



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

**DATE:** December 19, 2017  
**TO:** James Abrams and Enrique Landa  
**FROM:** Joshua Switzky, Planning Department  
**RE:** PPA Case No. 2017-011878PPA for  
1201A Illinois Street /Potrero Power Station


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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

Please find the attached Preliminary Project Assessment (PPA) for the address listed above. You may contact the staff contact, John M. Francis, at (415) 575-9147 or [john.francis@sfgov.org](mailto:john.francis@sfgov.org), to answer any questions you may have, or to schedule a follow-up meeting.

  
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Joshua Switzky, Senior Planner



# SAN FRANCISCO PLANNING DEPARTMENT

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## Preliminary Project Assessment

*Date:* December 19, 2017  
*Case No.:* **2017-011878PPA**  
*Project Address:* 1201A Illinois Street / Potrero Power Station  
*Block/Lot:* 4175/017, 4175/018, 4232/006  
*Zoning:* M-2 (Heavy Industrial),  
PDR-1-G (Production, Distribution & Repair-1-General)  
*Height-Bulk:* 40-X  
*Area Plan:* Central Waterfront Area Plan  
*Project Applicant:* James Abrams, J. Abrams Law, P.C.  
415-999-4402  
*Project Sponsor:* Enrique Landa, California Barrel Company/Associate Capital  
415-796-8945  
*Staff Contact:* John M. Francis – 415-575-9147  
[john.francis@sfgov.org](mailto:john.francis@sfgov.org)

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### DISCLAIMERS:

This Preliminary Project Assessment (PPA) letter provides feedback to the project sponsor from the Planning Department regarding the proposed project described in the PPA application submitted on September 15, 2017, as summarized below. This PPA letter identifies Planning Department review requirements for the proposed project, including those related to environmental review, approvals, neighborhood notification and public outreach, the Planning Code, project design, and other general issues of concern for the project. Please be advised that the PPA application does not constitute an application for development with the Planning Department. The PPA letter also does not represent a complete review of the proposed project, does not grant a project approval of any kind, and does not in any way supersede any required Planning Department approvals listed below.

The Planning Department may provide additional comments regarding the proposed project once the required applications listed below are submitted. While some approvals are granted by the Planning Department, some are at the discretion of other bodies, such as the Planning Commission or Historic Preservation Commission. Additionally, it is likely that the project will require approvals from other City agencies such as the Department of Building Inspection, Public Works, the Municipal Transportation Agency, Department of Public Health, San Francisco Public Utilities Commission, and others. The information included herein is based on the PPA application and plans, the Planning Code, General Plan, Planning Department policies, and local, state, and federal regulations as of the date of this document, all of which are subject to change.

### PROJECT DESCRIPTION:

The proposed project consists of the redevelopment of approximately twenty-nine acres in the Central Waterfront on the site of the former Potrero Power Station (PPS) and an existing PG&E switchyard. The

site would be developed into a new mixed-use community with new uses including residential; commercial (including office, research and development, and retail); hotel; Production, Distribution, and Repair (PDR); community facilities; and parking. The proposed project also includes new open space/recreational use, shoreline access (including a new dock), new public roads, and circulation improvements. One existing structure on the site—the Stack—is proposed for preservation, while a second—Unit 3—is being studied for adaptive reuse.

Overall, the proposed project would construct 5.4 million gross square feet (gsf) in seven phases over a ten year period. Currently, the proposed project is within the conceptual design phase, and is subject to change upon further review and refinement with the Planning Department and other public agencies, community outreach, market conditions, and the environmental review process.

As detailed by the project sponsor, California Barrel Company, the proposed project development characteristics are included in Table 1 below. Note that the PG&E switchyard site is not currently controlled by the Project Sponsor but PG&E has provided an authorization letter to include that site in the project for the purposes of environmental review.

The most recent industrial use of the site was a power generation plant operated by Mirant Potrero LLC (and earlier by PG&E), which ended operations in 2011. Currently the site contains vacant land, several industrial structures that are no longer in use, and a structure that contains offices for the project sponsor. The PG&E switchyard in the northwest corner of the site along Illinois and 22<sup>nd</sup> Streets remains active as an element of PG&E's power generation and distribution infrastructure.

**TABLE 1**  
**POTRERO POWER STATION MIXED-USE DEVELOPMENT PROJECT CHARACTERISTICS<sup>a</sup>**

Project Characteristic	Metric	
<b>Project Site Size and Shape</b>		
	<i>Dimensions</i>	
Area	29.0 acres	
Maximum Length and Width	Approximately 1,650 feet by 950 feet	
<b>Proposed Land Use Program<sup>b</sup></b>		
	<i>Area (gsf)</i>	
Residential	2,682,427	
Commercial (Retail)	107,439	
Commercial (Office)	597,723	
Commercial (R&D/life science)	645,738	
Commercial (Hotel)	241,574	
Commercial (PDR)	45,040	
Community Facilities	100,938	
Parking	946,981	
Total Building Area	5,367,860 gsf	
<b>Proposed Dwelling Units</b>		
	<i>Number</i>	<i>Percentage (approximate)</i>
Studio	388	14.5%
1-Bedroom	1,159	43.2%
2-Bedroom	867	32.3%
3-Bedroom	268	10.0%
Total Dwelling Units	2,682	100%
<b>Proposed Parking</b>		
	<i>Number</i>	
Vehicle Parking Spaces <sup>c</sup>	2,622	
Car Share Spaces	50	
Bicycle Parking <sup>d</sup>		
Bicycle Parking Class 1	1,567	
Bicycle Parking Class 2	262	
Total Bicycle Parking	1,829	
<b>Open Space</b>		
	<i>Area (gsf)</i>	
Publically Accessible Open Space	Approximately 6.3 acres	
Private Open Space	36 square feet per unit if located on balcony, or 48 square feet per unit if commonly accessible to residents	
<b>Building Characteristics</b>		
	<i>Area (gsf)</i>	
Stories	5 to 30 stories	
Height	65 to 180 feet; one building at 300 feet	
Ground Floor	All blocks would include ground floor active/retail/production space	
Basements	All development blocks would allow but not require one below-grade level of vehicle parking spaces <sup>e</sup>	



TABLE 1 (CONTINUED)  
POTRERO POWER STATION MIXED-USE DEVELOPMENT PROJECT CHARACTERISTICS<sup>a</sup>

NOTES:

gsf = gross square feet; R&D = research and development; PDR = production, distribution, and repair

<sup>a</sup> All numbers in this table are approximate.

<sup>b</sup> The proposed project includes a number of Flex Blocks, for which either residential or certain commercial uses may ultimately be selected. The numbers shown in this table show the anticipated development of the flex blocks, assuming either residential or commercial development at each flex block. The EIR will discuss the potential for variation in the total amount of residential and commercial development on the Flex Blocks.

<sup>c</sup> 0.6 space per residential unit; one space per 1,500 square feet of commercial office, R&D/life science, or PDR uses; 3 spaces per 1,000 square feet of grocery store use.

<sup>d</sup> The number of bicycle parking spaces reflects Planning Code requirements, as follows.

- Residential: One Class 1 bicycle parking space for each dwelling unit up to 100 plus one space for every four units in excess of 100; one Class 2 bicycle parking space for every 20 dwelling units.
- Office: One Class 1 bicycle parking space for every 5,000 square feet of occupied floor area; two Class 2 bicycle parking spaces up to 5,000 square feet of OFA plus one for each 50,000 square feet of OFA in excess of 5,000 square feet.
- Laboratory and PDR: One Class 1 bicycle parking space for every 12,000 square feet of OFA; two Class 2 bicycle parking spaces up to 50,000 square feet of OFA, and an additional two for laboratory spaces in excess of 50,000 square feet of OFA.
- Retail: One Class 1 bicycle parking space per 7,500 square feet of OFA; two Class 2 bicycle parking spaces plus one per 2,500 square feet up to 50,000 square feet.
- Hotel: One Class 1 space per 30 rooms; one Class 2 space per 30 rooms and one Class 1 space per 5,000 square feet of conference space.

<sup>e</sup> Basement parking is accounted for in the above line item for parking.

SOURCE: California Barrel Company, EEA PPA Application Package, Potrero Power Station Mixed Use Development, October 2017

## BACKGROUND

The project site is within the Central Waterfront Area Plan area of the Eastern Neighborhoods. The Eastern Neighborhoods Area Plans cover the Mission, East South of Market (SoMa), Showplace Square/Potrero Hill, and Central Waterfront neighborhoods. On August 7, 2008, the Planning Commission certified the *Eastern Neighborhoods Programmatic Final Environmental Impact Report (Eastern Neighborhoods PEIR)*. The Eastern Neighborhoods Area Plans and its associated rezoning became effective December 19, 2008.

At the time of the Area Plan adoption, the site was still in operation as a power station and, as a result, its industrial zoning was left in place. However, the Plan noted that the power station was anticipated to cease operations and that a future community planning process should help determine exactly how the site would be repurposed and what zoning would be appropriate. Furthermore, the Settlement Agreement signed in 2009 between the City and Mirant Potrero, LLC, the last operator of the power station, also specifically called for the development of a reuse plan for the site. As such, the Department supports redevelopment of the site that responds to community input and complements existing and future adjacent development. A final determination of consistency with the Eastern Neighborhoods Area Plans would be made during the environmental review process.

## PLANNING DEPARTMENT APPROVALS:

The proposed project requires the following Planning Department approvals. These approvals may be reviewed in conjunction with the required environmental review, but may not be granted until after the required environmental review is completed. For the sake of the directions provided below, "Master Plan Adoption" refers to the initial set of approvals that set forth the overall zoning controls and

agreements that will provide overarching entitlement for the anticipated development. Given the uniqueness of the proposal, the approvals described below are classified into three levels:

- (I) **“Master Plan Adoption”** that would entitle the broad land use program and building envelopment allowances at a master plan level;
- (II) **“Development Phase”** approval that would enable a given phase to move forward; and
- (III) **“Building Construction”** Phase. For this phase, comments assume typical set of requirements as any other project under the land use jurisdiction of the Planning Department.

#### **(I) ACTIONS REQUIRED AT MASTER PLAN ADOPTION**

1. **Planning Code Text and Zoning Map Amendments.** The Potrero Power Station Site is located primarily within the M-2 (Heavy Industrial) Zoning District and 40-X Height and Bulk District, although the Port-owned bulb of land on the far southeast corner of the site is within the PDR-1-G (Production, Distribution & Repair-1-General). These zoning, height, and bulk controls were kept in place by the Eastern Neighborhoods Central Waterfront Area Plan (effective January 2009), in anticipation of being rezoned as part of a more localized strategy for PPS. Though the proposed land uses could potentially be permitted within the existing zoning, housing would require a Conditional Use Authorization, and both housing and office uses would be generally inconsistent with the intention of the current industrial zoning. Therefore, the Planning Department recommends that the site be rezoned, applying new or existing mixed use district(s) in which the proposed land uses are principally permitted. Due to the uniqueness of the proposal, it will likely be necessary to establish a Special Use District (SUD) on the site. Additionally, the proposed project is seeking building heights taller than the existing 40-ft height limit on a substantial portion of the site, along with substantial bulk allowances.

The rezoning, including establishment of an SUD and new height and bulk controls, would require Planning Code Text and Zoning Map amendments, which are legislative actions that require Mayoral and Board of Supervisor approval following Planning Commission approval.

Planning Code and Zoning Map Amendments can be initiated either by the Planning Commission, the Board of Supervisors, or by application from the property owner. An application for a Text and Map Amendment (referred to as a Legislation Change Application) is available for download from the Planning Department’s website.

Due to the master-development nature of the proposal, a separate development controls and design guideline document should be created specifically for this project; the Planning Code would then reference this document (discussed further below).

2. **General Plan Amendments.** Given the scale and the prominence of the proposal, Department staff would thoroughly review the elements of the General Plan, including the and Central Waterfront Area Plan, to verify if any amendments are required to figures, maps, and text from these plans. Due to the project’s scale, an amendment to the General Plan would likely be a necessary action. General Plan Amendments may be initiated by the Planning Commission or by application from the property

owner. General Plan Amendments can be applied for using the Legislation Change Amendment Application, as referenced above.

3. **Design Review and Entitlement Requirements.** Given the uniqueness of the proposal and project site, particularly the overall master plan, multi-phase nature, and the requirements for a coordinated construction with the delivery of new infrastructure and community benefits, entitlement provisions in the Planning Code such as Conditional Use and Planned Unit Developments may not be sufficient to deal with the project's complexity. The Department expects the Development Agreement (DA) between the City and master developer to provide a broad entitlement for the development's overall program and zoning, but individual phases and vertical development will require further approval at either staff or Commission level, depending on the particular uses proposed, whether exceptions are requested, and other factors. The Planning Department will work with the Project Sponsor in crafting an entitlement process that both addresses the Project Sponsor's need for a degree of certainty and assures quality development in meeting City objectives for the site. Additional design and entitlement coordination will be required with the Port of San Francisco, which owns a small portion of the project site along the waterfront and part of the 23<sup>rd</sup> Street right of way.
4. **Development Agreement.** The nature of this master plan project suggests that a Development Agreement (DA) is likely necessary to memorialize agreements, rights and obligations of the project sponsor and the City in developing the project. The Development Agreement process is described in Chapter 54 of the City's Administrative Code and enables a Project Sponsor to vest development rights and realize other benefits (such as increasing development potential) in exchange for providing public benefit beyond what would otherwise be required by the Planning Code and other City codes. Development Agreements are helpful to the developer and the City in that they legally establish roles and responsibilities for the master project's buildout over time. The City would work with the Project Sponsor to devise a mutually beneficial public benefit and infrastructure program that could include, but would not be limited improvements to transit, street, trails, below-market-rate housing and other community benefits. Objectives that are generally met through paying impact fees described below, could potentially be met and exceeded through other means specific to this project.
5. **Master Development Documents.** Given the scale and scope of the Project, its master plan nature, and the need for Planning Code and General Plan amendments, the Planning Department will require the creation of a set of plans that will both articulate the vision and overall intent of the Project, and that will provide standards, guidelines and instructions on how the site is to be built out. These documents will be companion exhibits to the DA and will also be embedded or cross-referenced in the Planning Code and other approval framework documents as appropriate. Such documents may include:
  - a) *Concept Plan.* The Concept Plan should provide a broad overview of the goals and objectives of the project at a high level. It should set the context for the development and describe the land use, urban design, and other strategies that are to be employed to reach the overall objectives. The Concept Plan should also provide indications of how the project is expected to perform in terms of land use and transportation efficiency, urban design quality and user experience, among other factors.
  - b) *Development Controls and Design Guidelines* (including entitlement framework). The Development Controls and Design Guidelines should provide the majority of requirements



for building design including bulk limits, building articulation and modulation, frontage activation (by use), open space, building materials and treatment, parking and loading entries, and utilities. This document should specifically address an individual building's relationship to the public realm, how the individual building fits in with the site's overall urban design strategy and its relationship to the neighborhood (including adjacent properties, such as Pier 70) and to the rest of the City.

This Development Controls and Design Guidelines should discuss the intent of the parks and public realm network by describing the proposed programming and general design guidelines for main open spaces. They should also lay out the proposed street and pedestrian network describing the network's hierarchy, the intended function of each street, and include design and functional specifications for each street and intersection. For the open space system, the document should lay out design parameters including amenities and their general locations, general extent and types of landscape features, and other key features. Additionally, the document should describe how each street and open space will relate to its bordering buildings and the overall development. It should also describe how historic interpretation is programmed into the site.

- c) *Transportation and Transportation Demand Management (TDM) Plan.* The Transportation Plan should describe the overall transportation goals, principles, commitments (infrastructure delivery, financial and programmatic) and strategies for the development emphasizing ways to maximize the ability to travel by bicycling, transit, and by foot. The plan should describe expected transportation improvements that would be incorporated into the project; it should discuss strategies around managing parking and loading particularly to assure they are minimized. Also, the Plan should contain TDM strategies that will encourage people to get around using modes other than private automobiles for most trips.
- d) *Infrastructure Plan.* The Infrastructure Plan should detail the general approach and strategy for the design and construction of the infrastructure necessary to support the proposed project.
- e) *Sustainability Plan.* The Sustainability Plan should provide a comprehensive strategy to achieve the goal of becoming a model of environmental sustainability, providing both metrics as well as design, infrastructure and managements strategies the project will implement to achieve these metrics. As a large master-planned, mostly newly-built neighborhood, this project has the opportunity to meet and exceed citywide environmental standards by pursuing coordinated district-level strategies. The Department recommends consideration of a strategy that holistically incorporates sustainability practices into the Development Controls and Design Guidelines document, the Infrastructure Plan and other plan documents, and not wholly relying on a stand-alone Sustainability Plan to convey and guide implementation of strategies to improve the site's environmental performance.

## (II) ACTION REQUIRED PRIOR TO COMMENCEMENT OF A MAJOR PHASE OF CONSTRUCTION

1. **Development Phase Approval.** As part of the entitlement framework, provisions for development phase approvals will need to be specified. In similar master plan projects, development phase



approvals included assurances that sufficient infrastructure and community benefits are delivered proportional with development proposed in the same phase.

2. **Subdivision Map Approvals.** The proposal entails creating new parcels for the project site. All subdivisions will require approval by the Planning Department to assure consistency with the General Plan and previous approvals. Such approvals are most likely to be timed with the Development Phase approvals. Subdivision (Parcel Map / Final Map) applications are handled by the Department of Public Works – Bureau of Street and Mapping. Please refer to the Department of Public Work’s website for the Lot Subdivision Application.
3. **General Plan Referrals.** General Plan Referrals will be required for the Development Agreement and other master-level project approvals. Subsequent General Plan Referrals will also be required for any right-of-way dedication, vacation, official curb line change, subdivision and other land-use actions requiring legislation, on an ongoing basis as the project is built out. The Development Agreement and other master-level project approvals will need to include a set of master findings that demonstrate how the overall development is in general conformity with the General Plan and Panning Code Section 101.1. In general, subsequent General Plan Referral applications can rely on these “master” general plan findings to the extent feasible. General Plan Referrals are usually applied through the Agency seeking the legislation on the project’s behalf. Please refer to the Department’s website for the General Plan Referral Application.

### (III) ACTIONS REQUIRED PRIOR TO CONSTRUCTION OF INDIVIDUAL BUILDINGS

1. **Office Allocation.** Planning Code Section 321 outlines the requirements for establishing new office development over 25,000 gross square feet (gsf). The project would require an Office Development Authorization from the Planning Commission for each individual development that establishes more than 25,000 gross square feet of new office space. As of October 18, 2017, the “Small Cap” contains approximately 1 million square feet and the “Large Cap” contains approximately 2 million square feet. Any office portion of the project would be required to apply for an office allocation. Please refer to the Department’s website for the Office Allocation Application.
2. **Transportation Demand Management (TDM) Program.** The TDM Program was adopted by the Board of Supervisors in February 2017, and took effect on March 19, 2017. The proposed project is subject to the TDM Program. Required target scores are based on the number of accessory parking spaces provided for specific land use categories included in a project. Due to the large scope of this proposal, the phased timeline for development, and the still-evolving mix of land uses, this letter does not provide preliminary targets for the required TDM Plans. However, the project should, through the methods deemed appropriate due to its unique nature, meet all the requirements and intended outcomes of this Program as part of its final Development Agreement. As part of a possible SUD/DA, adoption of district-wide or per phase TDM measures could preclude the need for separate TDM submittals for individual buildings.
3. **Building Permit Applications.** Permit applications will be required for the proposed new construction and rehabilitation of existing buildings on the subject lot.