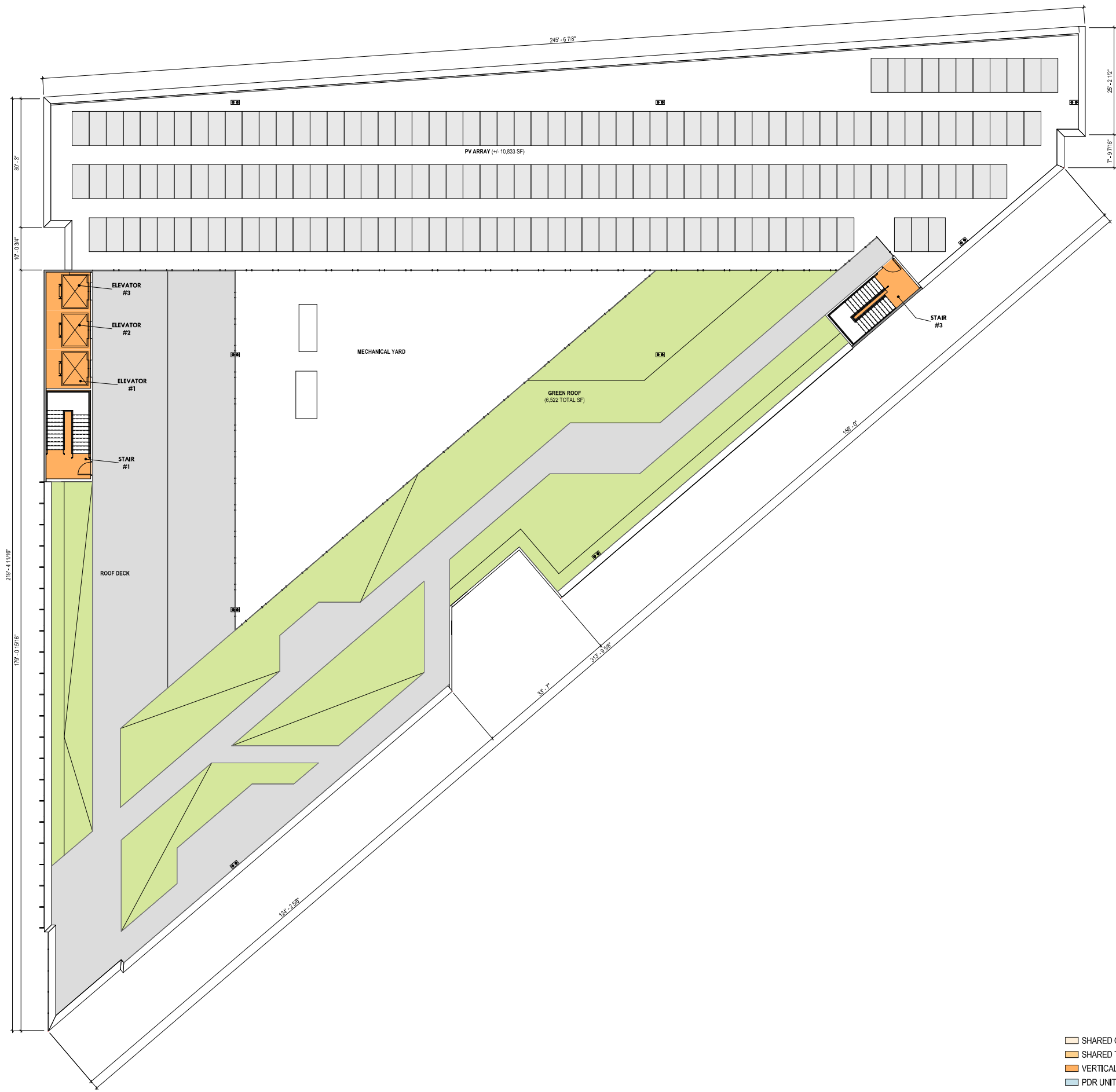
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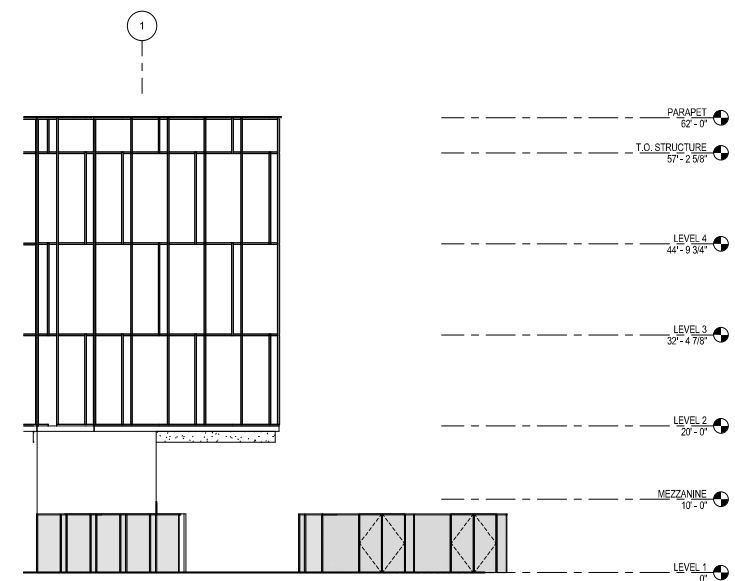
- SHARED OUTDOOR SPACE
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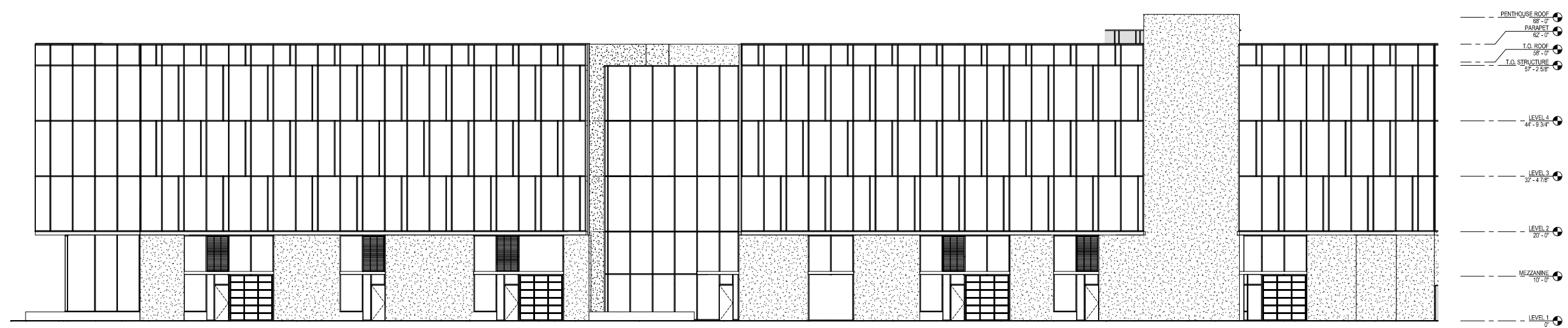
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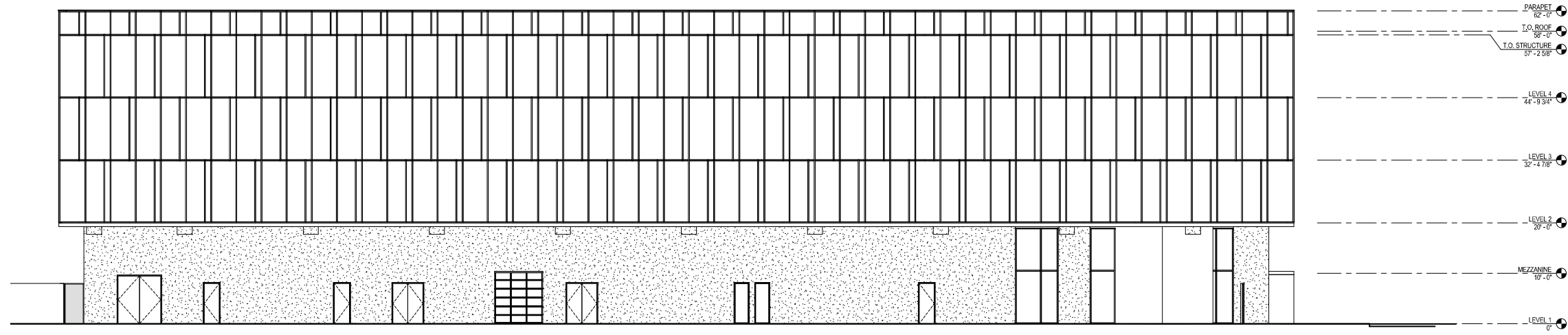
- SHARED OUTDOOR SPACE
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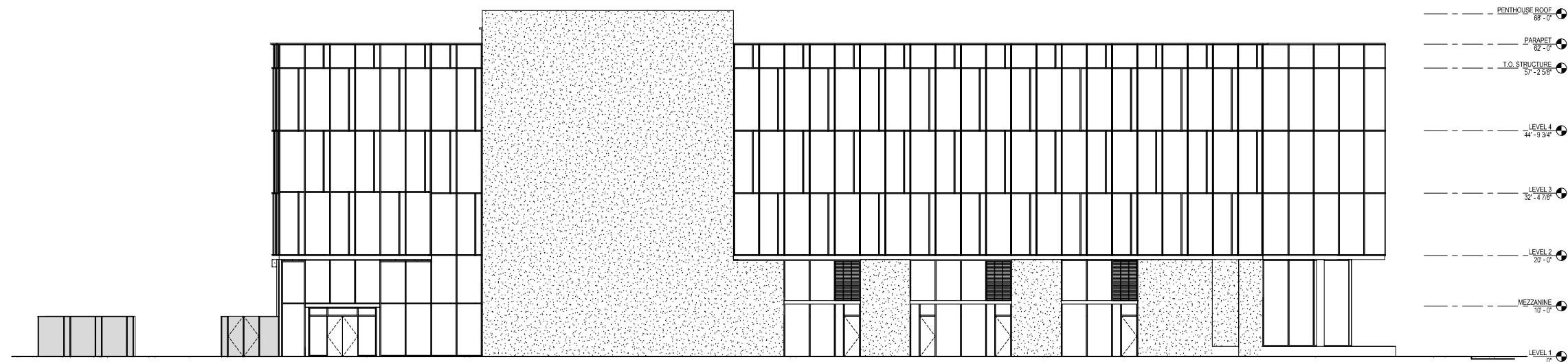
EAST ELEVATION - BERRY STREET



SOUTH ELEVATION - BERRY STREET



NORTH ELEVATION

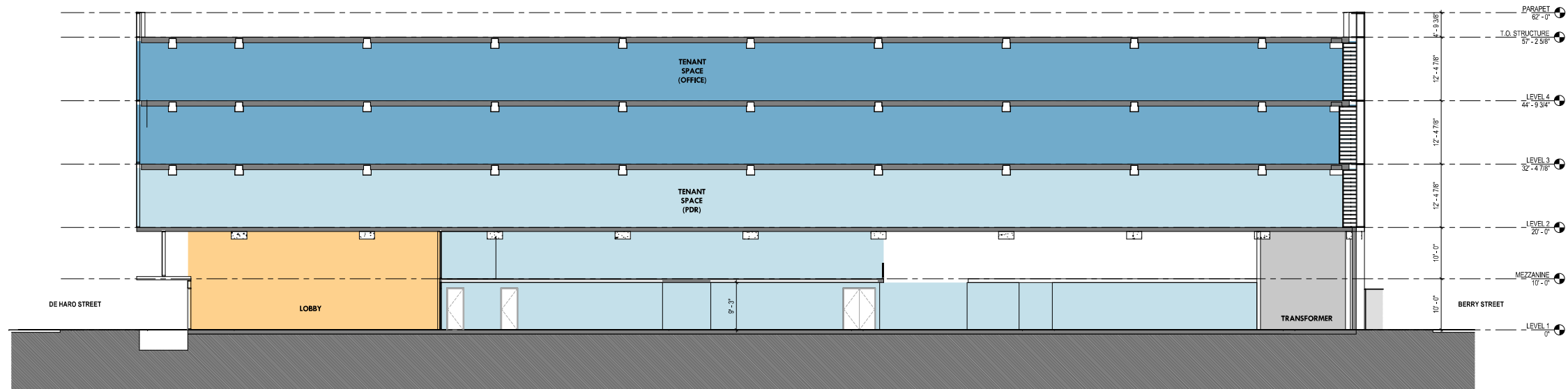


WEST ELEVATION - DE HARO STREET

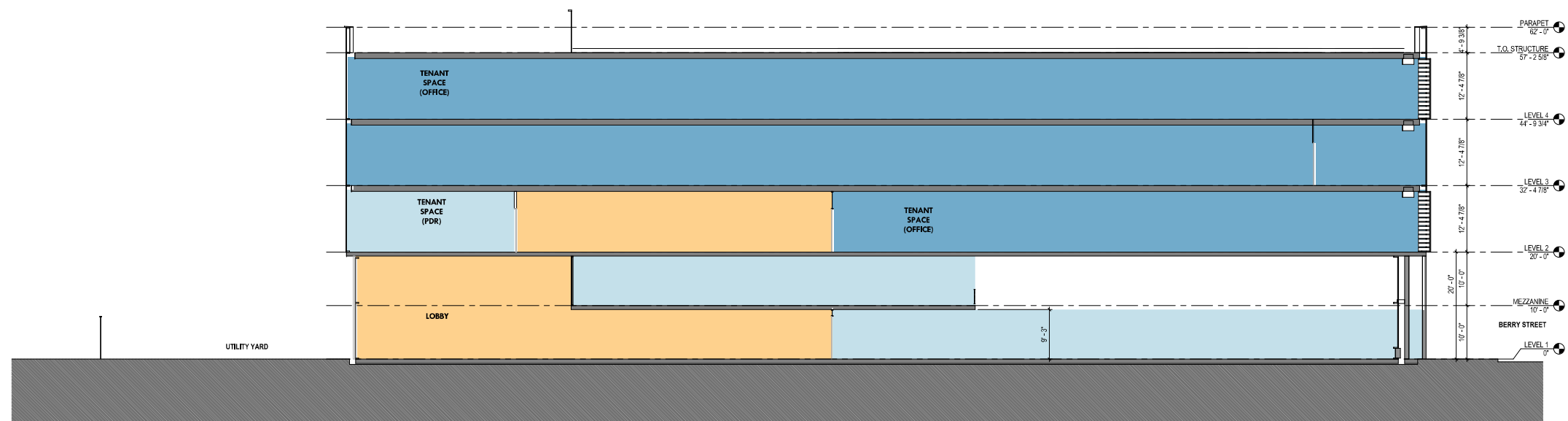
ONE DE HARO - BUILDING ELEVATIONS

SKS Partners
04/10/18 Scale: 1/8" = 1'-0"

0 1 5 10 20
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BUILDING SECTION - EAST/WEST



BUILDING SECTION - NORTH/SOUTH

- SHARED TENANT SPACE
- PDR UNITS
- COMMERCIAL TENANT SPACE

ONE DE HARO - BUILDING SECTIONS

SKS Partners
05/03/2018 Scale: 1/8" = 1'-0"



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GROSS BUILDING AREA

2 PDR TENANTS ON FLOOR 1, 2 OFFICE TENANTS ON FLOORS 2-4

Project: One De Haro
PLA Project #: 25006
Date: 3/14/2018

Level	PDR	Office	Core/Service/ Mech PDR (33%)	Core/Service/ Mech Office (67%)	Loading	Floor Area, Gross (per Sec 102) total of columns to left	Bicycle Parking	Other areas excluded in Floor Area Gross	Roof Elevator/Stair Penthouse	Gross Construction Area	Roof Deck
Roof	0	0	n/a	n/a	0	0	0		786	7,456	6,670
4 th	0	26,509	1,295	2,594	0	30,398	0	0	0	30,398	0
3 rd	0	26,509	1,295	2,594	0	30,398	0	0	0	30,398	0
2 nd	8,120	18,389	1,295	2,594	0	30,398	0	0	0	30,398	0
Mezzanine	10,465	0	308	618	0	11,391	0	0	0	11,391	0
1 st	17,297	0	3,242	6,495	302	27,336	350	0	0	27,686	0
Total	35,882	71,407	7,436	14,894	302	129,921	350	0	786	137,727	6,670
Total PDR + Office		107,289	Total Core	22,330							
Total PDR+Core & Office+Core	43,318	86,301									
Ratio	33.34%	66.43%									

Notes:

- Area shown as gross floor area per the San Francisco Planning Code Section 102.
- Mezzanine area = 1/2 first floor PDR and lobby area, net. Do not use gross area to determine building code compliance