



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Abbreviated Institutional Master Plan

HEARING DATE: JUNE 2, 2011

Date: May 26, 2011
Case No.: **2011.0118I**
Project Address: **2 HARRISON STREET**
Zoning: RH-DTR (Rincon Hill Downtown Residential Mixed Use)
84-X/105-X Height and Bulk District
Block/Lot: 3744/005
Project Sponsor: Ann Collins of
Jones Lang LaSalle America, Inc.
On behalf of
The Trustees of the University of Pennsylvania
The Wharton School of Business
3101 Walnut Street
Philadelphia, PA 19104
Staff Contact: Diego R Sánchez – (415) 575-9082
diego.sanchez@sfgov.org
Recommendation: **No action necessary – informational item**

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

BACKGROUND ON INSTITUTIONAL MASTER PLANS

Planning Code Section 304.5 requires post-secondary institutions and hospitals to have an Institutional Master Plan (IMP) on file with the Planning Department. Institutions presently occupying or proposing to occupy a site area of less than 50,000 square feet and placing on file with the Planning Department a statement that the institution does not anticipate any future expansion to more than 50,000 square feet may file an Abbreviated Institutional Master Plan. The Abbreviated IMP shall describe the institution's physical plant and employment, the institution's affirmative action program, all ownership by the institution of properties throughout the City and County of San Francisco, the services provided and service population, parking availability, and any other relevant general information pertaining to the institution and its services.

The purpose of the Abbreviated IMP is to provide this information to the Planning Commission and the public. The Abbreviated IMP is available for public review and has been posted on the Planning Department's website. Any proposed changes in land use described in an IMP would require separate review and approval by the Planning Commission and/or Planning Department staff, as applicable.

PROJECT DESCRIPTION

The project is the submission of an Abbreviated Institutional Master Plan for The Wharton School of Business, University of Pennsylvania. This is the first IMP in San Francisco for The Wharton School of Business, University of Pennsylvania.

The Planning Department staff has determined that the document contains all information required for an Abbreviated IMP submission, pursuant to Planning Code Section 304.5. The Wharton School of Business, University of Pennsylvania is eligible to submit an Abbreviated IMP because they currently occupy a space less than 50,000 square feet and propose to relocate from the current space to another space also of less than 50,000 square feet.

SUMMARY OF THE CONTENTS OF THE ABBREVIATED IMP

The Wharton School of Business, University of Pennsylvania was established in San Francisco in 2001 and provides three distinct services to its student and community. The first is the MBA Program for Executives which is designed for middle and upper level managers who seek to earn an MBA while continuing their careers. The program is held over two years and is typically done over alternating weekends. The second is a customized executive development program which is often specifically tailored to meet a specific firm's needs. The third is the alumni function where Wharton offers its alumni networking and professional development events.

A typical Wharton MBA class has 90 students with an average age of 34 years and 11 years of working experience. During the two years students are housed at Le Meridien Hotel, 333 Battery St., during their class sessions. The program contracts for approximately 90 room nights per weekend. This includes most Friday nights and the occasional Thursday night.

There are 16 full time staff members working in the Wharton San Francisco office. This includes staff to support the MBA for Executives program, executive education programs, external affairs/alumni and the IT support team. On any given weekend, between three to six faculty will come to San Francisco to teach in the MBA for Executives courses. There are usually one to three faculty members on campus to teach and facilitate the executive education program.

The University of Pennsylvania leases approximately 26,000 square feet of space for the Wharton School at 101 Howard Street and does not currently own any property in San Francisco. The Wharton School is seeking to relocate to 2 Harrison Street and lease the entire 6th floor which is approximately 35,000 square feet. The space will serve to support such programs as: MBA for Executives, External Affairs, Alumni Relations and Executive Education.

ENVIRONMENTAL REVIEW

The project is categorically exempt pursuant to the California Environmental Quality Act (CEQA), Section 15301 (Class 1, Minor Alterations to Existing Structures).

PUBLIC COMMENT

The Department is not aware of any opposition to this project.

ISSUES AND OTHER CONSIDERATIONS

A request for Conditional Use authorization (Case 2011.0422C) was filed on April 21, 2011 as part of the relocation of The Wharton School of Business. The proposed new location is within the RH-DTR (Rincon Hill Downtown Residential Mixed Use) Zoning District. Conditional Use authorization for institutional uses (Planning Code Section 827.30) and for non-residential uses in excess of 25,000 square feet (Planning Code Section 827.21) is required.

REQUIRED COMMISSION ACTION

The item is an informational item and no action is required. However, the Planning Commission has the discretion under Planning Code Section 304.5(e) to hold or not hold a public hearing on an Abbreviated IMP. If the Planning Commission requests a hearing, it will be scheduled for a later date and all actions regarding requests for Conditional Use authorization must occur after the Planning Commission hearing on the Abbreviated IMP.

STAFF RECOMMENDATION

The Planning Department Staff recommendation is to *not hold* a hearing on The Wharton School of Business, University of Pennsylvania Abbreviated IMP submission.

RECOMMENDATION: Do not require a public hearing on this IMP

Attachments:

The Wharton School of Business, University of Pennsylvania Abbreviated IMP
Floor Plans

**Abbreviated Institutional Master Plan
(Planning Code Section 304.5) for
The Wharton School, University of Pennsylvania - San Francisco**

1. Purpose of the Institutional Master Plan

This Abbreviated Institutional Master Plan (“AIMP”) is submitted pursuant to Planning Code section 304.5 for The Wharton School, University of Pennsylvania – San Francisco. The Wharton School is filing this AIMP because the Wharton School is proposing relocation to 2 Harrison Street, as fully discussed below and does not anticipate any future expansion in excess of 50,000 square feet over the next 24 months.

2. The Wharton School, University of Pennsylvania – San Francisco

a. Purpose

Established in 2001, Wharton San Francisco is the West Coast campus of the Wharton School of the University of Pennsylvania and home to one of the world’s leading MBA programs: the Wharton MBA Program for Executives. Programming on the Wharton San Francisco campus includes an annual intake of approximately 90 students studying for the MBA degree, mostly on weekends. Additionally, the facility is home to several non-degree executive education programs which take place on weekdays. The executive education programs may be custom designed to meet the training needs of specific organizations (Google, Clorox, etc) or the programming may be considered open enrollment and individuals may take part in classroom sessions to enhance their business knowledge. The Wharton San Francisco campus also hosts alumni functions to encourage lifelong engagement of the alumni who live and work in the West coast area. Alumni activities would generally include a speaker from the business community and some social or networking activities at the end.

b. About Wharton San Francisco

Wharton’s presence on the West Coast continues to expand. Nearly 9,000 Wharton alumni live and work in the region, connected by a powerful alumni network and eight thriving alumni clubs. Wharton’s global network of 85,000 alumni extends to more than 140 countries, including 4,300 alumni in Asia with 13 active clubs — in Australia, China, India, Japan, Korea, Thailand, Vietnam, and other countries across the region. Always ready to “take the call,” the Wharton alumni community creates an unparalleled global resource of personal and professional connections.

Occupying the top two floors of the historic Folger Building, Wharton | *San Francisco* is an advanced academic facility that includes two 60-seat, tiered classrooms and one flat 90-seat classroom, as well as dining space, group study rooms, and faculty and administrative offices. The facility also has ample restroom facilities for men and women and includes: a men’s room with 3 stalls and 2 urinals. The women’s restroom has 4 stalls. Additionally, there are 2 standalone handicap restrooms located across the hall from the larger restroom and overall this meets the needs of our current population.

c. Learning Programs

As mentioned above, the San Francisco campus has 3 different and distinct audiences that use the facility. The use of the facility is scheduled to enhance the experience of each audience and therefore each group has exclusive access to the facility during their scheduled programming. Primarily the building is used by students seeking their MBA while still being able to maintain their job and career. Offered in Philadelphia and San Francisco, the Wharton MBA Program for Executives is a degree-granting MBA program equivalent to the full-time MBA program. It is designed for middle- and upper-level managers who wish to continue their careers while completing their degree.

Approximately 90 students matriculate each year and move through the curriculum together for 24 months. Students attend classes Fridays and Saturdays on alternate weekends for two years, including two full weeks each summer. When students arrive on campus on Friday morning, where small groups may gather for coffee before classes start at 9:30 a.m. When classes begin, students move to the classrooms and the group splits into two sections of approximately 45 students in each of the two smaller classrooms. The class breaks after about one and a half hours for approximately 15 minutes. Students mill about in the open social area for coffee and discussion, others move towards the restroom areas and others to quiet areas to check phone messages and to return calls. Students return to class for another 90 minute session and then the group breaks for lunch. Students remain on campus for lunch and occasionally will invite a speaker from the business community to join them for a discussion in the classroom. Students return to the classroom after a one hour lunch break. Students return to the classroom for 2 more sessions for a different course in the afternoon. At the end of the class day, students may gather in the study group rooms to collaborate on projects and coursework for an hour or 2. Students leave the facility at various times to check into their room at the contracted nearby hotel. The footprint of the schedule repeats itself on Saturday. At the end of the class day, some students may stay for a couple of hours in the facility to study, though most leave immediately for the airport or to drive home.

During the 24 month program, students have several opportunities to study off campus as well. In the first year of the program, the cohort has an opportunity to travel to the campus in Philadelphia to meet and study with their East coast counterparts. The program's Global Strategic Management course concludes with a one-week seminar abroad where students meet with top business executives, government officials, and other leaders who affect the business environment. MBA Exec students have traveled to Singapore, Hong Kong, China, Japan, Thailand, the Czech Republic, Germany, South Africa, Argentina, and Brazil. The executive MBA curriculum, like that of the School's traditional MBA program, includes a cross-functional integration of the core curriculum, development of interpersonal leadership and team skills, framing and solution of current real-world problems faced by corporations and agencies, and an emphasis on globalization. The program's senior advisor on group effectiveness works with the class and individual teams to help students capitalize on each other's strengths. Wharton faculty members teach at both locations — San Francisco and Philadelphia. Additionally, students can opt to take modular 5 day intensive

business courses during winter or spring break in predetermined locations internationally or domestically.

Secondly, the Wharton San Francisco campus is home to several non-degree programs/courses. Wharton Executive Education offers customized executive development programs designed to meet a specific company's business challenges as well as a large portfolio to open enrollment offerings that span areas of leadership, finance, marketing and strategy. The programs offered at Wharton West are typically four day certificate programs. The custom programs which are developed in cooperation with the leadership team of various companies (Google, Clorox, etc) meet once per quarter for 2 to 4 days and may have an enrollment of approximately 30 -60 participants. The programs (both custom and open enrollment) are scheduled on weekdays, Monday through Thursday. The schedule is designed to eliminate any scheduling conflicts with the MBA for Executives program. Open enrollment programs may have an enrollment of 25 - 50 participants. The daily schedule for executive education programming would usually be scheduled between 9 a.m. and 5 p.m. The classes may break from the classroom occasionally throughout the day into small work groups and would utilize the study group rooms. Coffee breaks and lunch service is provided during the class days.

The third component of the Wharton San Francisco community is the alumni community. Currently there are approximately 700 alumni who graduated from the San Francisco campus program. Additionally, there are approximately nine thousand Wharton alumni living and working in the Western region of the United States. By creating and providing opportunities for these alumni to come together in a learning community, the school maintains a lifelong connection with alumni. Wharton San Francisco offers opportunities to alumni to attend breakfast or evening speaker events on the campus. Speakers or panelists join the group of 40 – 100 alumni for a networking event which is hosted on the 5th floor of the Folger's building and is followed by a speech, lecture or panel discussion in the classroom on the 4th or 5th floor. The events are scheduled on weekdays, usually with an 8 a.m. start for a breakfast session (concluding by 9:30 a.m.) or at 6 p.m. for an evening session (concluding at 9 p.m.). Scheduling is designed to eliminate any conflict with executive education programming and MBA for executive classes.

d. Accreditations & Licensing

Wharton's MBA degree is accredited by the American Association of Collegiate Schools of Business (AACSB). Members of Wharton's faculty and administration serve on the boards of the various professional organizations associated with business education, such as the Graduate Management Admissions Council and the EMBA Executive Council.

e. Student Population and Characteristics

Profile of 2010 San Francisco MBAExec Entering Class

Matriculants

93

Average GMAT Score	703
Average age	34
Average annual income and bonus	\$162,805
Average work experience	11
Advanced degrees	46%
Women	16%
Men	84%

f. Student Housing

Wharton's MBA for Executives students are housed at Le Meridien Hotel, 333 Battery St., during their class sessions. The program contracts for approximately 90 room nights per weekend. This includes most Friday nights and the occasional Thursday night.

g. Staff and Faculty

There are 16 full time staff members working in the Wharton San Francisco office. This includes staff to support the MBA for Executives program, executive education programs, external affairs/alumni and the IT support team. From the ranks of the Wharton 250-plus professors who generate the knowledge and innovations that transform global business practice and public policy, a small number of select faculty travel from Philadelphia to teach in the various programs. On any given weekend, 3-6 faculty will come to San Francisco to teach in the MBA for Executives courses. Drawn from 11 distinct departments, faculty work with leading companies and policy-makers around the world, and they bring real-world, real-time knowledge into Wharton's classrooms and 25 research centers and initiatives. There are usually 1 -3 faculty members on campus to teach and facilitate the scheduled executive education programs.

The programs are also supported by a food service team who provides snacks, coffee and meals catered in by Guckenheimer Caterers. There is one food service manager on sight on program days supported by 3 – 6 servers and a dishwasher. On program days, food service support is scheduled from 7 a.m. (for prep time) through dinner time or end of an evening event, (when applicable)-concluding no later than 9 p.m.

h. Affirmative Action

The University of Pennsylvania values diversity and seeks talented students, faculty and staff from diverse backgrounds. The University of Pennsylvania does not discriminate on the basis of race, sex, sexual orientation, gender identity, religion, color, national or ethnic origin, age, disability, or status as a Vietnam Era Veteran or disabled veteran in the administration of its educational policies, programs or activities, admissions policies, scholarship or loan awards, athletic or other University-

administered programs, or employment. Questions or complaints regarding this policy should be directed to the Executive Director, Office of Affirmative Action and Equal Opportunity Programs, 3600 Chestnut Street., Sansom Place East, Suite 228, Philadelphia, PA 19104-6106, or by calling (215) 898-6993 (voice) or (215) 898-7803 (TDD).

i. Extra-curricular Activities

In addition to the classroom curriculum at Wharton's San Francisco campus, student run activities typically include an Entrepreneurship Club and an Executive Speaker series. The school also hosts a number of social events around the city for the students such as off-site dinners at local restaurants and visits to local venues.

j. About the Wharton School

The Wharton School of the University of Pennsylvania, founded in 1881 as the first collegiate business school, is recognized globally for intellectual leadership and ongoing innovation across every major discipline of business education. The most comprehensive source of business knowledge in the world, Wharton bridges research and practice through its broad engagement with the global business community. The School has more than 4,900 undergraduate, MBA, executive MBA, and doctoral students; more than 9,000 annual participants in executive education programs; and an alumni network of 85,000 graduates.

3. Current Facility

The University of Pennsylvania leases space for the Wharton School and does not currently own any property in San Francisco.

a. Size

The Wharton School currently leases 26,000 +/- RSF in San Francisco.

b. Location

The Wharton West Campus is located on the 4th and 5th floors of the historic Folger Building located at 101 Howard Street in San Francisco.

c. Total Occupied Space

25,219 rsf

d. Ownership

Folger Building Management.

4. Proposed Changes

a. Purpose

The existing ten year lease at 101 Howard Street will expire in the fall of 2011. In anticipation, the University evaluated the existing location and alternate sites which would accommodate a 10,000 +/- RSF expansion.

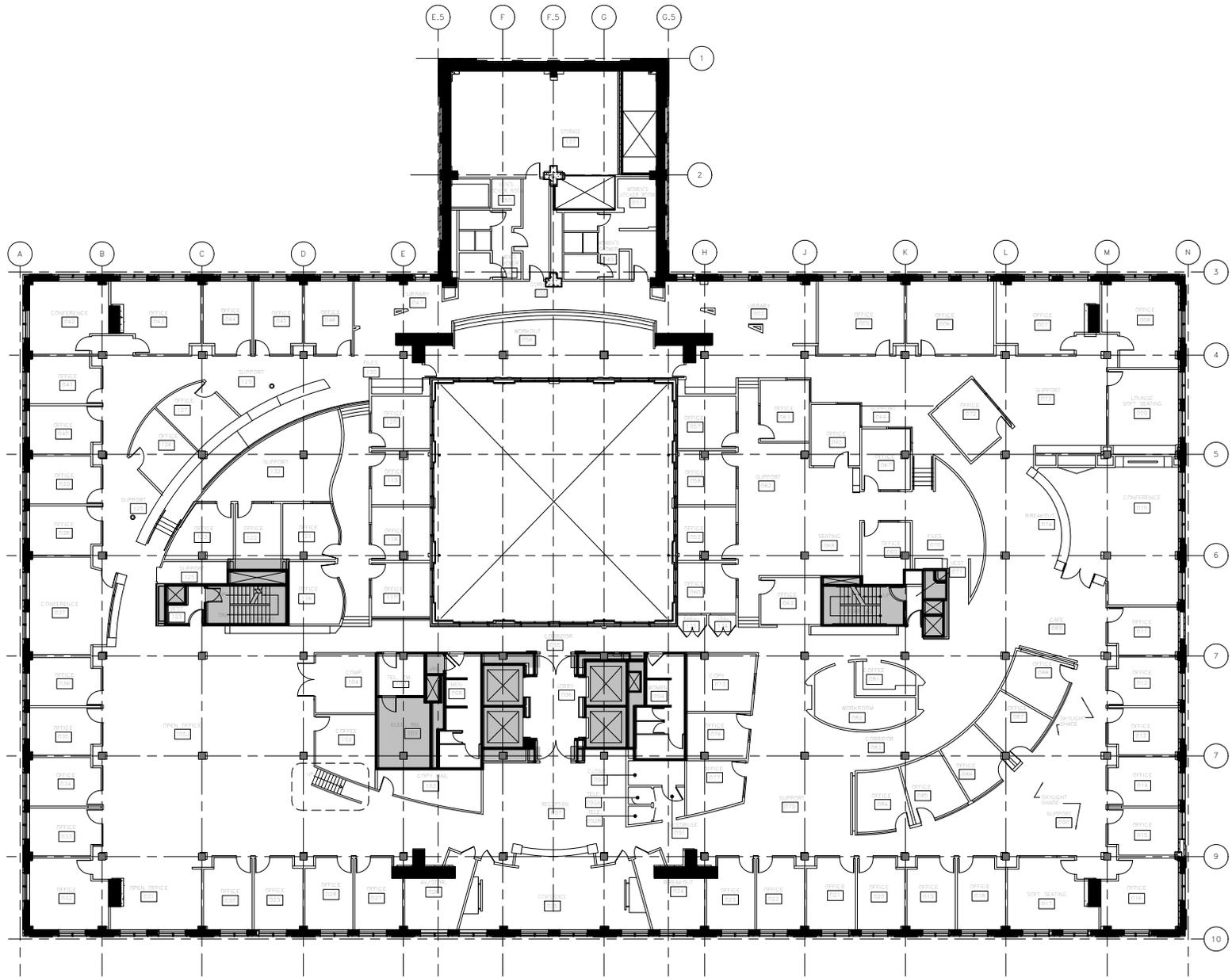
b. New Facility

The University has selected a relocation site at Hills Plaza, 2 Harrison Street. The University seeks to lease approximately 35,000 square feet for the Wharton San Francisco program. The lease would encompass the entire 6th floor. The building, built in 1925, is constructed of brick and timber and was built in 1925; renovated in 1990. It has a slab to slab ceiling height of 22'7"-24'. Although these ceiling heights will allow for a tiered classroom use, structural components may need to be removed or adjusted to allow for proper sight lines.

The space will serve to support such programs as: MBA for Executives, External Affairs, Alumni Relations and Executive Education. These programs will require a complete renovation of the existing tenant fit out in order to accommodate the program requirements reflected in the test fit; consisting of 26 office/cubicles, 19 group study rooms, two 75 person tiered classroom, and one 150 person tiered classroom.; dining space for 136 people and a variety of support / storage spaces.

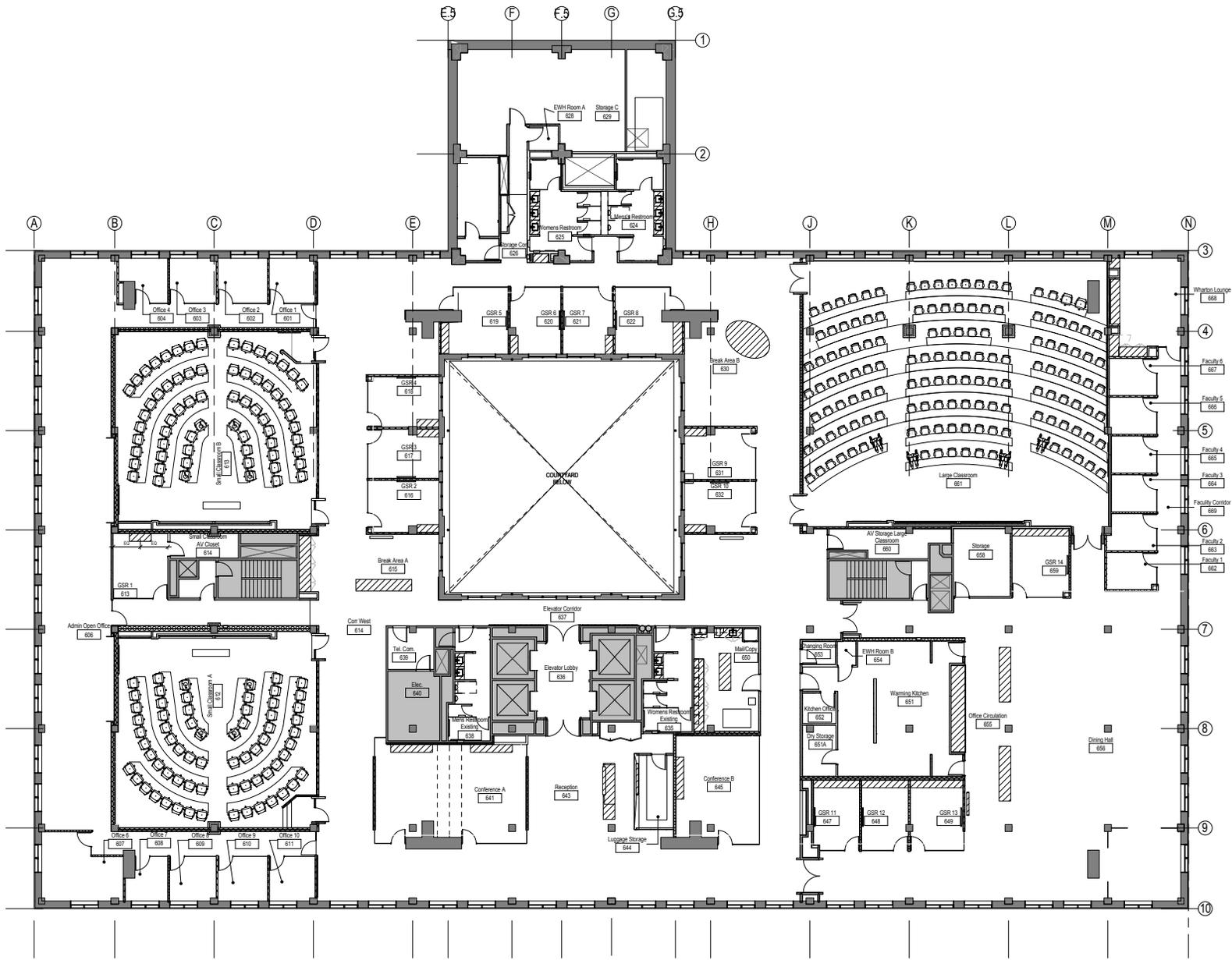
2 Harrison Street is well served by multiple public transportation routes, including Muni and BART. It is anticipated that the majority of the Wharton School employees and students would either walk or utilize public transportation to access the property. While there is no parking requirement for institutional uses in the applicable RH-DTR zoning district, off-street parking is available. 2 Harrison has an existing on-site parking garage and is within close proximity to various public parking areas.

NORTH ↑



2 Harrison Street Existing 6th Floor Plan

NORTH ↑



2 Harrison Street Proposed 6th Floor Plan