



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
- Transit Impact Development Fee (Sec. 411)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other (EN Impact Fees)

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Planning Commission Motion No. 18988

HEARING DATE: OCTOBER 3, 2013

Date: October 3, 2013
Case No.: **2012.0799ABX**
Project Address: **270 BRANNAN STREET**
Zoning: MUO (Mixed Use Office) Zoning District
 South End Landmark District
 65-X Height and Bulk District
Block/Lot: 3774/026
Project Sponsor: Steve Shanks, SKS Investments, Inc.
 601 California Street, Ste. 1310
 San Francisco, CA 94108
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

ADOPTING FINDINGS RELATING TO AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2012 – 2013 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO PLANNING CODE SECTION 321 THAT WOULD AUTHORIZE THE NEW CONSTRUCTION OF APPROXIMATELY 189,000 GROSS SQUARE FEET OF OFFICE USE FOR A PROPOSED PROJECT LOCATED AT 270 BRANNAN STREET, LOT 026 IN ASSESSOR’S BLOCK 3774, WITHIN THE MUO (MIXED USE OFFICE) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT, AND ADOPT FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On December 12, 2012, Steve Shanks of SKS Investments, Inc. (hereinafter "Project Sponsor") filed Application No. 2012.0799B (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to construct a new seven-story office building containing approximately 189,000 sq ft of office at 270 Brannan Street (Block 3774 Lot 026) in San Francisco, California.

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 August 22, 2013, 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.

On October 3, 2013, the Commission adopted Motion No. 18989, approving a Large Project Authorization for the Proposed Project (Large Project Authorization Application No. 2012.0799X), including a

Mitigation, Monitoring, and Reporting Program for the Project, attached as Exhibit C to Motion No. 18989, which are incorporated herein by this reference thereto as if fully set forth in this Motion.

On October 3, 2013, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2012.0799B.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Office Development Authorization requested in Application No. 2012.0799B, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The proposed project is located on a rectangular lot (measuring approximately 137.5-ft by 275 ft for a lot area of 37,800± sq ft) on the north side of Brannan Street between 2nd and Delancey Streets. Currently, the subject lot contains a surface parking lot and a two-story office building.
3. **Surrounding Properties and Neighborhood.** The project site is located in the MUO Zoning District along a largely commercial corridor within the East SoMA Area Plan. The immediate neighborhood consists of three-to-six story tall, older brick warehouses (converted into office or commercial space) to the west and south, and new mixed use (residential over commercial) buildings to the north and east. Across from the project site is a large-scale residential complex. On either side of the subject lot is a six-story former warehouse (274 Brannan Street) and a three-story tall brick warehouse/office (250 Brannan Street). The project site is located within the South End Landmark District, which is significant for the high concentration of late-nineteenth century brick and early twentieth-century reinforced concrete warehouses and light industrial buildings. Other zoning districts in the vicinity of the project site include: SB-DTR (South Beach Downtown Residential); SLI (Service-Light Industrial); and, SPD (South Park District).
4. **Project Description.** The proposed project includes demolition of the surface parking lot (containing approximately eighty-four (84) off-street parking spaces) and two-story office building (approximately 17,350 sq ft) on the subject lot, and the new construction of a seven-story tall, office building. The proposed project would construct approximately 189,000 gsf of office space with twelve (12) off-street parking spaces, four (4) off-street service loading parking spaces, forty-eight (48) Class 1 bicycle parking spaces, six (6) Class 2 bicycle parking spaces, and an internal atrium (measuring approximately 4,940 sq ft). The proposed project would have street

frontage onto Brannan Street and access from De Boom Street via a private alley. The vehicular entry would be located off of Brannan Street.

5. **Public Comment.** To date, the Department has received five public inquiries about the proposed project. The public correspondence expressed concern over the amount of parking, the elimination of the parking lot, and the need for underground electrical services. Copies of this correspondence have been included within the Commissioner packets.
6. **Office Development Authorization.** 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:

I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

Currently, there is more than 1.8 million gross square feet of available "Large Cap" office space in the City. Additionally, the proposed project is subject to various development fees that will benefit the surrounding community and the city. The Project is located in close proximity to many public transportation options, including a number of Muni and transit lines. Therefore, the Project will help maintain the balance between economic growth, housing, transportation and public services.

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

The proposed project is consistent with the General Plan, as outlined in Section 8 below.

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

The proposed project offers high quality design for the proposed office development, which is consistent and compatible with the neighborhood's overall massing and form. In particular, the proposed project is sensitive to the surrounding South End Landmark District, and addresses the architectural vocabulary and composition found among many of the older brick warehouses within the immediate vicinity, as noted in Historic Preservation Commission Motion No. XXX.

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

- a) Use. *The proposed project is located within the MUO (Mixed Use Office) Zoning District, which permits office use pursuant to Planning Code Sections 842.66. The subject lot is located in an area primarily characterized by commercial and light industrial development. There are several office use buildings on the subject block, and on blocks to the east and south of the project site.*

- b) Transit Accessibility. *The area is served by a variety of transit options. The project site is within a quarter-mile of various Muni routes, including the 10-Townsend, 30-Stockton, 45-Union/Stockton, and 76X-Marin Headlands Express, as well as the N-Judah and KT-Ingleside/Third Street Rail Lines. Further, the project site is located within two blocks of the Caltrain Station on King and 4th Streets.*
- c) Open Space Accessibility. *The Project provides an internal atrium to comply with the non-residential open space requirements and is located within two blocks of open space at South Park.*
- d) Urban Design. *The proposed project reinforces the surrounding neighborhood character by providing a new project that is consistent and compatible with the surrounding area's mass, scale, size and architectural details. In particular, the proposed project is sensitive to the surrounding South End Landmark District, and references the district's brick material palette, massing and form, as noted by the Historic Preservation Commission in Motion No. 0209.*
- e) Seismic Safety. *The proposed project would be designed in conformance with current seismic and life safety codes as mandated by the Department of Building Inspection.*

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

- a) Anticipated Employment Opportunities. *The Project includes a total of 189,000 gross square feet of office space. As noted by the Project Sponsor, the additional office square footage will create new opportunities for employment.*
- b) Needs of Existing Businesses. *The Project will supply office space in the East SoMa area, which allows office use within MUO Zoning District. The Project will provide office space with high ceilings and large floor plates, which are characteristics desired by emerging technology businesses. This building type offers flexibility for new businesses to further grow in the future.*
- c) Availability of Space Suitable for Anticipated Uses. *The Project will provide large open floor plates, which will allow for quality office space that is suitable for a variety of office uses and sizes.*

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

The Project Sponsor has not determined the anticipated tenants.

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

The Project does not include any Transfer of Development Rights.

7. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. 18989, Case No. 2012.0799X (Large Project Authorization, pursuant to Planning Code Section 329) apply to this Motion, and are incorporated herein as though fully set forth.
8. **Section 101.1 Priority Policy Findings.** Section 101.1(b)(1-8) establishes eight priority planning Policies and requires review of permits for consistency with said policies.

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

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

The existing buildings do not contain any neighborhood-serving retail uses. The proposal would enhance the neighborhood-serving retail district by introducing a large number of new employees and potential patrons to the retail uses in the area, and by incorporating a micro-retail space that will provide new opportunity for smaller-scale retail within the subject property.

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

The existing neighborhood character will be preserved as the design of the proposal is in harmony with the building scale, massing and form found along the 200 block of Brannan Street. The Project is located in the East SoMa Area Plan and is located within a zoning district that allows office use. Other nearby properties function as either commercial or light industrial spaces.

- C. The City's supply of affordable housing be preserved and enhanced.

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

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

The area is served by a variety of transit options, including MUNI and Caltrain. It is also near several streets that are part of the City's growing bicycle network. It is not anticipated that commuter traffic will impede MUNI transit or overburden streets or neighborhood parking as the sole automobile entrance is on Brannan Street and the excavated basement provides a limited number of off-street 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.

No existing industrial and service sector establishments will be displaced as a result of the office development. The Project will construct new office use on the subject lot. The Project will provide quality flexible office space that is suitable for a variety of office uses and sizes. This office space will help maintain the local resident employment and demand for neighborhood-serving businesses in the area.

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

The proposed project is designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code.

- G. That landmarks and historic buildings be preserved.

The subject lot is located within the South End Landmark District, and the proposed project received a Certificate of Appropriateness from the Historic Preservation Commission, as noted in HPC Motion No. 0209.

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

The proposed project would not affect nearby parks or open space.

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 Development 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 Office Development Application No. 2012.0799B** subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, in general conformance with the plans stamped Exhibit B and dated August 21, 2013, on file in Case Docket No. 2012.0799B.

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 Plan 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-Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on October 3, 2013.

Jonas P. Ionin
Acting Commission Secretary

AYES: Antonini, Fong, Hillis, Moore, Sugaya and Wu

NAYS:

ABSENT: Borden

ADOPTED: October 3, 2013

EXHIBIT A

AUTHORIZATION

This authorization is for an Office Development Authorization to authorize 189,000 square feet of office use located at 270 Brannan Street, Lot 026 in Assessor's Block 3774 pursuant to Planning Code Section 321 within the MUO (Mixed Use Office) Zoning District and a 65-X Height and Bulk District; in general conformance with plans, dated August 21, 2013, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0799BX and subject to conditions of approval reviewed and approved by the Commission on October 3, 2013 under Motion No. 18988. 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 Conditions of Approval set forth in Exhibit B of Motion No. 18989, Case No. 2012.0799X (Large Project Authorization Under Section 329), and the Mitigation, Monitoring, and Reporting Program adopted as Exhibit C to Planning Commission Motion No. 18989, Case No. 2012.0799X apply to this approval, 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 October 3, 2013 under Motion No. 18988.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Office Development Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. Development Timeline - Office. Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this conditional use authorization.

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

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

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