



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Office Development Authorization Exception to Active Space Requirement

HEARING DATE: JANUARY 26, 2012

Date: January 19, 2012
Case No.: **2009.1026EBU**
Project Address: **850-870 (aka 888) Brannan Street**
Zoning: UMU (Urban Mixed Use District)
68-X Height and Bulk District
Block/Lot: 3780/006, 007, 007A and 072
Project Sponsor: 888 Brannan LP
601 California Street, Suite 1310
San Francisco, CA 94108
Staff Contact: Corey Teague – (415) 575-9081
corey.teague@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The proposal is to convert the first, second and fifth floors of the existing five-story building at 870 Brannan Street from PDR and Integrated PDR to 113,753 gross square feet of office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095. The Gift Center and Jewelry Mart will be retained in other portions of the 850 and 870 Brannan buildings. The existing retail space will be reduced from 9,079 square feet to 4,682 square feet. A vehicular access point will be created off of Decatur Street to provide access to a 31 space valet parking area within the 870 Brannan Street building. At least 74 bicycle parking spaces will be provided off the main lobby and within the parking area.

SITE DESCRIPTION AND PRESENT USE

The project site is located on the northeast corner of Brannan Street at 8th Street on the block surrounded by Brannan, 7th, Bryant, and 8th Streets in San Francisco's Showplace Square neighborhood and is commonly known as 888 Brannan Street. Decatur and Kate Streets also dead end into the northwestern portion of the site. The two adjoining buildings on the site – 850 Brannan Street and 870 Brannan Street – currently contain 9,079 square feet of retail, 4,910 square feet of office, and 409,144 square feet of showroom/accessory office uses, which are categorized by the Planning Department as production, distribution, and repair (PDR) use. However, there is a high vacancy rate within the existing PDR space. The 850 Brannan Street building is a three-story concrete building. The 870 Brannan Street building is a five-story, reinforced concrete building on three parcels. The two buildings are connected internally.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The Project site falls within the Showplace Square plan area, but is in an area that may also be considered the southern edge of the South of Market neighborhood. The small area of surrounding UMU zoning is a transitional area between the PDR districts to the south and the Mixed Use districts to the west, north, and east. The immediate area consists of similar, large, industrial/commercial buildings. Interstate 1-80 runs along the west elevation of the building, and the Concourse Exhibition Center is located across the street at the corner of 8th and Brannan Streets.

ENVIRONMENTAL REVIEW

The Project is exempt as a Community Plan Exemption per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	January 6, 2012	January 4, 2012	22 days
Posted Notice	20 days	January 6, 2012	January 6, 2012	20 days
Mailed Notice	N/A	N/A	January 4, 2012	21 days

The proposal requires a Section 312-neighborhood notification, which was conducted in conjunction with the office allocation process.

PUBLIC COMMENT

- To date, the Department received an email of concern from one current tenant and a phone call from a representative of property owners and residents/tenants on Decatur Street with concerns about the potential impacts to Decatur Street from the additional traffic associated with the proposed parking in 870 Brannan Street.

ISSUES AND OTHER CONSIDERATIONS

- The project includes a significant investment into and rehabilitation of the historic building at 870 Brannan Street, specifically many of the windows and building openings.
- The table below shows the estimated amount of each fee due for the new office space proposed in this Project at the date of this report.

FEE TYPE	AMOUNT DUE
Transit Impact Development	\$258,219
Jobs-Housing Linkage	\$738,257
Eastern Neighborhoods	\$361,735
TOTAL	\$1,358,211

These fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application. Additional impact fees would apply to the establishment of IPDR space as well.

- There is currently more than 3.9 million square feet of large cap office space available in the City.
- The existing buildings currently have a high vacancy rate.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must authorize the allocation of office space for the proposed 113,753 gross square foot office project per Planning Code Sections 321, 322 and 803.9(c). It must also authorize the requested exception to the active use and parking setback controls for a historic building per Section 145.1(d).

BASIS FOR RECOMMENDATION

The Department believes this project is necessary and/or desirable for the following reasons:

- The Project will allow the adaptive reuse of a Historic building (870 Brannan Street) listed on the National and State Registers.
- The buildings currently have a high vacancy rate.
- The new office space will help increase economic activity in the neighborhood.
- At current rates, the project will produce approximately \$1,358,211 in fees that will benefit the community and City.
- The Project is consistent with the Planning Code and General Plan.

RECOMMENDATION: Approval with Conditions
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Attachments:

Draft Motion
Community Plan Exemption Certificate
Agreement to Implement Mitigation Measures
HPC Resolution No. 668
Block Book Map
Sanborn Map
Aerial Photographs
Site Photo
Zoning Map
Project Sponsor Submittal, including:
- Project Narrative
- Reduced Plans with Site Photos

Attachment Checklist

- | | |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project sponsor submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input checked="" type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | <input type="checkbox"/> Health Dept. review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Community Meeting Notice |
| <input type="checkbox"/> Context Photos | <input type="checkbox"/> Inclusionary Affordable Housing Program:
Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos | |

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

Planner's Initials

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|--|
| <input type="checkbox"/> Inclusionary Housing (Sec. 315) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" type="checkbox"/> Jobs Housing Linkage Program (Sec. 313) | <input checked="" type="checkbox"/> Child Care Requirement (Sec. 314) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 139) | <input checked="" type="checkbox"/> Other (Eastern Neighborhoods – Sec. 327) |
| <input checked="" type="checkbox"/> Transit Impact Development Fee (Admin Code) | |

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Planning Commission Draft Motion

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ADOPTING FINDINGS APPROVING ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2011-2012 ANNUAL OFFICE-DEVELOPMENT LIMITATION PROGRAM FOR A PROPOSED PROJECT LOCATED AT 850-870 (AKA 888) BRANNAN STREET THAT WOULD AUTHORIZE THE CONVERSION OF THE FIRST, SECOND, AND FIFTH FLOORS OF THE EXISTING FIVE-STORY BUILDING AT 870 BRANNAN STREET FOR A TOTAL OF 113,753 GROSS SQUARE FEET OF OFFICE USE, AND FOR AN EXCEPTION TO THE ACTIVE USE REQUIREMENT FOR A PORTION OF THE 8TH STREET FRONTAGE, PURSUANT TO PLANNING CODE SECTIONS 145.1(D), 321, 322, AND 803.9(c) ON ASSESSOR'S BLOCK 3780, LOTS 006, 007, 007A, AND 072, IN THE UMU (URBAN MIXED USE) DISTRICT AND WITHIN THE 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On June 30, 2011, Steve Vettel, on behalf of 888 Brannan LP (hereinafter "Project Sponsor") filed Application No. 2011.0583BU (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to establish the first, second and fifth floors of the existing five-story building at 870 Brannan Street as 113,753 gross square feet of legal office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095, the retention of the Gift Center and Jewelry Mart in other portions of the 850 and 870 Brannan buildings, and 31 new off-street valet parking spaces on the first floor of the 870 Brannan building, and for an exception to the active use requirement for a portion of the 8th Street frontage.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Plan Environmental Impact Report (hereinafter "Eastern Neighborhoods EIR"). The Eastern Neighborhoods EIR was prepared, circulated for public review and comment, and, by Motion No. 17659 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 Eastern Neighborhoods 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, 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 an exemption from 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, and (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.

Pursuant to the Guidelines of the State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), on January 12, 2012, the Planning Department of the City and County of San Francisco determined that the proposed application was exempt from further environmental review per Section 15183 of the CEQA Guidelines and California 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.

On January 26, 2012, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2011.0583EBU.

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 and active use exception requested in Application No. 2011.0583EBU, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The project site is located on the northeast corner of Brannan Street at 8th Street on the block surrounded by Brannan, 7th, Bryant, and 8th Streets in San Francisco's Showplace Square neighborhood, and is commonly known as 888 Brannan Street. Decatur and Kate Streets also dead end into the northwestern portion of the site. The two adjoining buildings on the site – 850 Brannan Street and 870 Brannan Street – currently contain 9,079 square feet of retail, 4,910 square feet of office, and 409,144 square feet of showroom/accessory office uses, which are categorized by the Planning Department as production, distribution, and repair (PDR) use. However, there is a high vacancy rate within the existing PDR space. The 850 Brannan Street building is a three-story concrete building. The 870 Brannan Street building is a five-story, reinforced concrete building on three parcels. The two buildings are connected internally.
3. **Surrounding Properties and Neighborhood.** The Project site falls within the Showplace Square plan area, but is in an area that may also be considered the southern edge of the South of Market neighborhood. The small area of surrounding UMU zoning is a transitional area between the PDR districts to the south and the Mixed Use districts to the west, north, and east. The immediate area consists of similar, large, industrial/commercial buildings. Interstate 1-80 runs along the west elevation of the building, and the Concourse Exhibition Center is located across the street at the corner of 8th and Brannan Streets.
4. **Project Description.** The proposal is to convert the first, second and fifth floors of the existing five-story building at 870 Brannan Street from PDR to 113,753 gross square feet of office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095. The Gift Center and Jewelry Mart will be retained in other portions of the 850 and 870 Brannan buildings. The existing retail space will be reduced from 9,079 square feet to 4,682 square feet. A vehicular access point will be created off of Decatur Street to provide access to a 31 space valet

parking area within the 870 Brannan Street building. At least 74 Class 1 bicycle parking spaces will be provided off the main lobby and within the parking area.

5. **Public Comment.** The Department received an email of concern from one current tenant and a phone call from a representative of property owners and residents/tenants on Decatur Street with concerns about the potential impacts to Decatur Street from the additional traffic associated with the proposed parking in 870 Brannan Street.

6. **Planning Code Compliance.** The Commission finds and determines that the Project is consistent with the relevant provisions of the Code in the following manner:

A. **Office Space in a Historic Building.** Section 803.9(c) permits all uses in buildings that are a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation. However, each project must meet the following criteria:

i. The building is a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation;

The 870 Brannan Street building is listed in the California Register of Historical Resources by virtue of its designation in the National Register of Historic Places. No new office space is proposed in the 850 Brannan Street building.

ii. The project does not contain nighttime entertainment;

The project does not contain any nighttime entertainment.

iii. Prior to the issuance of any necessary permits, the Zoning Administrator, with the advice of the Landmarks Preservation Advisory Board (*now the Historic Preservation Commission (HPC)*), determines that allowing the use will enhance the feasibility of preserving the building;

The Zoning Administrator determined that allowing the additional office space at 870 Brannan Street will enhance the feasibility of preserving the building, based in part on the Historic Preservation Commission's review of the project, which is detailed in subsection v below.

iv. Residential uses meet the affordability requirements of the Planning Code;

The project does not include any residential uses.

v. The Landmarks Preservation Advisory Board (*now the Historic Preservation Commission (HPC)*) shall review the proposed project for compliance with the

Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)) and any applicable provisions of the Planning Code.

The project was reviewed by the HPC on November 16, 2011, and the HPC adopted Resolution No. 668. The resolution found that:

- *The proposed project complies with the Secretary of the Interior's Standards for the Treatment of Historic Properties.*
- *The proposed project enhances the feasibility of preserving the building by repairing deteriorated aspects of the subject building and installing new features (such as windows and doors), which are compatible with the building's historic character. The project would rectify serious material issues, including the painted glazing and window sashes, and rust jacking evident around the window frames. In addition, the project would remove a non-historic canopy and also restore the sense of the original rail spur opening along the Brannan Street façade.*
- *The building's new uses would provide for the repair and rehabilitation of the exterior, while maintaining the building's historic integrity and eligibility for listing in the National Register of Historic Places.*

B. **Open Space.** Section 135.3 requires conversions to new office space in Eastern Neighborhoods Mixed Use Districts to provide and maintain usable open space for that new office space at a ratio of one square foot per 50 square feet of new office space, and/or pay an in-lieu fee of \$76 per square foot. The project proposes 113,753 square feet of new office space. Additionally, Planning Commission Motion No. 18095 authorized another 143,490 square feet of office space in 2010. The total amount of new office space requires at least 5,145 square feet of open space to be provided.

The 870 Brannan Street building includes an approximately 5,700 square foot atrium. The project will also create a new courtyard of approximately 4,000 square feet in a portion of the existing loading area.

The open space(s) must meet the following criteria:

- i. Be appropriately landscaped;

The existing atrium is lined with planter beds with small shrubs and trees, and it also includes a three-story palm tree. The new courtyard will also be appropriately landscaped.

- ii. Be protected from uncomfortable wind;

The existing atrium is located on the ground floor just inside the main entrance to the 870 Brannan Street building. The new courtyard will be at the interior of the project site and surrounded by building walls on each side. As such, the open spaces are well protected from uncomfortable wind.

- iii. Incorporate ample seating and, if appropriate, access to food service, which will enhance public use of the area;

The existing atrium includes ample seating and is very near a restaurant space on the ground floor. The new courtyard will also include ample seating. The final design of such seating will be finalized before the issuance of the Building Permit.

- iv. Have adequate access to sunlight if sunlight access is appropriate to the type of area;

The existing atrium is capped by a glass roof above the fifth floor of the 870 Brannan Street building. It provides adequate sunlight to the atrium and the glass roof is only covered during severe weather. The new courtyard will be open to the sky and allow adequate sunlight.

- v. Be well lighted if the area is of the type requiring artificial illumination;

The existing atrium is adequately lighted by both the glass roof above and artificial illumination within the building. The courtyard will have ample natural light, and may also include appropriate artificial lighting.

- vi. Be designed to enhance user safety and security;

The existing atrium is located on the ground floor just inside the main entrance to the 870 Brannan Street building. The proposed courtyard will be on the ground floor between 850 and 870 Brannan Street. Neither space will be open to the public, which will enhance user safety for the tenants of the buildings.

- vii. Be of sufficient size to be attractive and practical for its intended use; and

The existing atrium is nearly 5,700 square feet and the proposed courtyard is approximately 4,000 square feet. Each space is of sufficient size for practical open space.

- viii. Have access to toilets, if feasible.

Restrooms are provided throughout the ground floor and the rest of the buildings.

- C. **Street Trees and Streetscape Plan.** Section 138.1 requires new buildings or major conversions to have one street tree for every 20 feet of street frontage. As such, the Project requires 15 street trees along 8th Street and 21 street trees along Brannan Street.

The Project site already includes 6 street trees along 8th Street and 13 street trees along Brannan Street. Additional trees will be added to meet the minimum Planning Code requirement.

- D. **Active Uses and Parking Setback.** Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor and that active uses must be provided within that first 25 feet. Section 145.1(d) allows the Planning Commission to grant a modification to this control for historic buildings if complying with specific street frontage requirements would adversely affect the landmark, significant, contributory, or meritorious character of the structure, or that modification or waiver would enhance the economic feasibility of preservation of the landmark or structure.

The project proposes to convert the northwest corner of the 870 Brannan Street building into a parking area for 31 spaces, a car share space, and a portion of the project's bicycle parking. The parking area directly abuts the 8th Street façade for a length of approximately 75 feet. The 8th Street façade does not include any storefront systems that would permit visibility into potential active uses, and the floor level within the building at this point is approximately 2 feet 6 inches above the sidewalk grade. Additionally, the steel-sash windows on the ground floor level of the 8th Street facade will be preserved and rehabilitated along with the buildings' other windows. Based on the existing character of the historic 870 Brannan Street building, it is not reasonable to require active uses along the entire frontage. Not permitting the relatively small parking area along the most northwest portion of the 8th Street frontage would adversely affect the landmark, significant, contributory, or meritorious character of the structure, and the modification or waiver would enhance the economic feasibility of preservation of the structure.

- E. **Parking.** Section 151.1 does not require any off-street parking, and provides maximum parking amounts based on land use type. The office space alone in this project is permitted to have up to one parking space per 500 square feet, which amounts to 473 parking spaces.

The project proposes to add a new parking area within northwest corner of the existing 870 Brannan Street building that will include 31 valet parking spaces. The parking will be accessed from Decatur Street.

- F. **Loading.** Section 152.1 requires certain amounts of off-street freight loading spaces based on the type and size of uses in a project. The proposed size and mix of uses requires at least six loading spaces.

The project site currently contains an exterior loading dock with two loading spaces, accessed from Brannan Street. As part of the proposed project, the existing loading dock will be redesigned to

create an open-air courtyard, while keeping the two existing loading spaces. Based on existing uses, the project site has a legal deficiency of seven loading spaces. With the proposed project's change of use (reduction of PDR to office and IPDR), the project site will require six spaces. Thus, the loading space deficit at the project site will be reduced from seven to four. Per Planning Code Section 150(c)(1), the loading deficiency may be carried forward for the proposed change of use.

- G. **Bicycle Parking.** Section 155.4 requires at least 12 Class 1 or Class 2 bicycle parking spaces be provided.

The Planning Department intends to introduce legislation in early 2012 (Case No. 2011.0397T) that will update bicycle parking requirements for various project types in the City. Based on the preliminary draft of that legislation, the Project would require 74 Class 1 bicycle parking spaces and 12 Class 2 bicycle parking spaces. The Project proposes 74 Class 1 bicycle parking spaces and will work with the Planning Department and the Municipal Transportation Agency to provide up to 12 Class 2 bicycle spaces.

- H. **Child Care.** Section 414 requires office developments of more than 50,000 gross square feet to 1) construct or provide a child-care facility on or near the site of the development project, either singly or in conjunction with the sponsors of other office or hotel development projects, 2) arrange with a nonprofit organization to provide a child-care facility at a location within the City, or 3) pay an in-lieu fee to the City Treasurer which shall thereafter be used exclusively to foster the expansion of and ease access to child-care facilities affordable to households of low or moderate income.

The Project does not include on-site child care. Therefore, the Project Sponsor shall pay an in-lieu pursuant to Planning Code Section 414.4, prior to the issuance by DBI of the first certificate of occupancy for the development project.

- I. **Development Fees.** The Project is subject to the Transit Impact Development Fee per Planning Code Section 411, the Jobs-Housing Linkage Fee per Planning Code Section 413, and the Eastern Neighborhoods Community Impact Fee per Planning Code Section 423.

The Project Sponsor shall pay the appropriate Transit Impact Development, Jobs-Housing Linkage and Eastern Neighborhoods Community Impact fees, pursuant to Planning Code Sections 411, 413 and 423, at the appropriate stage of the building permit application process.

- J. **Office Allocation.** 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.

The existing buildings have been used as a wholesale design center and showroom space, with small amounts of retail on the ground floors. There is currently more than 3.9 million gross square feet of available "large cap" office space in the City. Additionally, the Project is subject to various development fees, plus the Child Care in-lieu fee, that will benefit the surrounding community. 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 Project is consistent with the General Plan, as outlined in Section 7 below.

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

The proposed office space is within two existing buildings. The proposed reclassification of use includes no exterior additions to the existing buildings. Additionally, the Historic Preservation Commission determined that the proposed alterations and rehabilitation are consistent with the Secretary of the Interior's Standards for the rehabilitation of historic buildings (Resolution No. 688).

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 Project is within the UMU (Urban Mixed Use) Zoning District, which permits office use only on certain floors, and in relation to the number of stories in the building. Planning Code Section 843 states that the UMU District promotes "a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area." It also states that office uses are permitted, but limited to the upper floors of buildings.*

Additionally, Section 803.9(c) permits office uses in the entire building if it is either a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation. This project meets all the requirements of Section 803.9(c), as outlined above in subsection 6(A), and will enhance the feasibility of preserving the historic building at 870 Brannan Street.

b) Transit Accessibility. *The area is served by a variety of transit options. The Project site is approximately six blocks from the Civic Center MUNI and BART station, and the CalTrain Depot at 4th and King Streets. It is also within three blocks from six MUNI bus lines, and a Golden Gate Transit bus line.*

- c) Open Space Accessibility. *The project is located in the Showplace Square neighborhood, which includes very little open space. The nearest significant open spaces are Franklin Square and Jackson Park, each being further than six blocks away. However, the existing atrium on the ground floor of the 870 Brannan Street building, along with the proposed courtyard, will provide more than 10,000 square feet of open space for tenants of the buildings.*
- d) Urban Design. *The proposed office space is in existing structures. The building at 870 Brannan Street was constructed in 1917, with additions in 1920, and is listed on both the National Register of Historic Places and the California Register of Historical Resources. It is an excellent example of the character of the built environment in the area. The building at 850 Brannan Street was originally built in 1920, but was substantially altered in 1944 and 1984-5. It compliments the adjacent historic structure and is representative of the low, industrial building type of the area.*
- e) Seismic Safety. *The Project includes limited construction within the interior of the existing buildings. It will not create any new space that does not meet current seismic safety standards.*

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 113,753 gross square feet of new office space. Based on the Project Sponsor's analysis, the total office space would employ nearly 1,300 people at full occupancy.*
- b) Needs of Existing Businesses. *The Project will supply office space in the Showplace Square area, which limits or prohibits office use, depending on the Zoning District. In contrast to the downtown area, office rents in this area are generally lower and provide valuable space for smaller and/or younger businesses. Based on the Project Sponsor's analysis, the total office space would employ nearly 1,300 at full occupancy. Since office space is limited in this area, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.*
- c) Availability of Space Suitable for Anticipated Uses.

The project will provide 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 buildings are currently under single ownership. They are currently divided into a large number of small tenant spaces. However, the project includes a reorganization to combine much of

the existing PDR into the basement level and creates a floor plan suitable for one or more large office 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.

- K. **Vertical Office Controls.** Section 803.9(h) limits office use in the UMU Zoning District based on a building's number of stories. A building with 2 to 4 stories may have only one floor designated for office use. A building with 5 to 7 stories may have up to two floors designated for office use.

Pursuant to this Section, the third and fourth floors of the existing five-story building at 870 Brannan Street, and the third floor of the existing three-story building at 850 Brannan Street were previously approved as office space (Motion No. 18095). The newly proposed office space falls on the first, second, and fifth floors of the 870 Brannan Street building, and is subject to the controls of Section 803.9(c), as discussed in subsection 6(A) above.

7. **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 restaurant space within 870 Brannan Street, which is currently vacant, will be reduced from 9,079 square feet to 4,682 square feet. However, the remaining retail space will be directly accessible to Brannan Street next to the main office entrance. Additionally, the conversion to office space within the building will create new demand for neighborhood-serving retail use in the building and surrounding neighborhood.

- b) That Existing Housing and Neighborhood Character be Conserved and Protected in Order to Preserve the Cultural and Economic Diversity of Our Neighborhoods.

The Project includes no exterior additions to the existing buildings and will not remove or add any housing. The Project falls in the Showplace Square area, which limits or prohibits office use, depending on the Zoning District. As such, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.

- 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 consistent 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, BART and Golden Gate Transit. The proposal includes only 31 off-street parking spaces, which will be accessed from Decatur Street. Additionally, a "Right Turn Only" sign will be installed for cars turning onto Bryant Street from Decatur Street to ensure safety. Therefore, the Project should have no significant impact on transit or 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 existing buildings are quite large and currently have a high vacancy rate. The additional office space will help ensure that the historic building at 870 Brannan Street remains economically viable, and continues to contribute to the economic base of the surrounding neighborhood and the City. The existing Gift Center and Jewelry Mart will be retained and relocated within the existing buildings. Additionally, the change of use will help reduce the vacancy rate and create new opportunities for local resident employment.

- f) That the City Achieve the Greatest Possible Preparedness to Protect Against Injury and Loss of Life in an Earthquake.

The Project includes minor interior construction in the existing buildings. Therefore, the Project will not create any new space that does not meet current seismic safety standards.

- g) That Landmarks and Historic Buildings be Preserved.

Permitting office use on the Project site, per Planning Code limitations, will help preserve the historic building at 870 Brannan Street.

- h) That our Parks and Open Space and their Access to Sunlight and Vistas be Protected from Development.

The proposed Project does not include any exterior additions to the existing buildings, and there will be no impact to parks, open space, access to sunlight, or vista views.

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

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 1:

MANAGE 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 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

OBJECTIVE 2:

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

Policy 1.1:

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

The Project will preserve two existing buildings, including a historic building at 870 Brannan Street, that are currently facing high vacancy rates. It will allow for one or more sizeable office tenants to sign a long-term lease, which will increase economic vibrancy in the area. Authorization of the office space will also result in the collection of significant development fees that will benefit the community and would not otherwise be required.

SHOWPLACE SQUARE/POTRERO HILL AREA PLAN

Objectives and Policies

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.

Policy 1.2:

In the northern part of Showplace Square (around 8th and Brannan, east of the freeway and along 16th and 17th Streets) revise land use controls to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

OBJECTIVE 6.1:

SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS.

The increased economic viability of the buildings provided through additional office space will reduce the vacancy rate and help retain the existing PDR uses within the buildings. Additionally, the intensification of use will help the remaining retail space on the ground floor more viable over the long term. The overall result is a project with a mix of office, PDR, and retail uses that support the economic wellbeing of the area.

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 finds that granting the Project Authorization in this case would promote the public welfare, convenience and necessity of the City for the reasons set forth above.

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. 2011.0583EBU** 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 January 18, 2012, on file in Case Docket No. 2011.0583EBU.

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

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 and 322 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. Any aggrieved person may appeal this active use exception from Planning Code Section 145.1 by appealing the associated Building Permit to the Board of Appeals fifteen (15) days after the issuance of such permit. 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 January 26, 2012.

Linda D. Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: January 26, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for an office allocation to establish the first, second and fifth floors of the existing five-story building at 870 Brannan Street as 113,753 gross square feet of legal office use, in combination with the 143,490 square feet of office use previously approved in Motion No. 18095, the retention of the Gift Center and Jewelry Mart in other portions of the 850 and 870 Brannan buildings, and 31 new off-street parking spaces on the first floor of the 870 Brannan building, and for an exception to the active use requirement for a portion of the 8th Street frontage, located at 850-870 (aka 888) Brannan Street, Block 3780, Lots 006, 007, 007A and 072, pursuant to Planning Code Section(s) **145.1(d), 321, 322, and 803.9(c)** within the **UMU** District and a **65-X** Height and Bulk District; in general conformance with plans, dated **January 18, 2012**, and stamped "EXHIBIT B" included in the docket for Case No. **2011.0583EBU** and subject to conditions of approval reviewed and approved by the Commission on **January 26, 2012** under Motion No **XXXXXX**. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on **January 26, 2012** under Motion No **XXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXXX** shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

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

Conditions of approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity and Expiration. The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Office Development 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 eighteen months 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

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

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

Development Timeline - Office. Pursuant to Planning Code Section 321(d) (2), construction of an office development shall commence within 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 Conditional Use authorization.

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

Mitigation Measures. Mitigation measures described in the *Agreement to Implement Mitigation Measures* (AIMM) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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

DESIGN – COMPLIANCE AT PLAN STAGE

Streetscape Plan. Pursuant to Planning Code Section 138.1 and the Better Streets Plan, the Project Sponsor shall submit a pedestrian streetscape improvement plan to the Planning Department for review in consultation with the Department of Public Works and the Department of Parking and Traffic prior to Building Permit issuance.

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

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.

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

PARKING AND TRAFFIC

Car Share. Pursuant to Planning Code Section 166, no fewer than **one (1)** car share space shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers.

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

Bicycle Parking. Pursuant to Planning Code Sections 155.1 and 155.4., the Project shall provide no fewer than **74** Class 1 bicycle parking spaces and will work with the Planning Department and the Municipal Transportation Agency to provide up to **12** Class 2 bicycle parking spaces.

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

Traffic Design. The project sponsor will work with SFMTA to install a “Right Turn Only” sign for vehicles exiting Decatur Street so that traffic leaving the project site does not exacerbate congestion at the intersection of Decatur Street, 8th Street, Bryant Street, and the I-80 onramp.

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

PROVISIONS

Transportation Brokerage Services - C-3, EN, and SOMA. Pursuant to Planning Code Section 163, the Project Sponsor shall provide on-site transportation brokerage services for the actual lifetime of the project. Prior to the issuance of any certificate of occupancy, the Project Sponsor shall execute an agreement with the Planning Department documenting the project’s transportation management program, subject to the approval of the Planning Director.

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

Transit Impact Development Fee. Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) 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

Jobs Housing Linkage. Pursuant to Planning Code Section 413 (formerly 313), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

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

Childcare Requirements for Office and Hotel Development Projects. Pursuant to Section 414 (formerly 314), the Project Sponsor shall pay the in-lieu fee as required. The net addition of gross floor area subject to the fee shall be determined based on drawings submitted with the Building Permit Application.

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

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

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

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

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

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Emissions Reduction. The project sponsor shall incorporate the following construction design features into the project to reduce emissions: (1) the 130 horsepower (hp) forklifts and 49 hp boom lifts will run on propane, (2) the 50 hp compressor will be electrified, and (3) diesel particulate filters will be installed on the 85 hp bobcat loader and on the 200 hp backhoe/loader.

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

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



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

Case No.: 2011.0583E
 Project Title: 850-870 Brannan Street (aka 888 Brannan Giftcenter & Jewelrymart)
 Zoning/Plan Area: UMU (Urban Mixed Use); 68-X Height and Bulk District
 Showplace Square/Potrero Hill Subarea of the Eastern Neighborhoods
 Rezoning and Area Plan
 Block/Lot: 3780/006, 007, 007A, and 072
 Lot Size: 115,973 square feet
 Project Sponsor: Steven Vettel, Farella Braun + Martel, LLP
 (415) 954-4902
 Staff Contact: Jeanie Poling - (415) 575-9072
 jeanie.poling@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 the northeast corner of Brannan and 8th Streets on the block surrounded by Brannan, 7th, Bryant, and 8th Streets in the Showplace Square/Potrero Hill neighborhood. The project site contains 9,079 square feet (sf) of retail, 4,910 sf of office, and 409,144 sf of showroom/accessory office, which is categorized by the Planning Department as production, distribution, and repair (PDR) uses. The project site is currently occupied by two buildings and contains no parking. The project sponsor proposes to merge the four parcels into one parcel; include exterior and interior alterations; replace existing on-site PDR uses with office and integrated PDR uses; reduce on-site retail use (except for a project variant, which would slightly increase on-site retail use); and add 31 new parking spaces to be accessed via a new entrance on Decatur Street. With project development, no new space (gross sf) would be added to the project site, but existing on-site space would be reconfigured. [Continued on the following page.]

EXEMPT STATUS:

Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3.

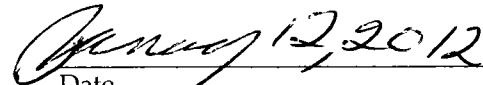
REMARKS:

See next page.

DETERMINATION:

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


 Bill Wycko
 Environmental Review Officer


 Date

cc: Steve Vettel, Project Sponsor
 Supervisor Jane Kim, District 6
 Historic Preservation Distribution List
 Corey Teague, Current Planning
 Pilar LaValley, Preservation Planning
 Virna Byrd, M.D.F., Exclusion/Exemption Dist. List

PROJECT DESCRIPTION (continued):

The two existing buildings on site completely cover all four parcels and are connected internally. The 850 Brannan Street building is a three-story approximately 40-foot-tall concrete building that was constructed in 1920 and substantially altered in 1944 and 1984-85.¹ It occupies one of the four parcels. It is not listed in the National or California Registers and is not considered a historical resource for purposes of CEQA.

The 870 Brannan Street building is a five-story, 65-foot-tall reinforced concrete building occupying the remaining three parcels.² Constructed in 1917 with additions in 1920, the building and additions at 870 Brannan Street are known as the National Carbon Co. Building. This building is on the National Register of Historic Places and the California Register of Historical Resources. The property is also included in the Planning Department's 1976 Architectural Survey and the San Francisco Architectural Heritage Survey. It is considered a Category A historical resource for the purposes of the Planning Department's CEQA review procedures.

Both the 850 and 870 Brannan Street buildings include a basement level that extends approximately 11 feet below ground level. The basement levels of the on-site buildings are connected.

The proposed project would include interior demolition and new partitions, ceilings, and flooring; new electrical, HVAC, and plumbing systems; and a new stand-by diesel generator. The proposed project would include removal of interior access currently between the basement levels and the atrium of the 870 Brannan Street building; the atrium would be used exclusively by the office uses.

As part of the proposed project, the exterior of 870 Brannan Street would be rehabilitated as follows:

- Preservation and rehabilitation of the historic steel-sash windows on the ground floor of the 8th Street façade;
- Rehabilitation of the historic steel-sash window frame and replacement of the existing glazing for a micro-rub corrugated glass in northernmost tower (second, third and fourth floors) of the 8th Street façade;
- Preservation and rehabilitation of the historic steel-sash windows in the fifth and thirteenth bays (from the left) of the ground floor of the Brannan Street façade;
- Rehabilitation of the historic steel-sash window frame and replacement of the existing glazing for a micro-rub corrugated glass in the easternmost tower (second, third and fourth floors) of the Brannan Street façade;
- Replacement of the existing historic window system on the ground floor level of the westernmost tower for a new fully-glazed storefront on the Brannan Street façade. This historic window would be reinstalled within the southernmost tower of the 8th Street façade;
- Replacement of the existing non-historic door on the ground floor level of the easternmost tower for a new fully-glazed storefront on the Brannan Street façade;

¹ 850 Brannan Street is also known as 850-860 Brannan Street (Lot 72).

² 870 Brannan Street is also known as 866-870 Brannan Street (Lot 6), 870 Brannan Street (Lot 7), and 545-599 8th Street (Lot 7A).

- Removal of the existing canopy and renovation of the existing storefront within the six, seven, and eighth bays of the ground floor of the Brannan Street façade;
- Addition of new glazed storefront entry in the tenth bay of the Brannan Street façade;
- Replacement of the steel-sash windows with a new compatible, substitute aluminum system (Custom Windows Series 8300) on the second, third and fourth floors of the 8th and Brannan Street facades;
- Replacement of the steel-sash windows with a new compatible, substitute aluminum system (Custom Windows Series 8300) on the second, third, fourth, and fifth floors of Decatur Street façade;
- Addition of new mechanical screens on the fifth floor; and
- Replacement of the existing windows on the north façade (facing Bryant Street) with new steel-frame windows with insulated glazing.

No exterior work is planned for 850 Brannan Street, other than replacing the existing open rail gate with a solid gate at the loading dock.

The project site currently contains an exterior loading dock with two loading spaces, accessed via a curb cut along Brannan Street. Based on existing uses, nine loading spaces are required, and the project site currently has a legal deficiency of seven loading spaces. As part of the proposed project, the existing loading dock would be redesigned to create an open-air courtyard for the basement-level and ground-level jewelry businesses, while keeping the two existing loading spaces. With the proposed project's change of use (replacement of PDR with office and IPDR), the project site would require six loading spaces. Thus, the loading space deficit at the project site would be reduced from seven to four loading spaces. Per Planning Code Section 150(c)(1), the deficiency in off-street loading spaces may be carried forward for the proposed change of use.

The 31 parking spaces proposed to be located on the ground floor of the 870 Brannan Street building would be accessed by a new vehicle entrance and exit at the end of Decatur Street. The operation would be valet parking from 7:00 AM to 7:00 PM weekdays, with cardkey access after hours. Table 1a provides a summary of existing uses at the project site, uses approved for the project site in 2010 but never undertaken,³ the currently proposed project uses, and the proposed changes compared to existing conditions. Table 1b presents the project variant, which would include a 4,873 sf ground-floor restaurant instead of the same amount (sf) of office use at the corner of 8th and Brannan Streets.

The connected basement levels of the two on-site buildings are currently occupied by Jewelrystore businesses, and the above-ground levels of both on-site buildings are occupied by Giftcenter and Jewelrystore spaces. Many of the existing Giftcenter spaces on the various levels of both buildings are currently vacant. The proposed project would consolidate existing Giftcenter and Jewelrystore (PDR) uses on the basement levels of the 850 and 870 Brannan Street buildings and on the first floor of the 850 Brannan Street building. Office use would be located on the third floor of the 850 Brannan Street building

³ Office Allocation Authorization approved by the San Francisco Planning Commission on May 27, 2010, Motion No. 18095. These files are available for review as part of Planning Department Case No. 2009.1026EB.

and on floors 1 through 5 of the 870 Brannan Street building. The new integrated PDR use⁴ would occupy the second floor of the 850 Brannan Street building. Compared to existing conditions, the project would result in less PDR and retail use, more office use and new integrated PDR use, as well as 31 new parking spaces. As noted in Tables 1a and 1b, compared to the project that was approved in 2010 but never carried out, the project would result in less retail and integrated PDR use, more office use, and 31 parking spaces.

Table 1a: Summary of Uses for the Proposed Project at 850–870 Brannan Street

Use	Existing Conditions	Project Approved on 5/27/10	Currently Proposed Project	Change from Existing Conditions to Currently Proposed Project
Retail	9,079	9,079	4,397	-4,682
Office	4,910	143,490	257,243	+252,333
I-PDR	0	174,183	34,493	+34,493
PDR	409,144	96,381	115,572	-293,572
Parking	-	-	11,428	+11,428
Total	423,133	423,133	423,133	

Table 1b: Summary of Uses for the Proposed Project Variant at 850–870 Brannan Street with 4,873 sf Ground-Floor Restaurant instead of Office Use at 8th/Brannan*

Use	Existing Conditions	Project Approved on 5/27/10	Currently Proposed Project	Change from Existing Conditions to Currently Proposed Project
Retail	9,079	9,079	<i>9,270</i>	<i>+191</i>
Office	4,910	143,490	<i>252,370</i>	<i>+247,460</i>
I-PDR	0	174,183	34,493	+34,493
PDR	409,144	96,381	115,572	-293,572
Parking	-	-	11,428	+11,428
Total	423,133	423,133	423,133	

*Change from the proposed project is in italics.

A project variant would create a 4,873 sf restaurant instead of the same amount (sf) of office use on the ground floor at the corner of 8th and Brannan Streets, which would result in 191 sf more retail use and 247,460 sf more office use than existing conditions.

Construction is anticipated to occur over a 12-month period, starting in February 2012.

4. Per Planning Code Section 890.49, generally, integrated PDR use must be at least one-third PDR. The rest of the space may be office or most any other non-residential use; however, retail space is limited to one-third, and all uses must be integral and related parts of a single business.

The project would require office development authorization by the Planning Commission under Planning Code Section 321 and a Zoning Administrator determination that allowing the proposed use would enhance the feasibility of preserving the 870 Brannan Street building, per Planning Code Section 803.9(c). The proposed project has received a determination by the Historic Preservation Commission that it would comply with the *Secretary of the Interior's Standards for the Treatment of Historical Properties*, per Planning Code Section 803.9(c).⁵

REMARKS:

California Environmental Quality Act (CEQA) State Guidelines Section 15183 provides an exemption from environmental review for 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, 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, and (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.

This determination evaluates the potential project-specific environmental effects peculiar to the project at 850–870 Brannan Street described above, and incorporates by reference information contained within the programmatic EIR, *Eastern Neighborhoods Rezoning and Area Plans Final EIR* (Eastern Neighborhoods FEIR – Case No. 2004.0160E; State Clearinghouse No. 2005032048). The Community Plan Exemption Checklist (Attachment A) identifies the potential environmental impacts of the proposed project and indicates whether any such impacts are addressed in the Eastern Neighborhoods FEIR.

This determination assesses the proposed project's potential to cause environmental impacts and concludes that the proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods FEIR. This determination does not identify new or additional information that would alter the conclusions of the Eastern Neighborhoods FEIR. This determination also identifies mitigation measures contained in the Eastern Neighborhoods FEIR that would be applicable to the proposed project at 850–870 Brannan Street. Relevant information pertaining to prior environmental review conducted for the Eastern Neighborhoods is included below, as well as an evaluation of potential environmental effects.

Background

The Eastern Neighborhoods FEIR included analyses of the following environmental issues: 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;

⁵ Historic Planning Commission Resolution No. R668, November 16, 2011.

shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods project. The proposed project at 850–870 Brannan Street is in conformance with the height, use and density for the site described in the Eastern Neighborhoods FEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods. Thus, the Eastern Neighborhoods FEIR considered the incremental impacts of the proposed 850–870 Brannan 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 FEIR.

Potential Environmental Effects

The following discussion demonstrates that the 850–870 Brannan Street project would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods FEIR, including project-specific impacts related to land use, historic architectural resources, archeological resources, transportation, noise, air quality, greenhouse gas emissions, and hazardous materials.

Environmental effects related to the project variant, which would include a 4,873 sf ground-floor restaurant instead of the same amount (sf) of office use at the corner of 8th and Brannan Street, are only discussed in relevant environmental topic sections (transportation, discussed below, and population and housing, discussed in the attached checklist. For all other environmental topics, effects related to the project variant would be substantially the same as those of the proposed project.

Land Use and Planning

The Eastern Neighborhoods project rezoned much of the city’s industrially zoned land. Its goals were to reflect local values, increase housing, maintain some industrial land supply, and improve the quality of all existing areas with future development. A major issue discussed 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.

The Eastern Neighborhoods FEIR evaluated three land use alternatives. Option A retained the largest amount of existing land that accommodated PDR uses and converted the least amount of industrially zoned land to residential use. Option C converted the most existing land accommodating PDR uses to residential and mixed uses. Option B fell between Options A and C.

While all three options were determined to result in a decline in PDR employment, the loss of PDR jobs was determined to be greatest under Option C. The alternative ultimately selected – the ‘Preferred Project’ – represented a combination of Options B and C. Because the amount of PDR space to be lost with future development under all three options could not be precisely gauged, the FEIR determined that the Preferred Project would result in an unavoidable significant impact on land use due to the cumulative loss of PDR use in the Plan Area. This impact was addressed in a Statement of Overriding Considerations with CEQA Findings and adopted as part of the Eastern Neighborhoods Rezoning and Area Plans approval on January 19, 2009.

The Eastern Neighborhoods FEIR included one mitigation measure for land use controls in Western SoMa that could incorporate, at a minimum, no net loss of land currently designated for PDR uses, restrict non-PDR uses on industrial (or other PDR-designated) land, and incorporate restrictions on potentially incompatible land uses proximate to PDR zones. The measure was judged to be infeasible, because the outcome of the community-based Western SoMa planning process could not be known at the time, and the measure was seen to conflict with other City policy goals, including the provision of affordable housing. This measure is not applicable to the proposed project, which is not in Western SoMa.

The proposed project at 850–870 Brannan Street falls within the Showplace Square – Potrero Hill Area Plan of the San Francisco General Plan. It is in the Urban Mixed Use (UMU) District, which is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially zoned area. The UMU District is also intended to serve as a buffer between residential districts and PDR Districts in the Eastern Neighborhoods. Allowed uses within the UMU District include PDR uses such as light manufacturing, home and business services, arts activities, warehouses, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. The proposed project is consistent with uses permitted within the UMU District.

The Eastern Neighborhoods rezoning project created integrated PDR (IPDR) zoning to accommodate innovative new companies that contain on the same site both their core PDR function and other business functions such as logistics and marketing. Generally, an IPDR use must be at least one-third PDR (for smaller IPDR uses of under 2,000 sf, the PDR requirement is 20 percent). The rest of the space may be office or most any other non-residential use; however, retail space is limited to one-third (to avoid permitting big boxes with some kind of internet distribution center), and all uses must be integral and related parts of a single business.

Per Planning Code Section 803.9, in designated historic buildings in the UMU District, all uses are permitted as of right, provided that the project does not contain nighttime entertainment, and that the Zoning Administrator determines that allowing the proposed use would enhance the feasibility of preserving the building, and that the proposed project complies with the *Secretary of the Interior's Standards*. On November 16, 2011, the proposed project was presented to the Historic Preservation Commission, which determined that the project would comply with the *Secretary of the Interior's Standards for Rehabilitation*. The project would be forwarded to the Zoning Administrator for consideration under Planning Code Section 803.9(c).

The 870 Brannan Street building is on three parcels (Lots 6, 7, and 7A), and all segments of the building are on the California Register of Historic Places; thus all floors qualify for conversion to office use under Planning Code Section 803.9(c). Only one floor of the three-story non-historic 850 Brannan Street building (on Lot 72) is being converted to office use, as permitted by Section 809.3(h). The lot merger would therefore not result in more office space than contemplated by the Eastern Neighborhoods FEIR.

The proposed conversion of PDR to office and integrated PDR use at the project site is consistent with the land use policies of the Eastern Neighborhoods Area Plan in that it would allow for uses that enhance the feasibility of preserving a historic building, per Planning Code Section 803.9. The proposed lot merger of the four contiguous parcels that comprise the project site, which are under one ownership and function

as one property, would not allow for the intensification of development at the project site or change the permissible number of parking spaces on site, and thus would not cause environmental effects not otherwise analyzed in the Eastern Neighborhoods FEIR. Thus, the proposed project would not result in peculiar impacts related to land use and planning that were not identified in the Eastern Neighborhoods FEIR. The Citywide Planning and Neighborhood Planning Divisions of the Planning Department have additionally determined that the proposed project is consistent with the UMU Zoning and satisfies the requirements of the General Plan and the Planning Code.⁶⁷

Historic Architectural Resources

The Eastern Neighborhoods FEIR anticipated that program implementation may result in demolition of buildings identified as historical resources, and 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.

Eastern Neighborhoods FEIR Mitigation Measure K-1, Interim Procedures for Permit Review in the Eastern Neighborhoods Plan Area, required certain projects to be presented to the Landmarks Preservation Advisory Board (now the Historic Preservation Commission (HPC)). This mitigation measure is no longer relevant, because the Showplace Square/Northeast Mission historic resource survey was completed and adopted by the Historic Preservation Commission on June 15, 2011. Mitigation Measures K-2 and K-3, which amended Article 10 of the Planning Code to reduce potential adverse effects to contributory structures within the South End Historic District (East SoMa) and the Dogpatch Historic District (Central Waterfront), do not apply the proposed project because it is not located within the South End or Dogpatch Historic Districts.

In a memorandum dated October 24, 2011, Planning Department preservation staff noted that the 870 Brannan Street building on Lots 6, 7, and 7A, including the original 1917 construction and 1920 additions, is considered a Category A historical resource for the purposes of CEQA review procedures. The 850 Brannan Street building, constructed circa 1920 and substantially altered in 1944 and 1984-85, was determined not to be a historic resource for purposes of CEQA review.

The proposed changes to the exterior of the historic 870 Brannan Street building include the rehabilitation or replacement of historic steel-sash windows and frames, the removal of incompatible and non-historic alterations, and the replacement of existing ground-floor windows with a new fully glazed storefront along the ground level of the Brannan Street façade of the building. The new entryway on the Brannan Street façade would be located within a bay that currently possesses a non-historic entryway. This new entryway would be demarcated by a thin glass canopy and would be similar in design to the new glazed storefronts proposed along the Brannan Street façade of the 870 Brannan Street building.

⁶ Jose Campos, San Francisco Planning Department, *Community Plan Exemption Eligibility Determination, Citywide Planning Section*, 850–870 Brannan Street, October 27, 2011. This document is on file and available for review as part of Case File No. 2011.0583E.

⁷ Kelley Amdur, San Francisco Planning Department, *Community Plan Exemption Eligibility Determination, Neighborhood Analysis*, 850–870 Brannan Street, January 11, 2011. This document is on file and available for review as part of Case File No. 2011.0583E.

All of the new storefronts along the 870 Brannan Street building would be simple in character and would feature a butt-glazed window system that strongly relates to this building's existing glazed character. Furthermore, the new glazed storefronts would be recessed from the plane of the front façade, thus differentiating them from the historic ground-floor features. The new main entryway along the Brannan Street façade would be demarcated by a new metal canopy that would relate to the industrial aesthetic of the overall building in design, material, and form, and would allow for a better expression of the building's historic rail spur opening (which ran from the center entry and atrium of the building to Decatur Street). The new glazed doorways planned for the ground floor entries in the corner towers of the 870 Brannan Street building façade would be similar to the new glazed storefronts occurring at the ground floor level, and would relate to the overall character of the building in material and design. The new glazed doorways and other proposed façade features would not cause a substantial adverse change in the significance of a historical resource (the 870 Brannan Street Building) or its features: the surrounding classical revival ornamentation on the 870 Brannan Street building. The proposed façade features would relate to the overall glazed appearance of this historic building. Overall, according to the Planning Department preservation planner, these exterior alterations would be considered compatible, since they would assist in maintaining the integrity of the historic 870 Brannan Street building.

The north side of the historic 870 Brannan Street building that fronts Decatur Street is a secondary façade and is not fully visible behind adjacent buildings. The proposed changes to this façade include replacement of existing windows and the insertion of a small garage entrance. The Planning Department's preservation staff, with input from the Historic Preservation Commission,⁸ determined that the proposed project, including the new parking garage entry, would not cause a substantial adverse change in the significance of the historic resource (the 870 Brannan Street building) such that the significance of the building would be materially impaired. Furthermore, the proposed exterior changes to this building would not be undertaken in a way that creates a false sense of historical development. The proposed project would preserve distinctive historical features of the building, and repair of the building would be undertaken with sensitivity toward existing building features such as historic concrete. In conclusion, the proposed project would not have a significant adverse impact on a historic resource on site.⁹

No exterior work is planned for 850 Brannan Street, and thus its renovation would not result in historical resource impacts.

Archeological Resources

The Eastern Neighborhoods FEIR identified potential archeological impacts related to the Eastern Neighborhoods program and identified three archeological mitigation measures that would reduce impacts on archeological resources to less than significant. Eastern Neighborhoods FEIR 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

⁸ Historic Preservation Commission, Resolution No. 668, November 16, 2011.

⁹ San Francisco Planning Department, *Historic Resource Evaluation Response, 850–870 Brannan Street [Part 2]*, October 24, 2011. This document is available for review as part of Case File No. 2011.0583E.

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 Planning Department's archeological technical specialist conducted an archeological assessment review of the project site and the proposed project.¹⁰ The project site is in Eastern Neighborhoods Archeological Mitigation Zone A, and thus is subject to the requirements of Eastern Neighborhood FEIR Archeological Mitigation Measure J-1, Properties with Previous Studies. The project site is within an area for which a final Archaeological Research Design and Treatment Plan (ARDTP) is on file at the Northwest Information Center.¹¹ The Planning Department requires that for any project resulting in soils-disturbance of 2.5 feet or greater below existing grade, the project sponsor be required to submit to the Environmental Review Officer (ERO) for review and approval an addendum to the respective ARDTP prepared by a qualified archeological consultant. The mitigation measure further requires that the archeological consultant be from the pool of qualified archaeological consultants maintained by the Planning Department archaeologist.

No geotechnical report for the proposed project was made available; however, an earlier liquefaction study describes subsurface geologic stratigraphy for at least approximately the northeastern one third of the project site.¹² This report notes that this portion of the site is underlain by approximately 8 to 9 feet of artificial fill. Below the fill are native sand dune deposits that extend to a depth of 31 to 33 feet below ground surface (bgs). The native sand dune deposits become dense to very dense at 9 to 14 ft. bgs.

The project would have a low potential to adversely affect CEQA-significant archeological resources, and implementation of the San Francisco Planning Department Environmental Planning Division's 1st Standard Archeological Mitigation Measure ("Accidental Discovery") would reduce impacts to less-than-significant levels. However, should the project require soils disturbance/modification below the level of the lesser depth of either 7 feet bgs or the depth of the proposed tunnel on site, the project would be subject to Preliminary Archeology Reassessment by the Planning Department archeologist to determine if implementation of different or stronger archeological mitigation procedures is warranted. Implementation of Project Mitigation Measure 1 – Archeological Resources, page 20, would reduce potential significant impacts of the proposed project related to archeological resources to a less-than-significant level.

Transportation

The Eastern Neighborhoods FEIR anticipated that growth resulting from the Plan-related zoning changes could result in significant impacts on traffic and transit ridership. Thus, the FEIR identified 11 transportation mitigation measures, including implementation of traffic management strategies, transit

¹⁰ San Francisco Planning Department, MEA Preliminary Archeological Review: Checklist, 888 Brannan Street, January 9, 2012. All archeological reports are available for review as part of Case No. 2011.0583E.

¹¹ Mc Ilroy, Jack and Mary Praetzellis, *Vanished Community 19th Century San Francisco Neighborhoods: From Fourth Street to Mission Creek, and Beyond, Archaeological Research Design and Treatment Plan for the SF-80 Bayshore Viaduct Seismic Retrofit Projects*, September 1997.

¹² Treadwell & Rollo, *Liquefaction Study Giftcenter Addition 850 Brannan Street*, February 21, 2007.

corridor improvements, enhancement of transit funding, promotion of alternative means of travel, and parking management to discourage driving – all measures to be implemented by the San Francisco Municipal Transportation Agency (SFMTA), the San Francisco County Transportation Authority, and/or the San Francisco Planning Department. Even with mitigation, however, it was anticipated that the significant adverse impacts at certain local intersections and the cumulatively considerable impacts on certain transit lines intersections could not be fully mitigated. Thus these impacts were found to be significant and unavoidable, and a Statement of Overriding Considerations with CEQA Findings was adopted as part of the Eastern Neighborhoods approval on January 19, 2009. The traffic and transit mitigation measures identified in the FEIR are not applicable to the proposed project because City agencies and not the sponsors of individual private development projects are responsible for the implementation of these measures.

Traffic and Transit. As summarized in Table 1a, page 4, the proposed project would replace existing on-site PDR uses with office and integrated PDR uses, reduce on-site retail use (except for a project variant, which would slightly increase on-site retail use), and add 31 new parking spaces. Trip generation rates for office, PDR, and integrated PDR are the same; thus, the change in use from PDR to office and integrated PDR would not trigger any change in trip generation. The replacement of some PDR use to parking use would result in fewer trips. Using the San Francisco Planning Department's *Transportation Impact Analysis Guidelines* (October 2002), the proposed project would reduce trip generation compared to existing conditions by 74 PM peak-hour person-trips. The project variant, as summarized in Table 1b, page 4, would increase on-site retail use from existing conditions by 191 sf and would reduce trip generation compared to existing conditions by 16 trips.¹³

The project sponsor proposes 31 new ground-floor parking spaces to be accessed via a new vehicle entrance at the end of Decatur Street, which is a two-way street approximately 275 feet long and 18 feet wide that runs south from Bryant Street and dead ends at the north side of the 870 Brannan Street building. Along the west side of Decatur Street are three parcels: a 20,000 sf paved Caltrans parking lot that is accessed from Decatur Street at Bryant Street, is partly under the freeway, and currently used as an automobile showroom storage lot; and two private commercial properties that have pedestrian entrances and no vehicle entries fronting Decatur Street. On the east side of Decatur Street are six parcels: a garage that fronts Bryant Street; an eight-unit residential building with no on-site parking; a two-unit residential building with no on-site parking; an industrial building with a vehicle entrance and loading zone on Decatur Street; a three-unit residential building that fronts Kate Street (the street to the east) with on-site parking accessed via Kate Street; and an industrial property with no on-site parking. Parking is prohibited at all times seven days a week on the west side of Decatur Street, and is prohibited from 7AM to 6PM on the east side of Decatur Street every day except Sunday.

The proposed project would result in an increase in vehicle use along Decatur Street as vehicles enter and exit the new on-site parking. A maximum of 31 cars could exit or enter the project site via Decatur Street during peak periods. While this increase would be noticeable to nearby residents and occupants, it would not result in a substantial traffic increase relative to the existing capacity of Decatur Street and the surrounding street system. The street is wide enough for a typical automobile to conduct a three-point turnaround, and vehicles could still pass if a truck is at the loading dock. It is anticipated that the

¹³ Transportation calculations available for review as part of Case No. 2011.0583E!

increase in traffic along Decatur Street would necessitate that existing parking regulations be better enforced.

Directly north of Decatur Street across the four lanes of eastbound Bryant Street is an on-ramp onto I-80. Eastbound traffic along Bryant Street and southbound-to-eastbound traffic from 8th Street is often backed up at the Decatur/8th/Bryant/I-80 onramp intersection, particularly during the evening rush hour. It is possible that the vehicle drivers leaving the project site via Decatur Street would try to cross Bryant Street and enter the I-80 on-ramp, which could back up and block eastbound Bryant Street traffic. As part of the proposed project, the project sponsor would work with SFMTA to install a 'Right Turn Only' sign for vehicles exiting Decatur Street, so that traffic leaving the project site does not exacerbate congestion at the Decatur/8th/Bryant/I-80 onramp intersection.

Bicycle and Pedestrian Access. The project would include between 36 and 88 Class 1 bicycle parking spaces that would be located near the atrium on the ground floor of the 870 Brannan Street building and accessed from the main Brannan Street entrance. Bicyclists and pedestrians would access the project site via Brannan Street. Decatur Street has 4- to 6-foot-wide sidewalks on both sides, which are adequate to serve existing and any increased project-related pedestrian use. While the project-related increase in vehicle access on the dead-end Decatur Street could noticeably impede some pedestrian uses on the roadway that currently occur (e.g., children at play), this would not be a substantial adverse effect. San Francisco's densely built urban environment sometimes constrains the ability to provide exclusive right-of-way to many competing transportation modes and uses.

Loading. The project site currently contains an exterior loading dock with two loading spaces, accessed via a curb cut along Brannan Street. Based on existing uses, the project site has a legal deficiency of seven loading spaces. As part of the proposed project, the existing loading dock would be redesigned to create an open-air courtyard for the basement-level and ground-floor jewelry businesses, while keeping the two existing loading spaces. With the proposed project's change of use (replacement of PDR with office and IPDR), the project site would require six spaces. Thus, the loading space deficit at the project site would be reduced from seven to four. Per Planning Code Section 150(c)(1), the deficiency in off-street loading spaces may be carried forward for the proposed change of use.

Parking. The project site currently contains no parking. A total of 31 new parking spaces are proposed; parking would occupy 11,428 sf on the ground floor of the 870 Brannan Street building. The project site's current zoning – UMU – does not require parking. San Francisco does not consider parking supply as part of the permanent physical environment and therefore, does not consider the need for parking or changes in parking conditions to be environmental impacts as defined by CEQA. The parking information is provided to inform the public and the decision makers as to the parking conditions that could occur as a result of implementing the proposed project.

In conclusion, no peculiar transportation impacts are anticipated to occur as a result of the proposed project, and the transportation mitigation measures identified in the FEIR are not applicable to the proposed project.

Noise

The Eastern Neighborhoods FEIR identified potential conflicts related to residences and other noise-sensitive uses in proximity to noisy uses such as PDR, retail, entertainment, cultural, institutional, educational, and office uses. In addition, the Eastern Neighborhoods FEIR noted that the project would incrementally increase traffic-generated noise on some streets in the project area, and result in construction noise impacts from pile driving and other construction activities. With implementation of six noise mitigation measures cited in the FEIR, Plan-related noise impacts were found to be less than significant.

The proposed project at 850–870 Brannan Street involves exterior and interior alterations, and conversion of uses. Eastern Neighborhoods FEIR Mitigation Measures F-1 and F-2, which involve noise controls on the use of pile driving equipment and other construction equipment, are not applicable to the proposed project because project construction would not involve pile driving and would primarily occur within the existing building, which would not create noise levels that could affect any nearby sensitive receptors.¹⁴

Eastern Neighborhoods Mitigation Measure F-3 involves noise-reduction requirements for new development projects that include noise-sensitive uses along streets with elevated noise levels. Mitigation Measures F-4 and F-5 require noise-generation analyses to reduce potential conflicts between noise-generating uses and new sensitive receptors. The project site does not currently contain any sensitive receptors, and the proposed project would not add any new sensitive receptors to the project site; thus, these three mitigation measures are not applicable to the proposed project. While the above-noted mitigation measures are not applicable, the proposed new windows on site would contain sound-deadening qualities to lessen noise effect to occupants of the site.

Mitigation Measure F-6 requires that open space be protected, to the maximum feasible extent, from existing ambient noise levels. The immediate project vicinity contains no open space or parks; thus, Mitigation Measure F-6 is not applicable to the proposed project.

The proposed project would convert 11,428 sf on the ground floor to 31 parking spaces. In compliance with Building Code standards, exhaust fans would operate for a short while in the morning and evening. In response to concerns expressed by employees of the basement-level jewelry businesses, an analysis of noise and vibration expected from the proposed new parking use was conducted by an acoustical consultant.¹⁵ The 870 Brannan Street building has a flat cast-in-place concrete slab that is 10 inches thick. A Styrofoam layer would be applied over the slab with an additional concrete topping slab that would add additional sound and vibration attenuation. Based on previous experience with automobile traffic in garages, it is anticipated that the vehicles entering and exiting the new on-site parking garage would not produce significant noise intrusions to the tenants below (on the basement level). A new standby diesel generator would be added to the ground floor of the 870 Brannan Street building near the Decatur Street garage entrance. It would be enclosed, would operate only approximately 50 hours a year, and would be

¹⁴ Sensitive receptors include residences, hospitals, nursing homes, senior citizen centers, schools, churches, and libraries.

¹⁵ Charles M. Salter Associates, Inc., *888 Brannan Street Building, Analysis of Noise and Vibration from Parking*, October 7, 2011.

required to meet the standards of the San Francisco Noise Ordinance (Police Code Article 29). Therefore, no significant noise impacts would occur related to on-site diesel generator operations.

Construction noise is regulated by the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code). The Noise Ordinance requires that construction work 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 the Department of Public Works (DPW) 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 DPW 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 12 months, occupants of the nearby properties could be disturbed by construction noise and possibly vibration. There may be times when noise could interfere with indoor activities in nearby residences and other businesses near the project site and may be considered an annoyance by occupants of nearby properties. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project, because the construction noise would be temporary (12 months), intermittent, and restricted in occurrence and level, as the contractor would be obliged to comply with the City's Noise Ordinance.

In conclusion, there are no noise impacts that would be peculiar to the proposed project, and noise impacts therefore would be less than significant.

Air Quality

The Eastern Neighborhoods FEIR identified potentially significant air quality impacts related to construction activities that may cause wind-blown dust; roadway-related air quality impacts on sensitive land uses; and the siting of uses that emit diesel particulate matter (DPM) and toxic air contaminants (TACs) as part of everyday operations. Four mitigation measures were identified that would reduce air quality impacts to less-than-significant levels.

Mitigation Measure G-1 imposes construction dust control measures. 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 Ordinance is to reduce the quantity of 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 the Department of Building Inspection (DBI). These regulations and procedures ensure that potential dust-related air quality impacts would be reduced to less-than-significant levels. Since the project at 850–870 Brannan Street would be required to comply with the Construction Dust Control Ordinance, the project

would not result in a significant impact related to construction air quality, and Mitigation Measure G-1 is not applicable to the proposed project.

Mitigation Measure G-2 requires new residential development near high-volume roadways to include an analysis of particulate matter, and, if warranted, incorporate upgraded ventilation systems to minimize exposure of future residents to particulate matter. In response to this concern, Article 38 of the San Francisco Health Code was amended to require that all newly constructed buildings containing ten or more residential units near high-volume roadways (within the 'Potential Roadway Exposure Zone') perform an air quality assessment. While the project site is located within the Potential Roadway Exposure Zone, the proposed project does not involve the addition of residential units; thus Mitigation Measure G-2 is not applicable to the proposed project.

Mitigation Measure G-3 minimizes potential exposure of sensitive receptors to DPM by requiring that uses generating substantial DPM emissions, including warehousing and distribution centers, commercial, industrial, or other uses that would be expected to be served by at least 100 trucks per day or 40 refrigerated trucks per day, be located no less than 1,000 feet from residential units and other sensitive receptors. The proposed project would convert PDR space to IPDR and office space, and it is not expected to generate substantial DPM emissions or be served by 100 trucks per day or 40 refrigerator trucks per day. Thus, Mitigation Measure G-3 is not applicable to the proposed project.

Measure G-4 involves the siting of commercial, industrial, or other uses that emit TACs. The proposed project would convert PDR space to IPDR and office space and would not be expected to generate substantial levels of TACs. Thus, Mitigation Measure G-4 is not applicable to the proposed project.

Air Quality During Project Operations. Air quality impacts from the proposed project were analyzed based on the Bay Area Air Quality Management District's (BAAQMD's) *2010 CEQA Air Quality Guidelines* and thresholds of significance.¹⁶ The BAAQMD's thresholds of significance for health risk impacts are an increase in lifetime cancer risk of 10 chances in one million, an increase in the non-cancer, chronic or acute, hazard index greater than 1.0, and an increase in the annual average concentration of PM_{2.5} in excess of 0.3 micrograms per cubic meter.

The proposed project would convert PDR use to IPDR and office uses. This change of use would allow for the development of uses that may result in fewer operational air quality impacts compared to existing conditions on site: IPDR (which allows a mix of PDR, office and retail) and office uses would be less likely to use heavy equipment or manufacturing processes that emit air pollutants than PDR uses currently on site. The proposed project would not introduce new sensitive receptors (e.g., residents) to the project site but would introduce a new standby diesel generator to the site, which would potentially be a new source of pollutants.¹⁷ Emissions from the proposed project's diesel back-up generator were calculated according to the emissions standards for an engine of its size and United States Environmental Protection Agency Tier level. The criteria pollutant emissions associated with the project operation were

¹⁶ BAAQMD, *California Environmental Quality Act Air Quality Guidelines*, updated May 2011. Available at <http://www.baaqmd.gov/Divisions/Planning-and-Research/CEQA-GUIDELINES.aspx>.

¹⁷ Environ, *Air Quality Screening Analysis, 888 Brannan Street Project, San Francisco, CA*, January 10, 2011.

determined to be below the BAAQMD CEQA thresholds.¹⁸ In addition, the health risk assessment determined that for the long term operational sources on site such as the project generator, the estimated cancer risk and chronic non-cancer hazard quotient would be below the BAAQMD CEQA thresholds of 10 in one million and 1.0, respectively.

The proposed project would remove the existing interior access between the basement levels and the atrium of the 870 Brannan Street building. The proposed renovations to the 870 Brannan Street building's ventilation systems include new outside air handlers that would improve air quality that meet current ventilation requirements per Title 24 for retail spaces. The proposed modifications to the 850 Brannan Street building include supply and exhaust fans at the roof with new ducts to deliver outside air to the basement level. In addition, the project would fully comply with building codes that address indoor ventilation requirements.

Air Quality During Project Construction. The risks and hazards from construction equipment exhaust were estimated in an air quality technical report.¹⁹ The proposed project construction would generate criteria pollutant emissions, but the amount would not exceed BAAQMD CEQA thresholds for an individual source. Though emissions from the proposed project could combine with concurrent construction emissions associated with other projects in the San Francisco Bay Area Air Basin, the proposed project would not exceed the project-level criteria air pollutant thresholds and would therefore not result in a considerable contribution to cumulative criteria air pollutant.

Primarily due to the project site's proximity to the I-80 freeway, the proposed project and nearby sources together would exceed BAAQMD CEQA cumulative health risk thresholds of significance. While the project itself would contribute less than 1 percent of the cumulative risks and hazards, and is well below the project-level thresholds, the project sponsor has incorporated the following feasible construction design features into the project to reduce emissions: (1) the 130 horsepower (hp) forklifts and 49 hp boom lifts would run on propane, (2) the 50 hp compressor would be electrified, and (3) diesel particulate filters would be installed on the 85 hp bobcat loader and on the 200 hp backhoe/loader. Incorporation of these design features would result in an approximately 78 percent reduction in project construction-related diesel exhaust emissions, and associated health impacts, as compared with a similar project without these construction emissions reduction measures.

Because the proposed project would not result in a substantial increase in TACs and because the project would include design features that would further reduce TAC emissions during project construction, the proposed project would not contribute considerably to a cumulative health risk impact on nearby sensitive receptors.

In conclusion, there are no air quality impacts that would be peculiar to the proposed project, and air quality impacts would be less than significant.

¹⁸ Environ, *Project and Cumulative Health Risk Assessment, 888 Brannan Street Project, San Francisco, CA*, January 10, 2011.

¹⁹ Environ, *Project and Cumulative Health Risk Assessment, 888 Brannan Street Project, San Francisco, CA*, January 10, 2011.

Greenhouse Gas Emissions

Environmental and Regulatory Setting. Gases that trap heat in the atmosphere are referred to as greenhouse gases (GHGs) because they capture heat radiated from the sun as it is reflected back into the atmosphere, much like a greenhouse does. The accumulation of GHGs has been implicated as the driving force for global climate change. The primary GHGs are carbon dioxide, methane, nitrous oxide, ozone, and water vapor.

The Bay Area Air Quality Management District (BAAQMD) is the primary agency responsible for air quality regulation in the nine county San Francisco Bay Area Air Basin (SFBAAB). As part of their role in air quality regulation, BAAQMD has prepared the CEQA air quality guidelines to assist lead agencies in evaluating air quality impacts of projects and plans proposed in the SFBAAB. The guidelines provide procedures for evaluating potential air quality impacts during the environmental review process consistent with CEQA requirements. On June 2, 2010, the BAAQMD adopted new and revised CEQA air quality thresholds of significance and issued revised guidelines that supersede the 1999 air quality guidelines. The *2010 CEQA Air Quality Guidelines* provide for the first time CEQA thresholds of significance for greenhouse gas emissions. OPR's amendments to the CEQA Guidelines as well as BAAQMD's *2010 CEQA Air Quality Guidelines* and thresholds of significance have been incorporated into this analysis accordingly.

Project Greenhouse Gas Emissions. The most common GHGs resulting from human activity are CO₂, CH₄, and N₂O.²⁰ State law defines GHGs to also include hydrofluorocarbons, Perfluorocarbons, and sulfur hexafluoride. These latter GHG compounds are usually emitted in industrial processes, and therefore not applicable to the proposed project. Individual projects contribute to the cumulative effects of climate change by directly or indirectly emitting GHGs during construction and operational phases. Direct operational emissions include GHG emissions from new vehicle trips and area sources (natural gas combustion). Indirect emissions include emissions from electricity providers, energy required to pump, treat, and convey water, and emissions associated with landfill operations.

The proposed project would not increase on-site activity. The proposed project would not result in long-term increases in GHGs as a result of increased vehicle trips (mobile sources) or associated with energy use, water use and wastewater treatment, and solid waste disposal; however, project construction activities would result in a small increase in GHG emissions.

As discussed above, the BAAQMD has adopted CEQA thresholds of significance for projects that emit GHGs, one of which is a determination of whether the proposed project is consistent with a Qualified Greenhouse Gas Reduction Strategy, as defined in the *2010 CEQA Air Quality Guidelines*. On August 12, 2010, the San Francisco Planning Department submitted a draft of the City and County of San Francisco's *Strategies to Address Greenhouse Gas Emissions* to the BAAQMD.²¹ This document presents a

²⁰ Governor's Office of Planning and Research. *Technical Advisory- CEQA and Climate Change: Addressing Climate Change through California Environmental Quality Act (CEQA) Review*. June 19, 2008. Available at: <http://opr.ca.gov/docs/june08-ceqa.pdf> Accessed December 16, 2011.

²¹ San Francisco Planning Department. *Strategies to Address Greenhouse Gas Emissions in San Francisco*. 2010. Available at: <http://www.sfplanning.org/index.aspx?page=2627>.

comprehensive assessment of policies, programs, and ordinances that collectively represent San Francisco's Qualified Greenhouse Gas Reduction Strategy in compliance with the BAAQMD's 2010 CEQA Air Quality Guidelines and thresholds of significance.

Based on the BAAQMD's 2010 CEQA Air Quality Guidelines, projects that are consistent with San Francisco's Strategies to Address Greenhouse Gas Emissions would result in a less than significant impact with respect to GHG emissions. Furthermore, because San Francisco's strategy is consistent with AB 32 goals, projects that are consistent with San Francisco's strategy would also not conflict with the State's plan for reducing GHG emissions. As discussed in San Francisco's Strategies to Address Greenhouse Gas Emissions, new development and renovations/alterations for private projects and municipal projects are required to comply with San Francisco's ordinances that reduce greenhouse gas emissions. Applicable requirements are shown in Table 3.²²

Table 3 – Greenhouse Gas-related Regulations Applicable to the Proposed Project

Regulation	Requirements
Commuter Benefits Ordinance (Environment Code, Section 427)	All employers of 20 or more employees must provide at least one of the following benefit programs: 1. A Pre-Tax Election consistent with 26 U.S.C. § 132(f), allowing employees to elect to exclude from taxable wages and compensation, employee commuting costs incurred for transit passes or vanpool charges, or (2) Employer Paid Benefit whereby the employer supplies a transit pass for the public transit system requested by each Covered Employee or reimbursement for equivalent vanpool charges at least equal in value to the purchase price of the appropriate benefit, or (3) Employer Provided Transit furnished by the employer at no cost to the employee in a vanpool or bus, or similar multi-passenger vehicle operated by or for the employer.
Emergency Ride Home Program	All persons employed in San Francisco are eligible for the emergency ride home program.
Transit Impact Development Fee (Administrative Code, Chapter 38)	Establishes the following fees for all commercial developments. Fees are paid to the SFMTA to improve local transit services.
Parking requirements for San Francisco's Mixed-Use zoning districts (Planning Code Section 151.1)	The Planning Code has established parking maximums for many of San Francisco's Mixed-Use districts.
Commercial Water Conservation Ordinance (SF Building Code, Chapter 13A)	Requires all existing commercial properties undergoing tenant improvements to achieve the following minimum standards: 1. All showerheads have a maximum flow of 2.5 gallons per minute (gpm) 2. All showers have no more than one showerhead per valve 3. All faucets and faucet aerators have a maximum flow rate of 2.2 gpm 4. All Water Closets (toilets) have a maximum rated water consumption of 1.6 gallons per flush (gpf) 5. All urinals have a maximum flow rate of 1.0 gpf 6. All water leaks have been repaired.

²² San Francisco Planning Department, *Greenhouse Gas Compliance Checklist, 850–870 Brannan Street*, December 29, 2011. This document is available for review as part of Case No. 2010.0583E.

San Francisco Green Building Requirements for solid waste (SF Building Code, Chapter 13C)	Pursuant to Section 1304C.0.4 of the Green Building Ordinance, all new construction, renovation, and alterations subject to the ordinance are required to provide recycling, composting and trash storage, collection, and loading that is convenient for all users of the building.
Mandatory Recycling and Composting Ordinance (Environment Code, Chapter 19)	The mandatory recycling and composting ordinance requires all persons in San Francisco to separate their refuse into recyclables, compostables and trash, and place each type of refuse in a separate container designated for disposal of that type of refuse.
San Francisco Green Building Requirements for construction and demolition debris recycling (SF Building Code, Chapter 13C)	These projects proposing demolition are required to divert at least 75% of the project's construction and demolition debris to recycling.
Street Tree Planting Requirements for New Construction (Planning Code Section 138.1)	Planning Code Section 428 requires new construction, significant alterations or relocation of buildings within many of San Francisco's zoning districts to plant on 24-inch box tree for every 20 feet along the property street frontage.
Regulation of Diesel Backup Generators (San Francisco Health Code, Article 30)	Requires all diesel generators to be registered with the Department of Public Health and to be equipped with the best available air emissions control technology.

The proposed project would be comply with the regulations cited in Table 3, and was determined to be consistent with San Francisco's *Strategies to Address Greenhouse Gas Emissions*.²³ Therefore, the proposed project would result in a less-than-significant impact with respect to GHG emissions.

The proposed project would replace existing on-site PDR uses with office and integrated PDR uses, reduce on-site retail use (except for a project variant, which would slightly increase on-site retail use), and add 31 new parking spaces. PDR, IPDR, and office uses are assumed to generate the same transportation rates. Therefore, during project operation, the change of use would not generate additional vehicle trips, and the project would not contribute to the cumulative effects of climate change by emitting GHG emissions during its operational phase. In addition, indirect emissions, such as from electricity providers, energy required to pump, treat, and convey water, and emissions associated with landfill operations, would not increase because the proposed change in use would not be likely to add new workers to the project site. The proposed project would contribute to the cumulative effects of climate change by emitting GHGs during construction, which is estimated to last 12 months. The proposed project would not result in any significant impacts related to GHG emissions. In addition, the proposed project would not conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing emissions of GHGs.

Hazards and Hazardous Materials

The Eastern Neighborhoods rezoning resulted in a reduction in the amount of previously zoned industrial (PDR) land. Some land previously zoned for industrial purposes no longer allows any PDR

²³ San Francisco Planning Department, *Greenhouse Gas Compliance Checklist, 850–870 Brannan Street*, December 16, 2011. This document is available for review as part of Case No. 2010.0583E.

uses, and the number of nonconforming businesses would be expected to gradually decline, potentially replaced by residential, commercial, or open space uses. Development under the Eastern Neighborhoods rezoning may involve demolition or renovation of existing structures that may contain hazardous building materials that were commonly used in older buildings, and which could present a public health risk if disturbed during an accident or during demolition or renovation. The Eastern Neighborhoods FEIR identified a mitigation measure to reduce this impact to less than significant.

The interior renovations that are proposed at 850–870 Brannan Street may involve the removal and/or disturbance of hazardous building materials such as asbestos-containing materials and lead-based paint. Mitigation Measure L-1, Hazardous Building Materials, would apply to the proposed project. With implementation of this mitigation measure, project-related impacts related to hazardous building materials would be less than significant. In accordance with Eastern Neighborhoods FEIR requirements, the project sponsor has agreed to implement Project Mitigation Measure 2, page 21.

A Phase I Environmental Site Assessment conducted at the project site notes that historic land use activities on the project site include residential, industrial, and commercial tenancies, and states, “[c]onsidering the site is entirely built out to lot lines and that both buildings contain basements (excavation of sub-grade soils would likely have removed the majority of potentially contaminated soils) AllWest assesses the potential for historic land use activities to impact human health and the environment as low.”²⁴ The report identified no off-site sources that could have impacted the project site based on hydraulic gradient, site distance, regulatory status, or contamination magnitude considerations. No evidence of any recognized adverse environmental conditions were found at the project site, and no further action or investigation was recommended in the Phase I report. Furthermore, the proposed project would disturb less than 50 cubic yards of soil, and is not required to contact the Department of Public Health prior to issuance of a building permit from the Department of Building Inspection.

With compliance with hazardous materials regulations and Project Mitigation Measure 2, Hazardous Building Materials, potential impacts of the proposed project related to exposure to hazardous materials would be less than significant.

Project Mitigation Measures

In accordance with Eastern Neighborhoods Final EIR requirements, the project sponsor has agreed to implement the following mitigation measures.

Project Mitigation Measure 1 – Archeological Resources (Mitigation Measure J-2 of the Eastern Neighborhoods FEIR). The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). 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, pile driving, 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

²⁴ Allwest Environmental, Inc., *Phase I Environmental Site Assessment Update, 850 and 888 Brannan Street, San Francisco, California*, March 7, 2011. This report is available for review as part of Case No. 2011.0583E.

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 a qualified archeological consultant. 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 archaeological 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 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 describing 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 three copies 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 – Hazardous Building Materials ((Mitigation Measure L-1 of the Eastern Neighborhoods FEIR). The City shall condition future development approvals to require that the subsequent project sponsors 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.

Public Notice and Comment

A “Notification of Project Receiving Environmental Review” was mailed on September 20, 2011, to owners of properties within 300 feet of the project site and adjacent occupants. Four Decatur Street property owners expressed concerns about the following topics: (1) land use issues – the lot merger resulting in a greater intensity of use at the site, and the change of use resulting in the loss of PDR jobs, (2) historical resource impact due to modification of the building’s exterior and the visibility of the parking spaces from the street, (3) transportation issues – traffic and transit congestion along Decatur Street and at the Bryant/Decatur/ I-80 on-ramp intersection; conflicts with loading on Decatur Street; the need for parking on the project site; and pedestrian safety, (4) noise impacts resulting from the increase in vehicles using Decatur Street for project site access and during project construction, and (5) air quality impacts during project operation and project construction. In addition, a tenant and a tenant’s representative expressed concerns about the proposed project’s effects on the basement tenants’ source of light and air, noise effects from the ground-floor parking, and their physical safety. These potential concerns have been addressed in the land use, transportation, noise, and air quality sections of this document.

Conclusion

The Eastern Neighborhoods FEIR incorporated and adequately addressed all potential impacts of the proposed project at 850–870 Brannan Street. As described above, the 850–870 Brannan Street project would not have any additional or peculiar significant adverse effects not examined in the Eastern Neighborhoods FEIR, nor has any new or additional information come to light that would alter the conclusions of the Eastern Neighborhoods FEIR. Thus, the proposed project at 850–870 Brannan Street would not result in any environmental impacts substantially greater than described in the FEIR. No mitigation measures previously found infeasible have been determined to be feasible, nor have any new mitigation measures or alternatives been identified but rejected by the project sponsor. Therefore, in addition to being exempt from environmental review under Section 15183 of the CEQA Guidelines, the proposed project is also exempt under Section 21083.3 of the California Public Resources Code.

Attachment A Community Plan Exemption Checklist

Case No.: 2011.0583E
Project Title: 850–870 Brannan Street (a.k.a. 888 Brannan)
Zoning: UMU (Urban Mixed Use) Use District
68-X Height and Bulk District
Block/Lot: 3780/006, 007, 007A, and 072
Lot Size: 115,973 square feet
Plan Area: Showplace Square – Potrero Hill Subarea of the Eastern
Neighborhoods
Staff Contact: Jeanie Poling – (415) 575-9072
jeanie.poling@sfgov.org

A. PROJECT DESCRIPTION

The project site is located on the northeast corner of Brannan and 8th Streets on the block surrounded by Brannan, 7th, Bryant, and 8th Streets in the Showplace Square/Potrero Hill neighborhood. The project site contains 9,079 square feet (sf) of retail, 4,910 sf of office, and 409,144 sf of showroom/accessory office, which is categorized by the Planning Department as production, distribution, and repair (PDR) uses. The project site is currently occupied by two buildings and contains no parking. The project sponsor proposes to merge the four parcels into one parcel; include exterior and interior alterations; replace existing on-site PDR uses with office and integrated PDR uses; reduce on-site retail use (except for a project alternative, which would slightly increase on-site retail use); and add 31 new parking spaces to be accessed via a new entrance on Decatur Street. With project development, no additional space (gross sf) would be added to the project site, but existing on-site space would be reconfigured. The project would also rehabilitate and replace windows, entries, and storefronts and add mechanical screens to the historic 870 Brannan Street building in accordance with the *Secretary of the Interiors Standards*. No exterior work is planned for the non-historic 850 Brannan Street building.

The project would require office development authorization by the Planning Commission under Planning Code Section 321 and a Zoning Administrator determination that allowing the proposed use would enhance the feasibility of preserving the 870 Brannan Street building, per Planning Code Section 803.9(c).

B. EVALUATION OF ENVIRONMENTAL EFFECTS

The following checklist identifies the potential environmental impacts of the proposed project and indicates whether any such impacts are addressed in the applicable programmatic EIR (PEIR) for the plan area (i.e., the *Eastern Neighborhoods Rezoning and Area Plans Final EIR*).¹ Items

¹ San Francisco Planning Department, *Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report*, certified January 19, 2009. File No. 2004.0160E.

checked "Sig. Impact Identified in PEIR" identify topics for which a significant impact is identified in the PEIR. In such cases, the analysis considers whether the proposed project would result in impacts that would contribute to the impact identified in the PEIR. If the analysis concludes that the proposed project would contribute to a significant impact identified in the PEIR, the item is checked "Proj. Contributes to Sig. Impact Identified in PEIR." Mitigation measures identified in the PEIR applicable to the proposed project are identified in the text for each topic area.

Items checked "Project Has Sig. Peculiar Impact" identify topics for which the proposed project would result in a significant impact that is peculiar to the project, i.e., the impact is not identified as significant in the PEIR. Any impacts not identified in the PEIR will be addressed in a separate Focused Initial Study or EIR.

All items for which the PEIR identified a significant impact or the project would have a significant peculiar impact are also checked "Addressed Below," and are discussed.

Environmental effects related to the project variant, which would include a 4,873 sf ground-floor restaurant instead of the same amount (sf) of office use at the corner of 8th and Brannan Street, are only discussed in relevant environmental topic sections (transportation, and population and housing). For all other environmental topics, effects related to the project variant would be substantially the same as those of the proposed project.

Topics:	Sig. Impact Identified in PEIR	Project Contributes to Sig. Impact Identified in PEIR	Project Has Sig. Peculiar Impact	Addressed Below
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 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 type="checkbox"/>
c) Have a substantial impact upon the existing character of the vicinity?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
2. AESTHETICS—Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and other features of the built or natural environment which contribute to a scenic public setting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area or which would substantially impact other people or properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods PEIR determined that implementation of the design policies of the area plans would not substantially degrade the visual character or quality of the area, have a substantial adverse effect on a scenic vista, substantially damage scenic resources that contribute to a scenic public setting, or create a new source of substantial light or glare which would adversely affect day or nighttime views in the area or which would substantially impact other people or properties. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The proposed project would change the uses within the existing on-site buildings and include the rehabilitation or replacement of historic windows and entries and the removal of incompatible and non-historic alterations on the historic 870 Brannan Street building in compliance with the *Secretary of the Interior’s Standards*. The proposed project would not have any impacts on scenic vistas or scenic resources, would not degrade the visual character of the neighborhood, and would not create a new source of light or glare. Thus, the project would have no peculiar impacts related to aesthetics.

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
3. 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 type="checkbox"/>

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods PEIR determined that the anticipated increase in population and density would not result in significant adverse physical effects on the environment. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The project site does not contain residential use, and no residential use is proposed. In addition, the project does not propose any new infrastructure or businesses that would indirectly induce population growth. Thus, the proposed project is not anticipated to create a demand for increased housing.

The proposed change from PDR to office and IPDR uses would change the type of businesses permitted on the project site but would not be likely to increase the number of workers such businesses would employ, because PDR, office, and IPDR uses are assumed by the Planning Department to generate the same number of employees per square foot. Additionally, the proposed project would not displace businesses, because existing Giftcenter and Jewelmart (PDR) businesses would remain on site, either in their existing spaces (basement of the 850 and 870 Brannan Street buildings or the first floor of the 850 Brannan Street building) or move to those PDR spaces. Under the proposed project, the number of employees on site would slightly decrease from existing conditions due to the 11,428 sf change of use from PDR to parking. The project variant, which would slightly increase on-site retail use from existing conditions, would result in slightly fewer employees than the proposed project but slightly more employees than existing conditions.² Thus, the proposed project would not create a demand for additional housing, and the construction of replacement housing would not be necessary.

² Number of employees calculated using San Francisco Planning Department’s *Transportation Impact Analysis Guidelines* trip generation methodology as follows: Existing conditions = 1,500 office/PDR/IPDR + 26 retail = 1,526 employees. Proposed project = 1,476 office/PDR/IPDR + 13 retail = 1,489 employees. Project variant = 1,458 office/PDR/IPDR + 26 retail = 1,484 employees.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
4. 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 checked="" 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 checked="" 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 type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
5. 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 checked="" 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 checked="" 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 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 type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
6. 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 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 type="checkbox"/>
g) Be substantially affected by existing noise levels?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
7. AIR QUALITY				
Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. 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 type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
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 type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input checked="" 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 type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
8. 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 Initial Study checklist, published in 2005 when the Eastern Neighborhoods project was initially analyzed, did not contain a category concerning greenhouse gas emissions. Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
9. 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 type="checkbox"/>
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significant Impacts Identified in PEIR

Wind impacts are judged to be less-than-significant at a plan level of analysis and for cumulative development. Specific projects within Eastern Neighborhoods will require analysis of wind

impacts where deemed necessary. Thus, wind impacts were determined not to be significant in the Eastern Neighborhoods Initial Study and were not analyzed in the PEIR. No mitigation measures were identified in the PEIR.

Under the Eastern Neighborhoods Area Plan, sites surrounding parks could be redeveloped with taller buildings without triggering with Section 295 of the Planning Code.³ The potential for new shadow impacts and the feasibility of mitigation for potential new shadow impacts of unknown development proposals could not be determined in the PEIR; thus, the PEIR determined shadow impacts to be significant and unavoidable, and no mitigation measures were identified.

No Peculiar Impacts

The proposed project would not alter the height of the existing building; thus, wind and shadow impacts are not applicable to the proposed project.

Topics:	Sig. Impact Identified in PEIR	Project Contributes to Sig. Impact Identified in PEIR	Project Has Sig. Peculiar Impact	Addressed Below
10. 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 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 type="checkbox"/>
c) Physically degrade existing recreational resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

No Significant Impacts Identified in PEIR

The PEIR concluded that the Eastern Neighborhoods Rezoning and Area Plan 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 were identified in the PEIR.

No Peculiar Impacts

The proposed project would convert PDR uses to IPDR and office uses. The proposed project would not introduce new residents or be likely to increase the number of employees to the project site. Thus, the project would not affect existing recreational facilities in the project vicinity.

³ Section 295 of the Planning Code provides that new structures above 40 feet in height that would cast additional shadows on properties under the jurisdiction of or designated to be acquired by the Recreation and Parks Department can only be approved by the Planning Commission.

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
11. 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 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 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 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 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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods Initial Study analyzed growth projections and determined that the program's impacts on the provision of water, wastewater collection and treatment, and solid waste collection and disposal would not be significant. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The project would convert PDR uses within an existing building to IPDR and office uses. The proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already disclosed in the Eastern Neighborhoods PEIR.

<u>Topics:</u>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
12. 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods Initial Study analyzed growth projections and determined that the program’s impacts on public services such as fire protection, police protection, and public schools would not be significant. No mitigation measures were identified in the PEIR. Impacts on parks are discussed under Questions 9 and 10.

No Peculiar Impacts

The project would convert the uses within an existing building from PDR to IPDR and office uses. The proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already disclosed in the Eastern Neighborhoods PEIR, associated with public services.

<u>Topics:</u>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
13. 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 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 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 type="checkbox"/>

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods project area is virtually fully developed with buildings and other improvements such as streets and parking lots. Most of the project area consists of structures that have been in industrial use for many years. As a result, there is little in the way of landscaping or other vegetation, with the exception of the relatively few parks that exist. Because future development projects in the Eastern Neighborhoods would largely consist of new construction of housing in these heavily built-out former industrial neighborhoods, there would be little in the way of loss of vegetation or disturbance of wildlife other than common urban species. Therefore, the Eastern Neighborhoods Initial Study concluded that the project would not result in any significant effects related to biological resources. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The project site is completely developed with existing buildings; there is no landscaping or vegetation on the project site. The proposed project includes the development of an interior loading dock into a courtyard for employees of the basement-level jewelry businesses; this may introduce foliage to the project site. In addition, the project sponsor would be required to plant street trees in compliance with Section 143 of the Planning Code. Given the conditions present on the project site and in the area, biological resource impacts are not applicable to the proposed project.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
14. 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:				

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
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 type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods Initial Study concluded that the project would indirectly increase the population that would be subject to an earthquake, including seismically induced groundshaking, liquefaction, and landslides. The Initial Study 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 Eastern Neighborhoods Initial Study concluded that the program would not result in significant impacts with regard to geology, and no mitigation measures were identified in the PEIR.

No Peculiar Impacts

The project would involve interior modifications and minimal soil-disturbing activities that would be conducted in compliance with State and local building codes and regulations; thus this topic is not applicable to the proposed project.

<u>Topics:</u>	<u>Sig. Impact Identified in PEIR</u>	<u>Project Contributes to Sig. Impact Identified in PEIR</u>	<u>Project Has Sig. Peculiar Impact</u>	<u>Addressed Below</u>
15. HYDROLOGY AND WATER QUALITY— Would the project:				
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 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 of siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods Initial Study evaluated population increases on the combined sewer system and the potential for combined sewer outflows, and concluded that programmatic effects related to hydrology and water quality would not be significant. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The project site is completely covered by buildings, and the proposed project would not change the amount of impervious surface area on the site, or affect runoff and drainage. The proposed interior courtyard may allow for greater groundwater infiltration on the project site. Thus, the proposed project would not result in significant effects related to water resources.

Topics:	Sig. Impact Identified in PEIR	Project Contributes to Sig. Impact Identified in PEIR	Project Has Sig. Peculiar Impact	Addressed Below
16. 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 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 checked="" type="checkbox"/>	<input checked="" 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 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 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 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 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 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 type="checkbox"/>

Please see the Certificate of Determination for a discussion of this topic.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
17. 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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Eastern Neighborhoods PEIR determined that the program 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 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 project area does not include any natural resources routinely extracted, and the proposed rezoning does not result in any natural resource extraction program. For these reasons, the Eastern Neighborhoods PEIR concluded that the program would not cause a wasteful use of energy, and would have a less-than-significant impact on energy. No mitigation measures were identified in the PEIR.

No Peculiar Impacts

The energy demand for the proposed project would be typical for such projects and would meet, or exceed, current state or local codes and standards concerning energy consumption, including Title 24 of the California Code of Regulations enforced by DBI. Therefore, the proposed project would not result in any impacts to energy resources.

<i>Topics:</i>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
18. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. – Would the project:				

Topics:	Sig. Impact Identified in PEIR	Project Contributes to Sig. Impact Identified in PEIR	Project Has Sig. Peculiar Impact	Addressed Below
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 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 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 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 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 type="checkbox"/>

No Significant Impacts Identified in PEIR

The Initial Study checklist, in 2005 when the Eastern Neighborhoods project was initially analyzed, did not contain a category concerning agricultural and forest resources. Nonetheless, all of San Francisco is identified by the California Department of Conservation’s Farmland Mapping and Monitoring Program as “Urban and Built-up Land” (Department of Conservation, 2002). In addition, no part of San Francisco falls under the State Public Resource Code definitions of forest land or timberland; therefore, these topics are not applicable to any project in San Francisco.

No Peculiar Impacts

These topics are not applicable to the proposed project.

Topics:	Sig. Impact Identified in PEIR	Project Contributes to Sig. Impact Identified in PEIR	Project Has Sig. Peculiar Impact	Addressed Below
19. MANDATORY FINDINGS OF SIGNIFICANCE— Would the project:				
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<u>Topics:</u>	<i>Sig. Impact Identified in PEIR</i>	<i>Project Contributes to Sig. Impact Identified in PEIR</i>	<i>Project Has Sig. Peculiar Impact</i>	<i>Addressed Below</i>
b) Have impacts that would be individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Significant Impacts Identified in PEIR

The Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Mitigation measures reduced all impacts to less than significant, with the exception of those related to land use (cumulative impacts on PDR use), transportation (traffic impacts at nine intersections, and transit impacts), cultural (demolition of historical resources), and shadow (impacts on parks).

No Peculiar Impacts

The proposed project would include a lot merger, exterior and interior building alterations, and conversion of uses. As discussed in this document, the proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already and disclosed in the Eastern Neighborhoods PEIR.

EXHIBIT C



SAN FRANCISCO PLANNING DEPARTMENT

Agreement to Implement Mitigation Measures

Case No.: 2011.0583E
Project Title: 850-870 Brannan Street
(aka 888 Brannan Giftcenter & Jewelmart)
BPA Nos.: 201112281420 and 201112140669
Zoning: UMU (Urban Mixed Use); 68-X Height and Bulk District
Showplace Square/Potrero Hill Subarea of the Eastern
Neighborhoods Rezoning and Area Plan
Block/Lot: 3780/006, 007, 007A, and 072
Lot Size: 115,973 square feet
Project Sponsor: Steven Vettel, Farella Braun + Martel, LLP
(415) 954-4902
(415) 391-1339
Lead Agency: San Francisco Planning Department
Staff Contact: Jeanie Poling – 415 575-9072
jeanie.poling@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

MITIGATION MEASURES

Mitigation Measure 1 – Archeological Resources. The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c). 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, pile driving, 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.

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 a qualified archeological consultant. 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

EXHIBIT C

Agreement to Implement Mitigation Measures

2011.0583E
850-870 Brannan Street

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 archaeological 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 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 describing 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 three copies 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 – Hazardous Building Materials. The City shall condition future development approvals to require that the subsequent project sponsors 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.

I agree to implement the above mitigation measure(s) as a condition of project approval.



Property Owner or Legal Agent Signature

1/12/12

Date



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Resolution No. 668

HEARING DATE: November 16, 2011

Date: November 16, 2011
Case No.: **2011.0583B**
Project Address: **850-870 Brannan Street**
Zoning: UMU (Urban Mixed Use) Zoning District
Block/Lot: 3780/006, 007, 007A and 072
Project Sponsor: 888 Brannan LP c/o SKS Investments
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Reviewed By: Tim Frye, Preservation Coordinator
tim.frye@sfgov.org

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Information:
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ADOPTING FINDINGS FOR THE PROPOSED PROJECT AT 850-870 BRANNAN STREET (ASSESSOR'S BLOCK 3780, LOT 006, 007, 007A AND 072), LOCATED WITHIN UMU (URBAN MIXED USE) ZONING DISTRICT.

PREAMBLE

1. WHEREAS, on June 30, 2011, the Project Sponsor (888 Brannan LP) filed an Office Allocation Application with the San Francisco Planning Department for 850-870 Brannan Street (Block 3780, Lots 006, 007, 007A, and 072).
2. WHEREAS, the proposed project intends to utilize Planning Code Section 803.9(c) to allow office use on the first, second and fifth floors of 870 Brannan Street. Pursuant to Planning Code Section 803.9(c), the following provision is intended to support the economic viability of buildings of historic importance within the UMU District:

(1) This subsection applies only to buildings that are a designated landmark building, or a building listed on or determined eligible for the California Register of Historical Resources by the State Office of Historic Preservation.

(2) All uses are permitted as of right, provided that:

(A) The project does not contain nighttime entertainment.

(B) Prior to the issuance of any necessary permits, the Zoning Administrator, with the advice of the Landmarks Preservation Advisory Board, determines that allowing the use will enhance the feasibility of preserving the building.

(C) Residential uses meet the affordability requirements of the Residential Inclusionary Affordable Housing Program set forth in Section 315.1 through 315.9.

(3) The Landmarks Preservation Advisory Board shall review the proposed project for compliance with the Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)) and any applicable provisions of the Planning Code.

3. WHEREAS, City Charter 4.135 established the Historic Preservation Commission. All duties and responsibilities of the Landmarks Preservation Advisory Board ("LPAB") are under the purview and responsibility of the Historic Preservation Commission.
4. WHEREAS, on November 16, 2011, the Department presented the proposed project to the Historic Preservation Commission. The Commission's comments on the compliance of the proposed project with the Secretary of the Interior's Standards for Rehabilitation and the ability of the proposed project to enhance the feasibility of the historic resource would be forwarded to the Zoning Administrator for consideration under Planning Code Section 803.9(c).

THEREFORE BE IT RESOLVED that the Historic Preservation Commission has reviewed the proposed project at 850-870 Brannan Street, on Lots 006, 007, 007A, and 072 in Assessor's Block 3780, and this Commission has provided the following comments:

- The proposed project complies with the Secretary of the Interior's Standards for the Treatment of Historic Properties.
- The proposed project enhances the feasibility of preserving the building by repairing deteriorated aspects of the subject building and installing new features (such as windows and doors), which are compatible with the building's historic character. The project would rectify serious material issues, including the painted glazing and window sashes, and rust jacking evident around the window frames. In addition, the project would remove a non-historic canopy and also restore the sense of the original rail spur opening along the Brannan Street façade.
- The building's new uses would provide for the repair and rehabilitation of the exterior, while maintaining the building's historic integrity and eligibility for listing in the National Register of Historic Places.

BE IT FURTHER RESOLVED that the Historic Preservation Commission hereby directs its Recording Secretary to transmit this Resolution, and other pertinent materials in the Case File No. 2011.0583B to the Zoning Administrator.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission at its regularly scheduled meeting on November 16, 2011.

Linda D. Avery
Commission Secretary

Resolution No. 668
Hearing Date: November 16, 2011

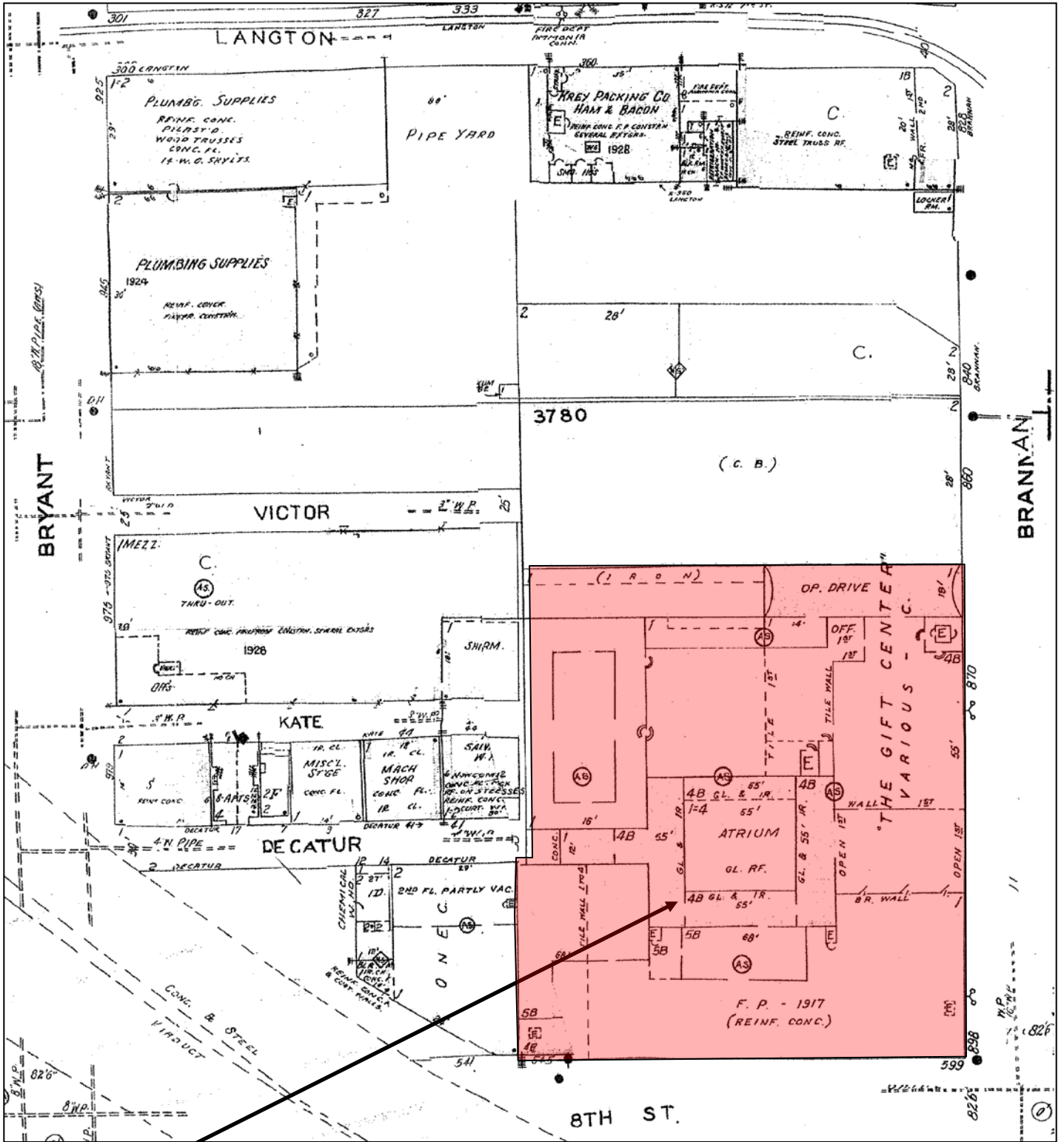
CASE NO. 2011.0583B
850-870 Brannan Street

PRESENT: Chase, Damkroger, Johns, Hasz, Martinez, Matsuda, and Wolfram

ABSENT:

ADOPTED: November 16, 2011

Sanborn Map*



SUBJECT PROPERTY

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

Office Allocation Authorization
 Case Number 2011.0583EBU
 850-870 (aka 888) Brannan Street



Aerial Photo



SUBJECT PROPERTY



Aerial Photo



SUBJECT PROPERTY



Site Photo

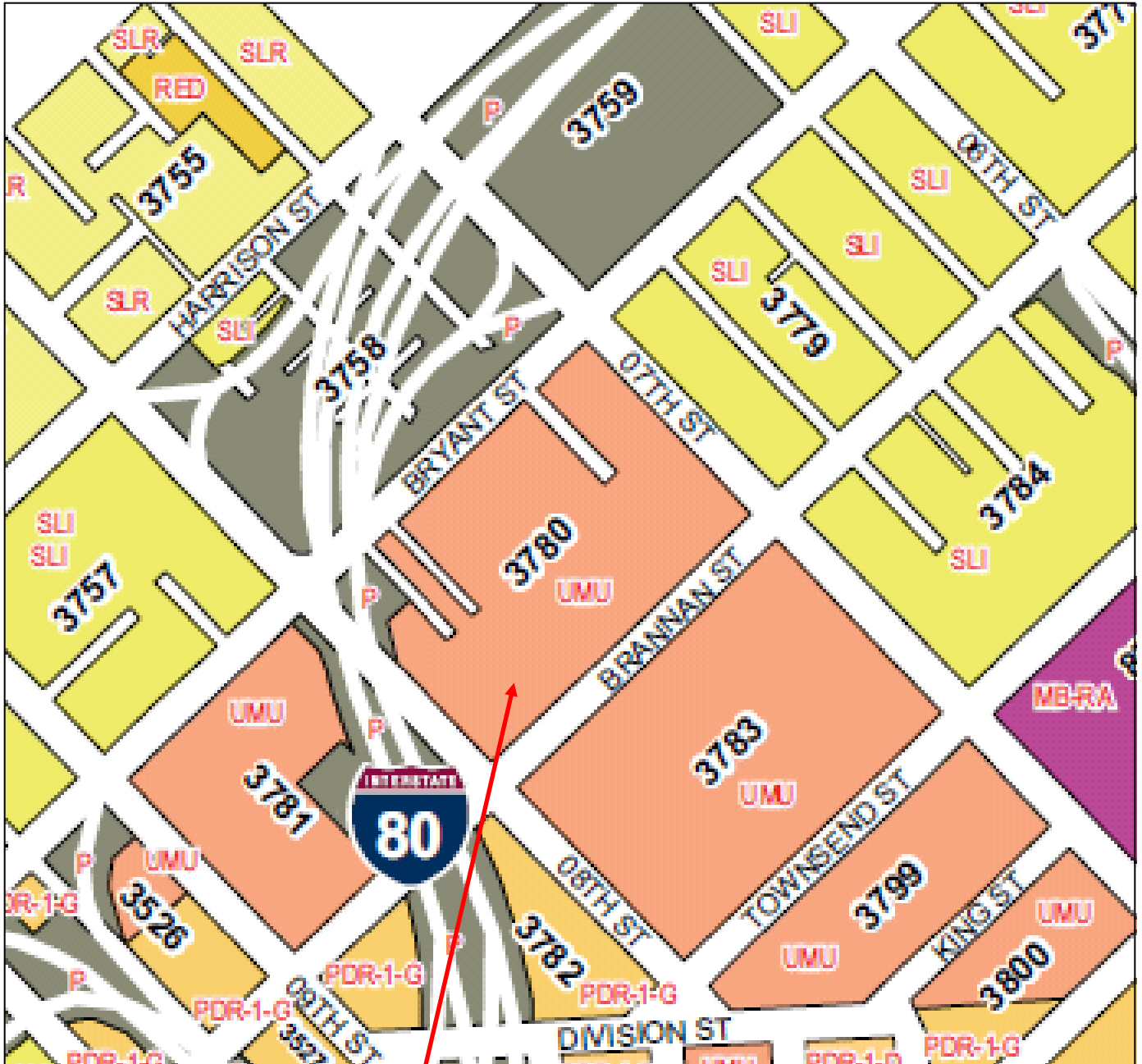
SUBJECT PROPERTY



Decatur Street

Office Allocation Authorization
Case Number 2011.0583EBU
850-870 (aka 888) Brannan Street

Zoning Map



SUBJECT PROPERTY



Office Allocation Authorization
Case Number 2011.0583EBU
850-870 (aka 888) Brannan Street



January 18, 2012

Hon. Ron Miguel, President
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 850-870 Brannan Street (aka 888 Brannan Street)
Case No. 2011.0583EBU
Office Development Authorization
Hearing: January 26, 2012

Dear President Miguel and Commissioners:

We are the project sponsors of the proposed rehabilitation of the 888 Brannan project. The project encompasses 850 Brannan, a 2-story non-historic structure, and 870 Brannan, the 5-story National Carbon Company Building, built in 1917 and 1920 as a battery factory and listed since the 1980's on both the National and State Registers of Historic Places. The Office Allocation we are requesting would provide an appropriate economic return to justify an investment of approximately \$25 million in this historic building, extending its useful life, upgrading its systems, and attracting or retaining approximately 1,700 jobs. We would accomplish this conversion without displacement of existing tenants. Currently, the two buildings, which are internally connected, hold the 888 Brannan GiftCenter and JewelryMart, although about 75% of the showroom spaces are vacant because the gift merchandising business is now essentially internet-based, rather than showroom-based.

2010 Approvals and Foreclosure. In 2010, the Planning Commission granted an Office Development Authorization to convert 2 floors of 870 Brannan and 1 floor of 850 Brannan to office use. The remaining floors were contemplated to remain in PDR (Production, Distribution and Repair) or Integrated PDR uses. That conversion and rehabilitation project was not successfully achieved, and later in 2010 Wells Fargo Bank foreclosed on the property.

This Proposal Is Supported by the Existing PDR Tenant. We acquired the property from Wells Fargo in 2011 and are now seeking to convert 3 additional floors of the 870 Brannan building to office use. Upon completion, the project will contain approximately 257,000 square feet of office and 34,000 square feet of IPDR space, ideally suited to technology tenants, plus a small amount of convenience retail, 31 parking spaces and over 80 bicycle parking spaces.

The GiftCenter and JewelryMart (a PDR use) will be consolidated in the ground floor of 850 Brannan and the basement of both buildings (totaling 116,000 square feet), where most of the jewelers are already located. We are very pleased to report that the Tenants Association at 888 Brannan, representing a majority of the jewelry and gift tenants, recognizes the need to renovate and reposition the buildings and is in full support of the project. In an email dated January 12, 2012 (Exhibit A), the Association announced that support.

888 Brannan will support over 1,700 jobs in the fast-growing technology sector. SOMA has increasingly established itself as the preferred geographic location for the technology industry in San Francisco and the greater Bay Area. This is due to its location, critical mass of talent and creative space environment. SOMA was by far the most robust office leasing submarket in San Francisco over the past two years with 66% of the overall market's net office space absorption in 2010 and 30% in 2011. A January 6, 2012, *San Francisco Business Times* article (Exhibit B) reported that the remaining space available to technology tenants is severely constrained, making the 257,000 square feet we are proposing at 888 Brannan crucial to the growth of this business sector. Attached hereto as Exhibit C is a market report from Colliers, dated January 17, 2012, setting forth the current state of the SOMA leasing market.

These technology tenants employ large numbers of employees and pay them well. The City's policies call for the expansion of these types of business enterprises. According to Mayor Lee's webpage: "Creating jobs, supporting business growth, and putting people back to work have also been my top priorities. To be able to have a safe city, a solvent city and a successful city, we need a City that is positioned to compete in the global business marketplace – creating and retaining jobs and creating the conditions for businesses to start, grow and prosper in San Francisco."

Technology tenants display a distinct preference for SOMA and prefer rehabilitated historic buildings (as opposed to downtown high-rises). They require a limited amount of on-site parking and robust bicycling amenities. However, because of their electrical demands and desire for a safe, comfortable workplace for their workforce, these tenants are only considering buildings that have been renovated to modern standards. 888 Brannan can meet these industry requirements with the critical mass of office space as we are proposing.

888 Brannan meets the criteria of Planning Code Section 803.9 for office use in the UMU District. Section 803.9(c) of the Planning Code permits the conversion of all floors of an historic building such as 870 Brannan in the UMU zoning district to office use, with two findings: (1) that the conversion enhances the feasibility of preserving the historic building, and (2) that the proposed alterations are consistent with the Secretary of the Interior's Standards. (Section 803.9(h) permits offices on one floor of a 3-story non-historic building in the UMU districts, such as 850 Brannan, with no special findings).

1. Consistent with the Secretary's Standards. On November 16, 2011, the Historic Preservation Commission reviewed our application and determined that the proposed alterations are consistent with the Secretary's standards and the office conversion will enhance the feasibility of preserving the historic building. Previously, the Planning Department staff had reached the same conclusion. HPC Resolution No. 668 states:

THEREFORE BE IT RESOLVED that the Historic Preservation Commission has reviewed the proposed project at 850-870 Brannan Street, on Lots 006, 007, 007A, and 072 in Assessor's Block 3780, and this Commission has provided the following comments:

- The proposed project complies with the Secretary of the Interior's Standards for the Treatment of Historic Properties.
- The proposed project enhances the feasibility of preserving the building by repairing deteriorated aspects of the subject building and installing new features (such as windows and doors), which are compatible with the building's historic character. The project would rectify serious material issues, including the painted glazing and window sashes, and rust jacking evident around the window frames. In addition, the project would remove a non-historic canopy and also restore the sense of the original rail spur opening along the Brannan Street façade.
- The building's new uses would provide for the repair and rehabilitation of the exterior, while maintaining the building's historic integrity and eligibility for listing in the National Register of Historic Places.

2. The Office Conversion Enhances the Feasibility of Preserving this Historic Building. The completed project will have about 257,000 square feet of office space and a small amount of retail and parking space, in addition to the consolidated Gift Center and Jewelry Mart and about 34,000 square feet of IPDR. SKS and its partners have invested \$36,000,000 to acquire the property and need to spend approximately \$25,000,000 to rehabilitate it in a manner consistent with the Secretary's Standards, which comes to an investment of approximately \$237 per rentable square foot (rsf) of office space.

The average full service rent per rsf for office space in SOMA is approximately \$45.00. Rents for PDR or IPDR space is \$20.00. Operating expenses, property taxes and insurance for both IPDR and office uses will be \$15 per rsf, therefore the net operating income (NOI) is \$30.00 per rsf for Office and \$5.00 per rsf for IPR. The asset value per rsf is calculated by dividing NOI by Capitalization Rate (cap rate). Using an 8% cap rate, the value of the IPDR is only \$62.50 per rsf after lease up and stabilization, about 25% of the value of the investment needed to renovate the building. In contrast, the value of the office space, with rents in the

\$45.00 range, is sufficient to justify the investment in the building's rehabilitation. Accordingly, conversion of floors 1 to 5 to office use enhances the feasibility of reusing and preserving the building. In fact, it is not feasible to do any real work to restore the 870 Brannan building without the proposed office conversion, as demonstrated by the prior owner's inability to implement a partial conversion after your 2010 approvals, resulting in the property's foreclosure.

888 Brannan Meets the Criteria of the Office Development Allocation Program. As of June 13, 2011, the Planning Department reports that there is 3,097,122 square feet of office space available for allocation for large projects (over 50,000 square feet). We seek 109,000 square feet, leaving over 2,988,000 square for allocation to other large projects. Planning Code Section 321(b)(3) sets forth the factors the Commission must consider in allocation office space. Our proposal satisfies all applicable factors.

1. *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.*

According to the Office Development Annual Limit Program Update, there is currently available for allocation more than 3 million gross square feet of "large cap" office space. We propose to utilize only approximately 109,000 square feet of this available office allocation, leaving over 2.9 million square feet to allocate to other "large cap" projects.

The will contribute to economic growth in the city by increasing office space in an area of the City where demand is the greatest and supply is constrained, thereby providing ample employment opportunities for San Francisco residents.

The new office space is subject to substantial fees, including the Jobs Housing Linkage fee, the Transportation Impact Development Fee, the Child Care fee and the Eastern Neighborhoods Impact fee. This fee revenue will be used by the City to address housing, transportation and other public service needs in the vicinity to maintain a balance between office development and these services.

2. *The contribution of the office development to, and its effects on, the objectives and policies of the Master Plan.*

As set forth in the Planning Department's draft motion, the project complies with and furthers the policies of the General Plan, including the Commerce and Industry Urban Design, Community Safety, and Air Quality Elements.

3. *The quality of the design of the proposed office development.*

The HPC has determined the rehabilitation of the 870 Brannan Street building meets the Secretary of the Interior's Standards. Thus, the design of the proposed office development will preserve the building's significance as an example of an industrial building from early twentieth century San Francisco.

4. *The suitability of the proposed office development for its location, and any effects of the proposed office development specific to that location.*

The project will be located in the South of Market Area (SOMA). As discussed in the Colliers Market Analysis attached hereto as Exhibit C, SOMA has increasingly established itself as the preferred geographic location for the technology industry in San Francisco and the greater Bay Area. SOMA was by far the most robust office leasing submarket in San Francisco over the past two years with 66% of the overall market's net office space absorption in 2010 and 30% in 2011. . In order to retain these companies that represent an important segment of the San Francisco economy, increased office development is required in SOMA.

5. *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.*

As discussed above, the project is designed to meet the needs of the technology office sector and will be able to accommodate over 1,700 employees. As the Business Times article demonstrates, there is very little such space available in SOMA.

Conclusion. For all of the reasons discussed above, we respectfully request your support for this modest office development allocation. If you need any further information prior to the January 26 hearing or would like to tour 888 Brannan, please contact me at any time.

Sincerely,



Daniel R. Kingsley
Managing Partner

cc: John Rahaim
Corey Teague
Steven L. Vettel, Farella Braun & Martel

Dan Kingsley

From: Sako Sarkissian <sarkis@giraux.com>
Sent: Thursday, January 12, 2012 5:34 PM
To: list@tenants.com
Cc: Matthias.Mormino@sfgov.org; Jane.Kim@sfgov.org; Dan Kingsley; 'Andy Fox'; 'Mark D'Ambrosi'
Subject: Tenant Association News - 2012

Dear Tenant Association Members:

For the past year or so we have met with many of our members and other tenants at the 888 Brannan in the hope to gain an understanding and consensus regarding concerns the tenants have in regards to the relocation and renovation plans of the new owners, 888 Brannan LP.

In addition, since Oct 6th of this year we have been meeting directly with Mr. Andy Fox (Vantage Property Investors), Mr. Daniel Kingsley (SKS Investments), and Mr. Mark D'Ambrosi (CAC Management) and have articulated many of the concerns that have been brought up during our various (Tenant Association) meetings.

Since these meetings the owners, 888 Brannan LP, have addressed many of the questions and concerns that were brought up on behalf of the Tenant Association and submitted their response and positions to all the tenants in the building.

After reading the correspondence and meeting with the owners, it is the opinion of the Tenant Association that the owners have done their due diligence in articulating the details and setting realistic expectations for this project.

In addition, during discussion with the owners, it became very clear that we (tenant and landlord) share the same goals and aspirations for this very important building and the surrounding community.

Make no mistake about it, the road ahead will have its challenges and setbacks, however with mutual understanding and cooperation, the Tenant Association feels this project has the potential to bring unprecedented prosperity and success to our businesses and its community.

As long as "what they say matches what they do", the Tenant Association will support this project and articulate our position during the upcoming hearing in the Planning Department. We encourage all tenants and tenant association members to do the same.

We will keep you posted of upcoming meeting dates as we look forward to working with all our members and the Landlord, in making the GiftCenter & JewelryMart the premier shopping destination in the San Francisco, Bay Area!

Sincerely,

Mr. Sarkis Sarkissian
Chairperson, Steering Committee – Tenants Association at the 888Brannan
www.Tenants888brannan.com

C/c Supervisor Jane Kim's office, CAC Management, 888 Brannan LP

P.S. We would like to thank the owners and management team for their sincere efforts, candid discussions, and willingness to communicate their plans to the tenants of the building.

We also would like to thank the following businesses who supported our association financially, which made possible our efforts.

These tenants (and Vendors) deserve our sincere gratitude, we thank them for their leadership and vision:

Business	Room #
A ONE IMPORTS	173
AMBER #1	3160
ARKADIY MINASIAN FINE WATCHES	1025
BELLA FINE JEWELRY	130
Benchmark (George Wagner)	Vendor
Blue Gold Design (Raffi)	Vendor
CHABO'S JEWELRY, INC.	185
CHRISTINE JEWELRY INC.	157
DAVID JEWELRY DESIGN	4255
DAVTIAN JEWELRY	171, 2132
DERCO FINE JEWELERS	137
DESIGN JEWELERS	2001, 136
EDWARD'S JEWELRY & IMPORTS	160
ELAN OPTICAL	194
FRENCH JEWELRY, INC.	161
Gagik Jewelry	Vendor
GAROS JEWELRY	121
GIRAUX FINE JEWELRY	129, 132
H & S FINE JEWELRY	133
HAUS JEWELRY	178
J & J YADEGAR DIAMONDS & FINE JEWELRY	140
JEWELRY ART CENTER	169
JEWELRY MILLENIA	4305

JOLLYANA DESIGN	196
JOSEPH KADAKIAN	4250
JOSEPHINE SELECTION, INC.	131
JUST BANDS/ JUST DIAMONDS	150
MAJUL & CO	2005
MAURICE EUROPEAN DESIGNS FINE JEWELRY	134
MAY'S JEWELERS, INC	176
MICROSETTINGS BY ROUPEN	4295
MOXIE VAN NESS IMPORTS	189
PRESTIGE JEWELRY	177
RAFFI'S	4140
ROYAL DESIGN	1205
SFE JEWELERS	111
VICTOGA	105
ZONA MODA	258
TREASURE VALLEY/GOLDEN VILLA	2167,4260
FINE FACETS	2172
DIORO	182

From the San Francisco Business Times:

<http://www.bizjournals.com/sanfrancisco/print-edition/2012/01/06/south-of-market-runs-out-of-space.html>

South of Market runs out of space

S.F. tech firms pack out offices; some areas still struggling

Premium content from San Francisco Business Times by J.K. Dineen, Reporter

Date: Friday, January 6, 2012, 3:00am PST

Related:

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Reporter - *San Francisco Business Times*

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Landlords in San Francisco's South of Market may soon have to resort to something more commonly seen on roadside motels: no vacancy signs.

After the strongest leasing year since 1988, the city's hottest neighborhood has just a 3.3 percent vacancy rate, according to a fourth quarter report from **Jones Lang LaSalle**. Out of nearly 3.5 million square feet in SoMa, just 112,000 square feet is vacant and ready for occupancy. The situation is even more pronounced for tenants seeking Class A space. In the fourth quarter, the data mining company Splunk took 23,362 square feet at 250 Brannan St. That left a Class A vacancy rate in SoMa of precisely zero, according to JLL.

"I had a broker call me yesterday looking for 10,000 square feet," said broker [Michael McCarthy](#) of **Colliers International**, who represents SoMa landlords. "They basically had one building to look at."

In 2011, the greater downtown, which includes the north and south financial districts, Mission Bay, SoMa, Civic Center, Showplace Square, and Northern Waterfront, saw a net absorption of 1.84 million square feet, meaning that tenants leased 1.84 million square feet more than they relinquished. From the low point in the first quarter of 2010, asking rents in the central business district are up 24 percent while landlords in SoMa have raised asking rents by 45 percent. Class A vacancy in the central business district is down to 10.4 percent.

The tightening marketplace is prompting property owners to push ahead on construction projects and entitlements that have been on hold since 2007. At 680 Folsom St., **TMG Partners** and **Rockwood Capital** are going forward with an \$87 million renovation and are reportedly in advanced talks with several tenants. Shorenstein is going full speed ahead with Twitter's Market Square headquarters at 1355 Market St. and is also building a 70,000-square-foot addition to 188 Spear St., which will result in a mostly available 217,000-square-foot building. In addition, SKS Investment is close to obtaining approvals to convert much of 888 Brannan St. to office space, an entitlement that would add 270,000 square feet of prime availability to the SoMa pool.

"There is a good amount of supply that is going to be available in the near term, and a lot of that is renovation of existing space and new space coming onto the market," said [Colin Yasukochi](#), research director at Jones Lang LaSalle.

Meanwhile, the city is seeing proposals to add space on top of existing buildings. On Dec. 13, Hudson Pacific Properties filed a preliminary project application to add a floor to 275 Brannan, a building the REIT bought last fall. Hudson Pacific Regional Vice President [Drew Gordon](#) said, "Tenant demand in SoMa is outstripping supply. We are investigating with the city the opportunity to add a fourth-floor penthouse, but the final design has yet to be determined."

In contrast, there is plenty of space for the taking right now in the struggling Civic Center area. This neighborhood has a 43 percent vacancy rate, with 1.5 million square feet of empty space. Twitter will soak up some of that space when it moves into 200,000 square feet at Market Square, but the San Francisco Public Utilities Commission will add to the problem when it trades its 140,000-square-foot home at 1145-1155 Market St. for a new 250,000-square-foot tower at 525 Golden Gate Ave.

"That is obviously the most challenging market and the market with the greatest opportunity in terms of being able to capture overflow demand," said Yasukochi. "And it's still reasonably priced relative to other areas in the city."

The largest tenants in the market at the moment are Macys.com, which is looking for 250,000 square feet, and Hotwire.com, which is seeking to double its footprint to 80,000 square feet.

Class A rents, up 4.5 percent in the fourth quarter, are averaging \$47. Most new construction pro formas call for average rents between \$60 and \$70 per square foot.

"Given the demand for space and the type of space available, new construction is certainly needed," said Yasukochi. "The challenge is the pricing of the new product compared with current rates."

J.K. Dineen covers real estate for the San Francisco Business Times.

50 California Street
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San Francisco, CA 94111-4620
www.colliers.com

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888 and 850 Brannan Street – Leasing Market Analysis

Since the “dot-com” boom in 1998, SOMA has increasingly established itself as the preferred geographic location for the technology industry in San Francisco and the greater Bay Area. Organic growth, migration of companies from Silicon Valley and the Peninsula and international companies establishing satellite or headquarters offices continue to fuel the strong demand for creative office space in SOMA, as they seek to advance their companies by hiring the best and brightest engineering and creative talent.

SOMA in large part has established itself due to:

- Location - This is where San Francisco’s young talented workforce wants to live, work and play.
- Critical mass of talent has been established - Like minded people and organizations tend to “cluster”. Networking of consumer internet, social networking, cloud computing, gaming and application developers and venture capitalists is increasingly desired.
- Creative space environment – These companies use their facilities and work environment as a recruiting tool...”imagine working here”. Renovated brick and timber or concrete warehouses with “good bones” (high ceilings, natural light and floor plates) conducive to large, interactive, open space work environments.

Throughout 2010 and 2011, SOMA has been by far the most robust office leasing submarket in San Francisco. Fueled by the demand from the technology sector SOMA was undeniably the driving force of leasing activity for the past two years and currently shows no signs of slowing down in 2012. Although the entire office space inventory in SOMA (16,202,990 s.f.) represents only 19.4% of the citywide office inventory (83,434,169 s.f.), SOMA was responsible for 66% of the net absorption in 2010. Furthermore, SOMA was responsible for 29% of all leasing transactions in the city. It is also important to note that the technology industry accounted for 34% of all the leasing transactions in 2010. In 2011 citywide leasing activity was higher than in any year since 2000. Total leasing activity was 6.4 million s.f. and citywide net absorption was 2.06 million s.f. Of this, SOMA accounted for approximately 500,000 s.f. of net absorption.

In 2011 demand from the technology sector did not slow down, nor did its distinct preference for SOMA locations change. In addition to Zynga which expanded its initial footprint of 267,000 s.f. at 650 Townsend to approximately 350,000 s.f. and Twitter which has leased 200,000 s.f. at 1355 Market Street, Dropbox grew from 10,000 s.f. to absorb 85,000 s.f. at China Basin Landing and Ancestry.com expanded from 10,000 s.f. to lease 56,000 s.f. at 153 Townsend Street. Thus far in 2012 Salesforce has leased 400,000, and the Pac-12 Conference has leased 105,000 at 370 Third Street. Additionally, technology tenants that are currently in negotiations for SOMA spaces include Airbnb (160,000 s.f.), Yelp (100,000 s.f.), Kabam (60,000 s.f.), One King’s Lane (60,000 s.f.), Yammer (90,000 s.f.) and Riverbed Technology (160,000 s.f.). In addition to these high profile tenants in the market, the extreme depth of tenant demand can be measured by looking at the broader volume of tenants currently in the market for space with preference for locating in SOMA. Current tenants in the market constitute approximately 1.8 million square feet of space (approximately 14% of the total SOMA inventory), and the market has approximately 2.0 million square feet of vacant inventory (demand is approximately 90% of current availability). More specifically, there is a concentration of 25 tenants seeking between 20,000 s.f. and 150,000 s.f. as of the first quarter of 2012 for a total of 1.45 million square feet within the total 1.8 million square feet.

These tenants are looking for creative space with exposed high ceilings, an abundance of natural light and the feel of a converted warehouse. Because of their electrical demands and their desire for a safe,

comfortable workplace for their much sought-after workforce, these tenants are only considering buildings that have been renovated to modern standards. The construction costs incurred in re-positioning these buildings to meet the tenant's demand can be supported by market office rents, but it is infeasible to renovate these buildings for the light industrial rents that are charged for restricted PDR or I-PDR space. The foreclosure of 888 Brannan in 2010 by Wells Fargo Bank is clear evidence that the previous owner of was unable to attract the necessary rents from a mix of office tenants (floors 3 and 4) and I-PDR tenants (floors 1, 2 and 5) (as approved by the Planning Commission in May 2010) that would support the costs of rehabilitation, therefore jeopardizing the preservation of the historic resource.

The strategy for 888 Brannan is to renovate 888 and 850 Brannan to modern office standards, with the necessary electrical capacity, air conditioning, ADA compliant restrooms, fire life safety systems and the restoration of 888 Brannan's 8th and Brannan Street facades according to Page & Turnbull's restoration strategy, as approved in the Planning Department's October 24, 2011 Historic Resource Evaluation Response. The new owners will need to convert floors 1, 2 and 5 of 888 Brannan from I-PDR to office, in order to be able to legally accommodate the tenants in the market (floors 1 and 2 of 850 Brannan will remain I-PDR, while the basement of both buildings will remain as PDR showroom space). The buildings together will end up with approximately 257,000 square feet of office space and 150,000 square feet of I-PDR and PDR space.

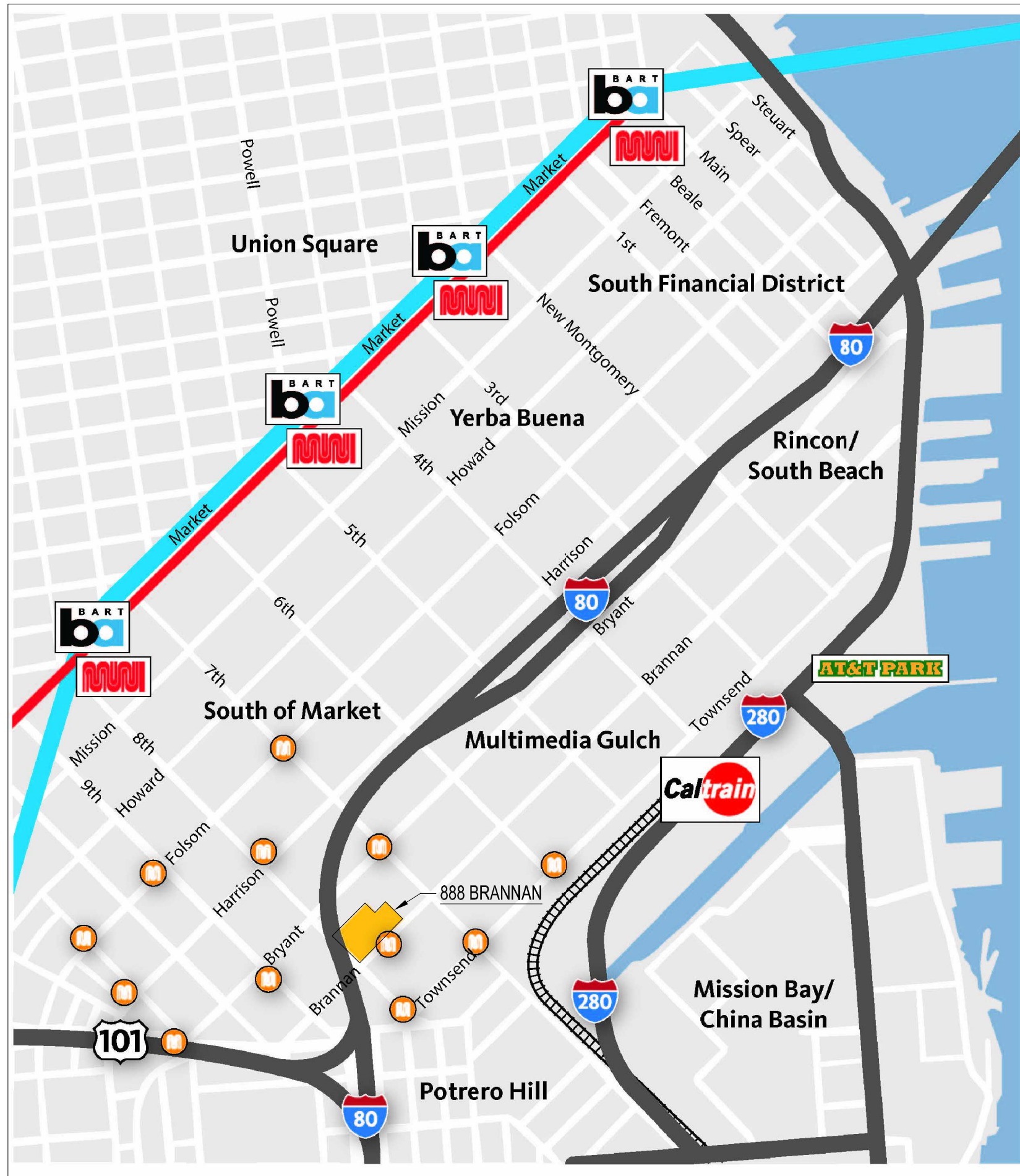
The below table illustrates a current snapshot of tenants looking for space in the SOMA submarket.

2012 - SOMA Activity -- Tenants in the Market

<u>Tenant</u>	<u>Sq.Ft.</u>	<u>Current Address</u>
Riverbed	160,000	199 Fremont
Airbnb	160,000	99 Rhode Island
Yelp	100,000	706 Mission
Yammer	90,000	410 Townsend
AKQA	90,000	123 Townsend
Compumotor	80,000	435 Brannan
OpenTable.com	60,000	799 Market
Just Answer	60,000	The Presidio
Solution Set	60,000	85 Second Street
One King's Lane	60,000	501 Second Street
Kabam	60,000	405 Howard
Salesforce Subsidiary	50,000	11 th Street
A2Z	50,000	New to San Francisco
WU Capital	50,000	New to San Francisco
Gensler	50,000	Hills Plaza
Kixeye	50,000	433 California
IDG	40,000	501 Second Street
InMobi	30,000	New to San Francisco
Hearsay	30,000	301 Brannan Street
Tagged	30,000	Unknown
Regus	25,000	Various
Voxer	20,000	139 Townsend
OpenDNS	20,000	410 Townsend
The Climate Corp.	<u>20,000</u>	420 Bryant
Total Sq. Ft.	1,453,000	
Number of Tenants	25	

These companies represent an important segment of the technology industry in San Francisco, as they are the Zygna and Twitters of the future. While it is important for the City Government to insure that

companies such as Twitter do not move out of San Francisco, the new owners of 888 Brannan feel that it is equally important for San Francisco to retain these smaller companies. Supply is constrained in SOMA and demand is increasing, therefore 888 Brannan represents an important part of the solution.



BRYANT STREET

I-80 WESTBOUND

I-80 EASTBOUND

DECATUR STREET

KATE STREET

LANGTON STREET

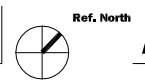
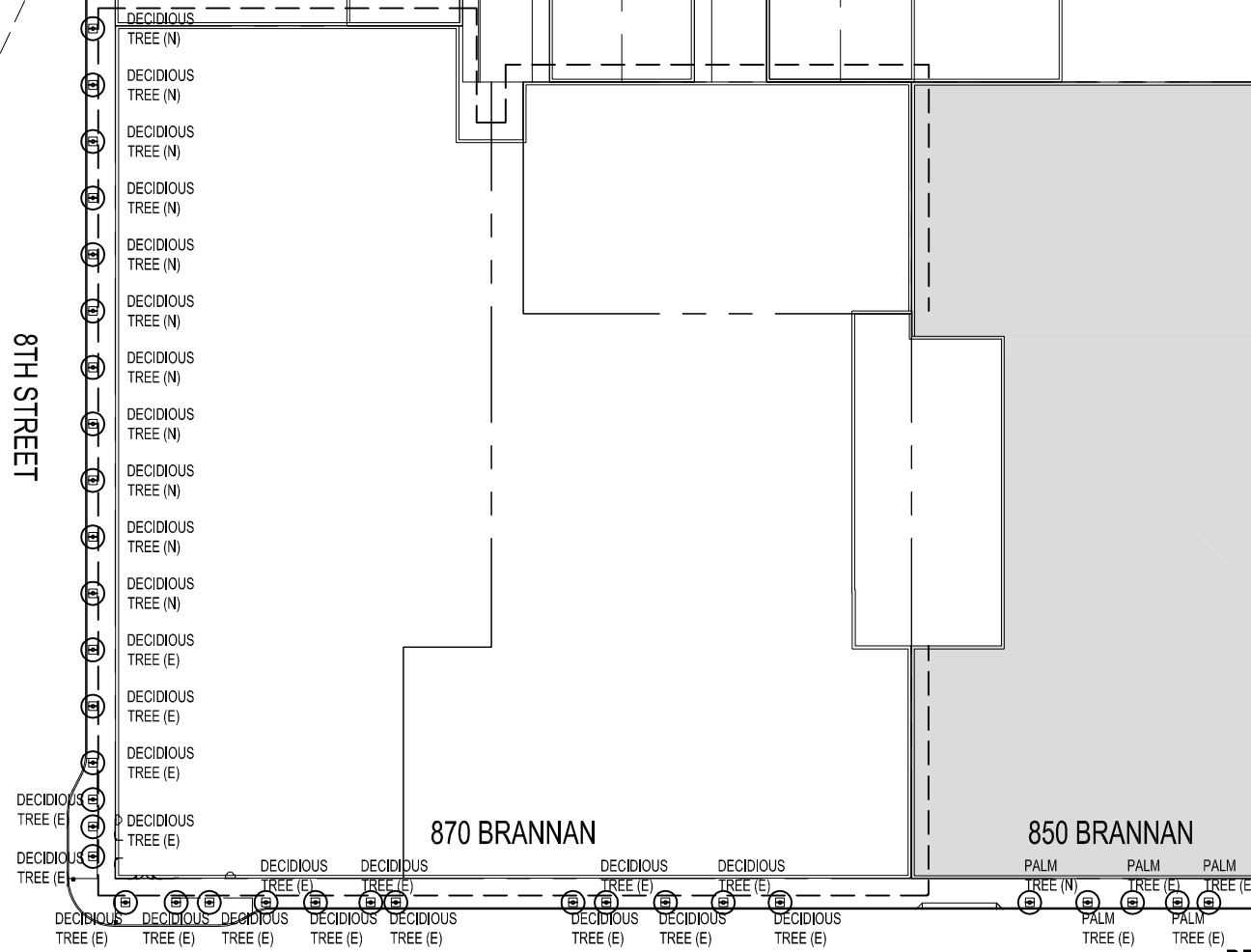
8TH STREET

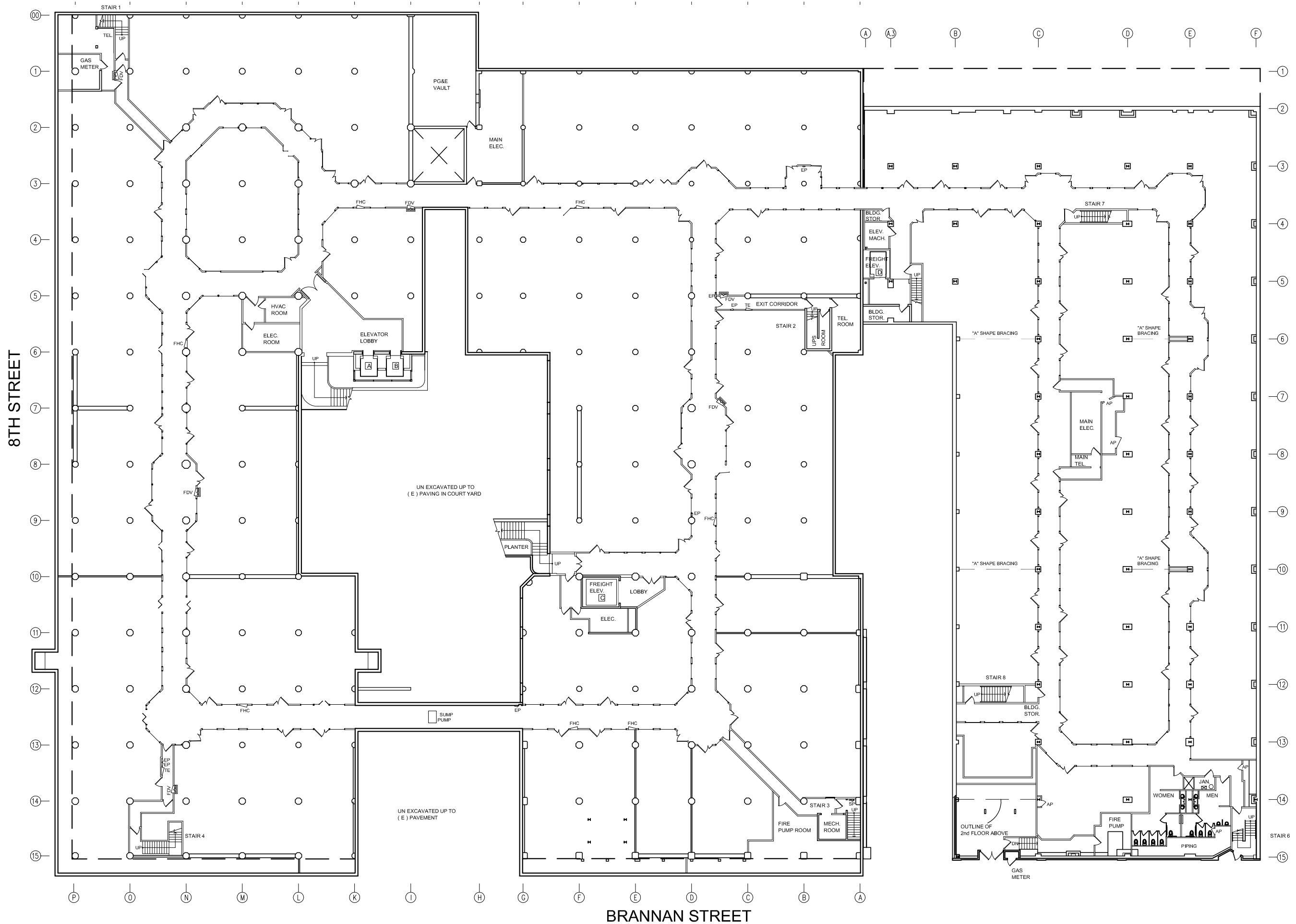
7TH STREET

870 BRANNAN

850 BRANNAN

BRANNAN STREET





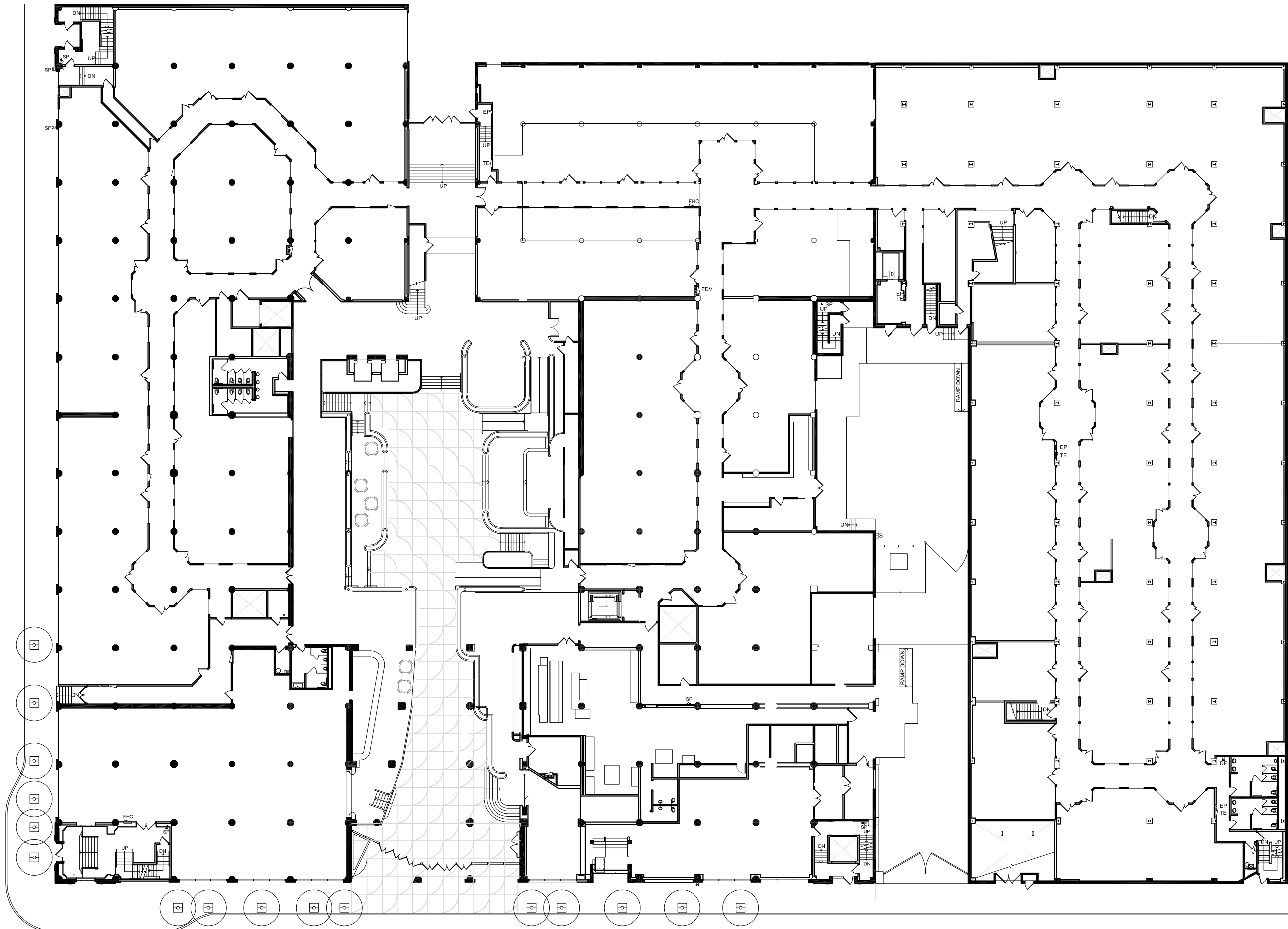
888 Brannan Street

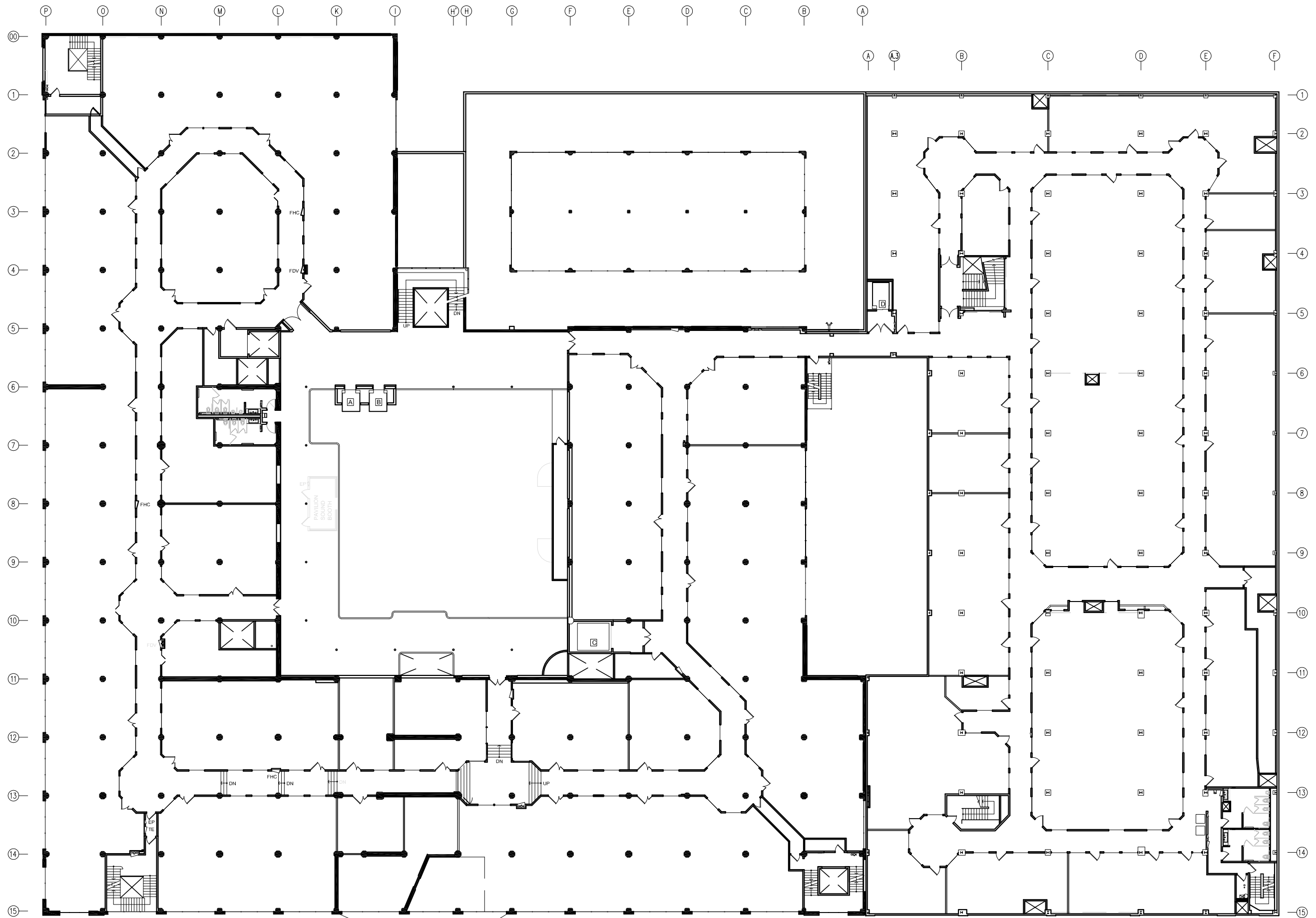
EXISTING FLOOR PLAN - LEVEL B01

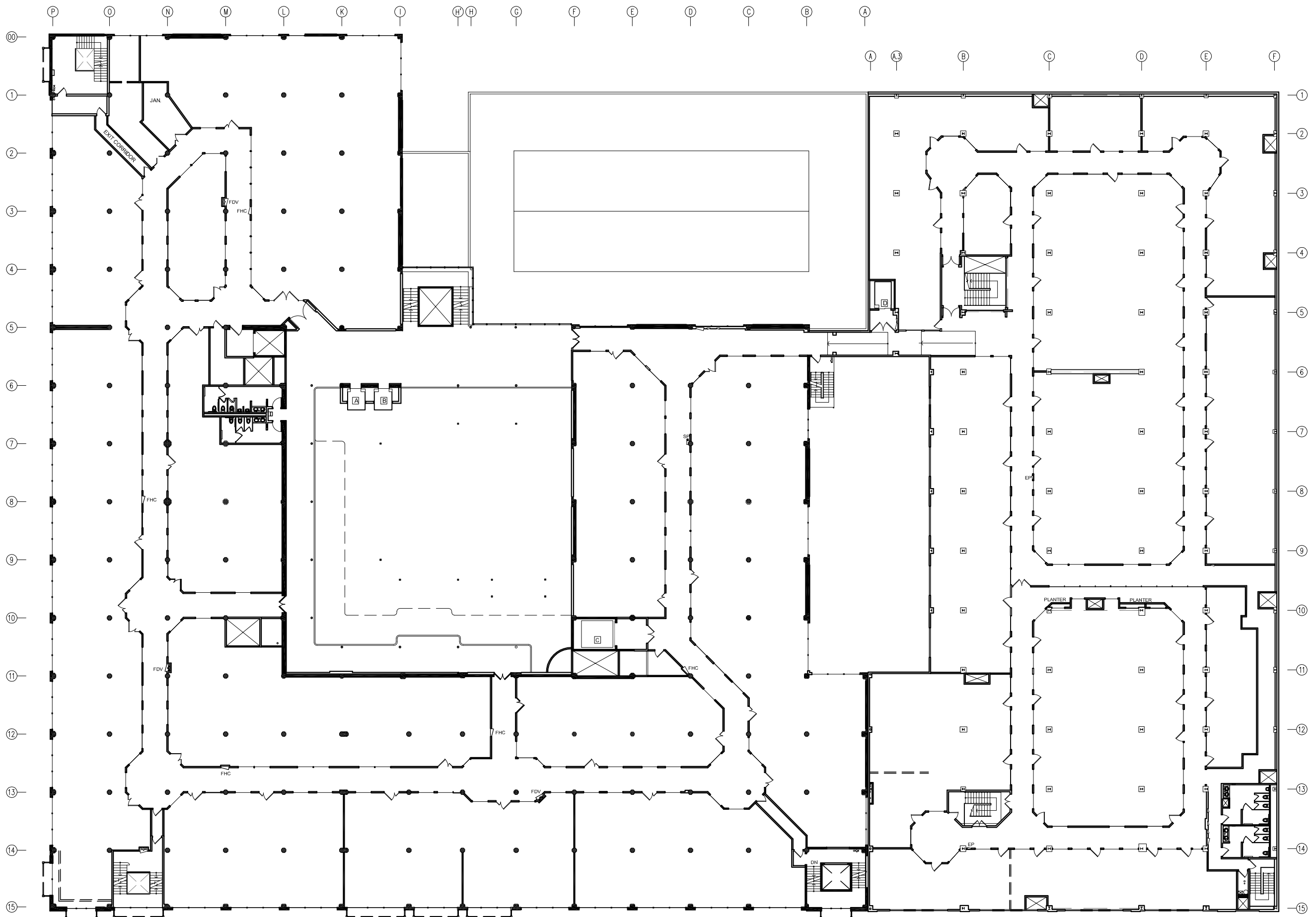
EEA/ SECTION 321 APPLICATION

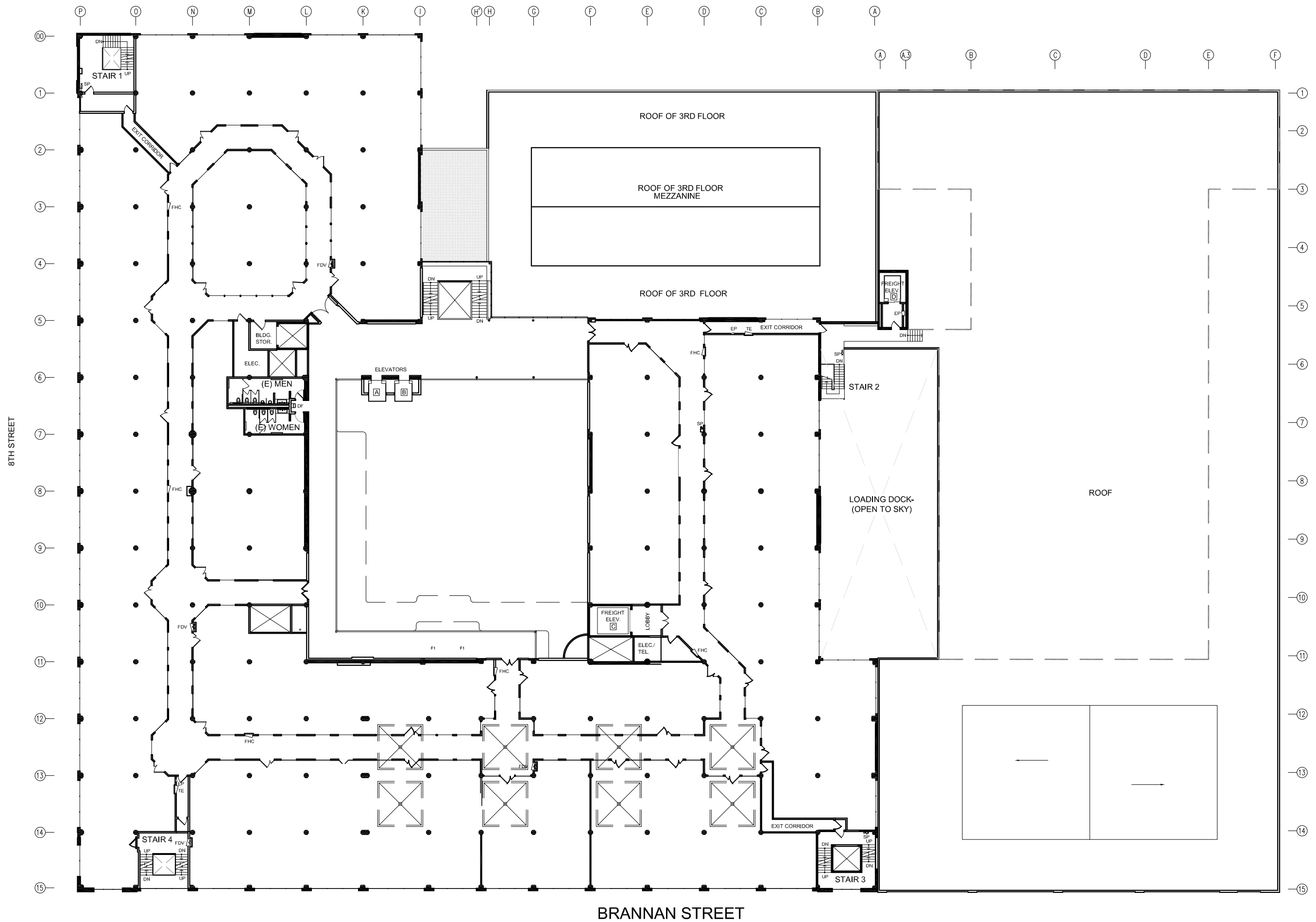
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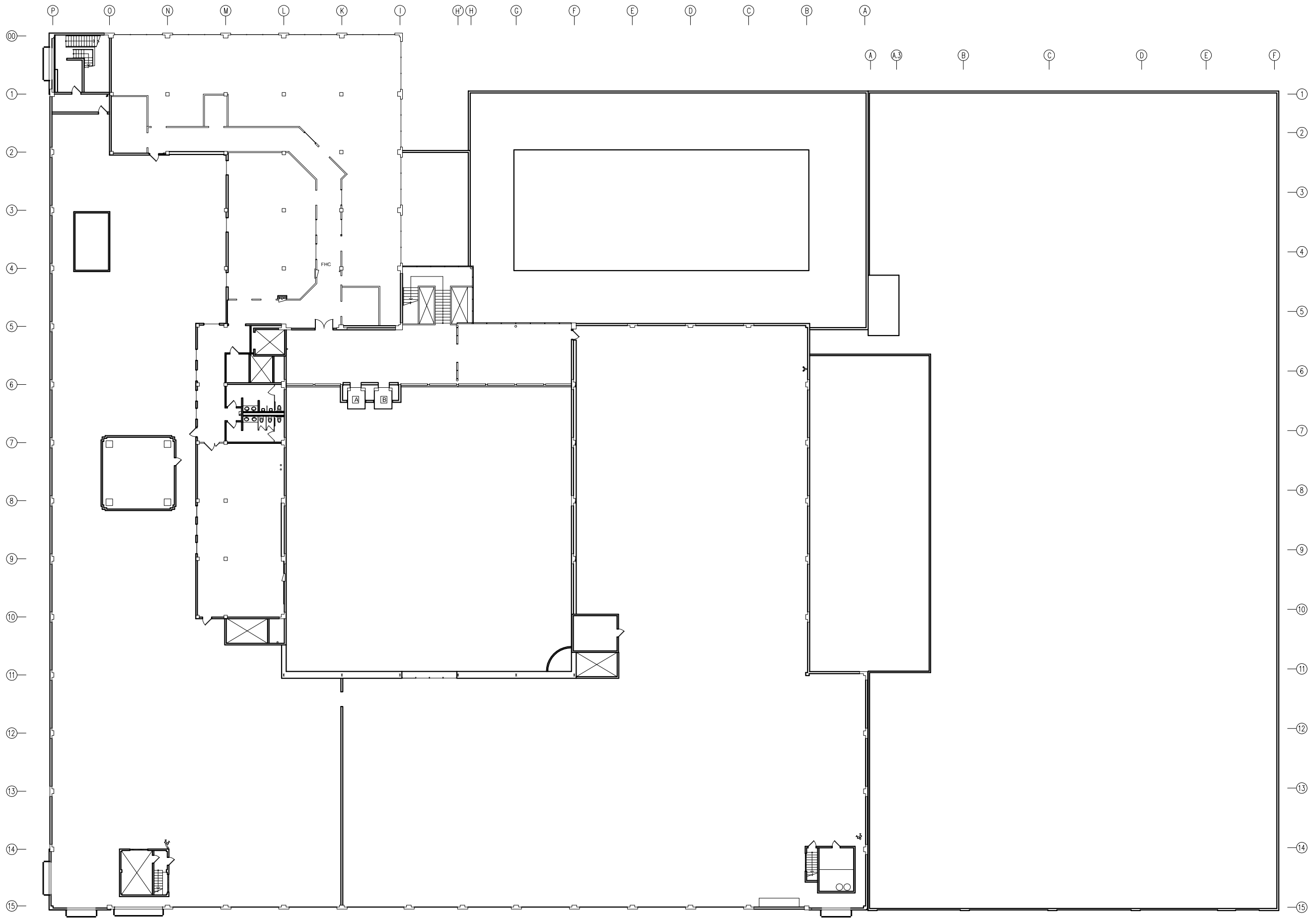
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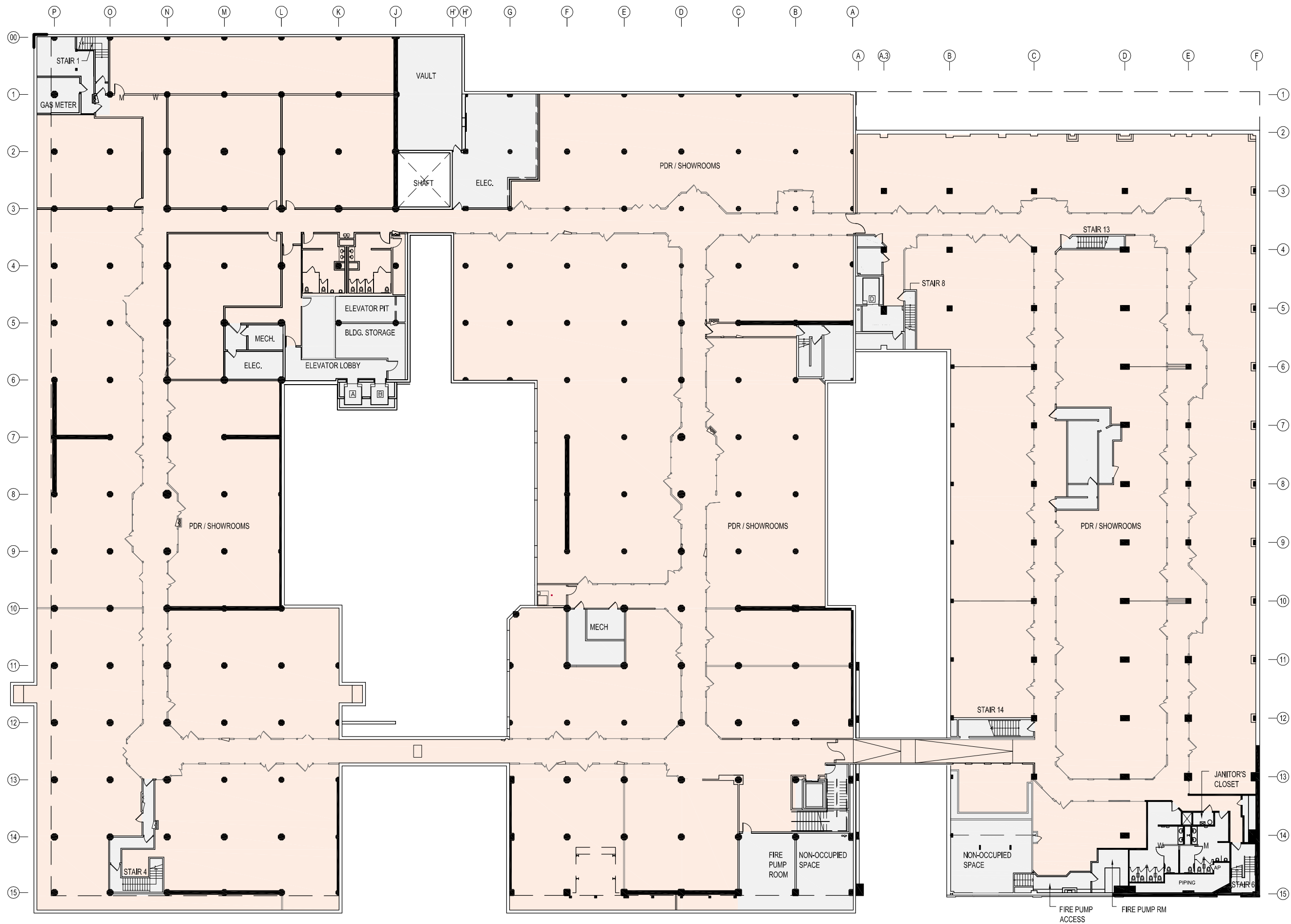










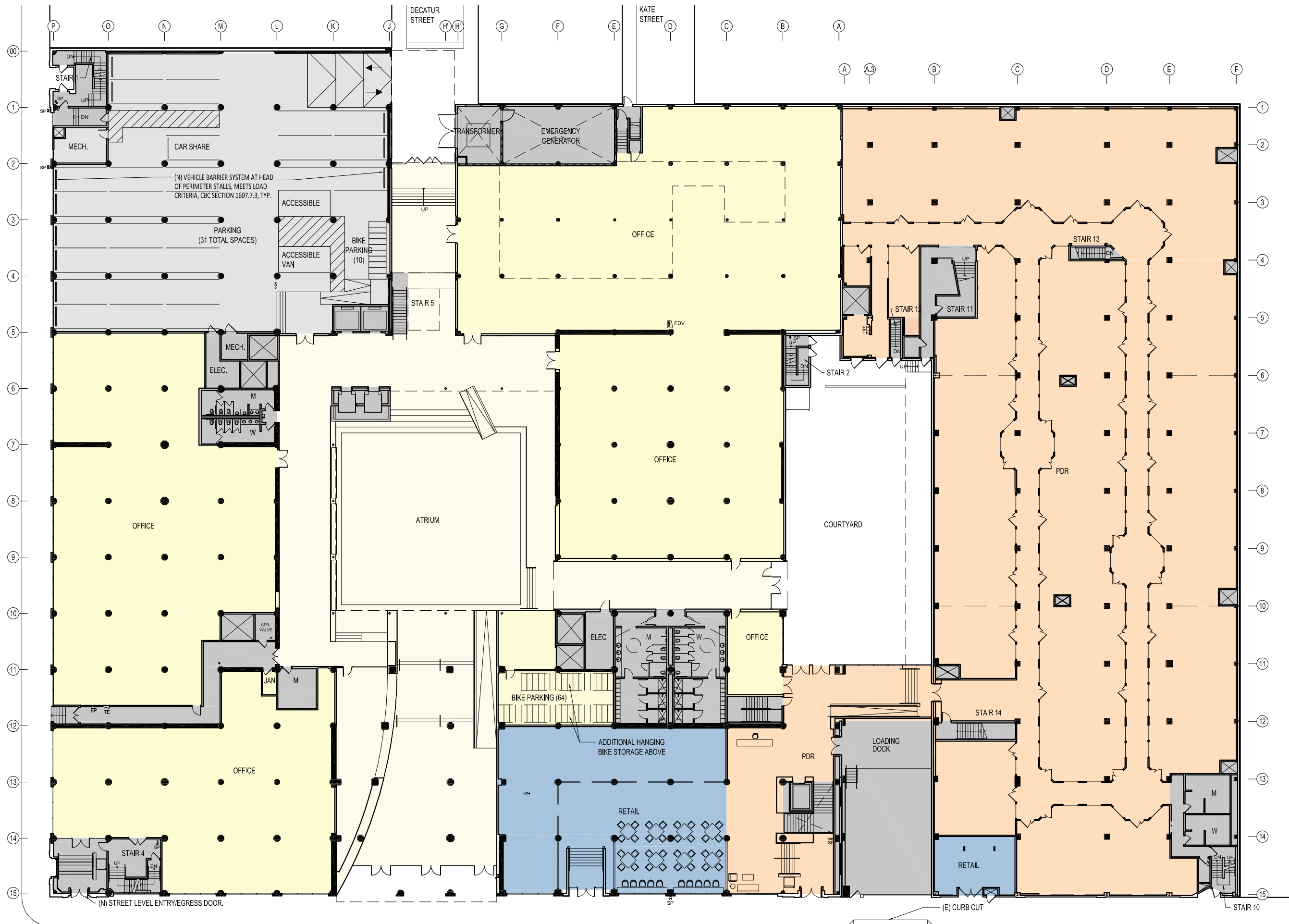


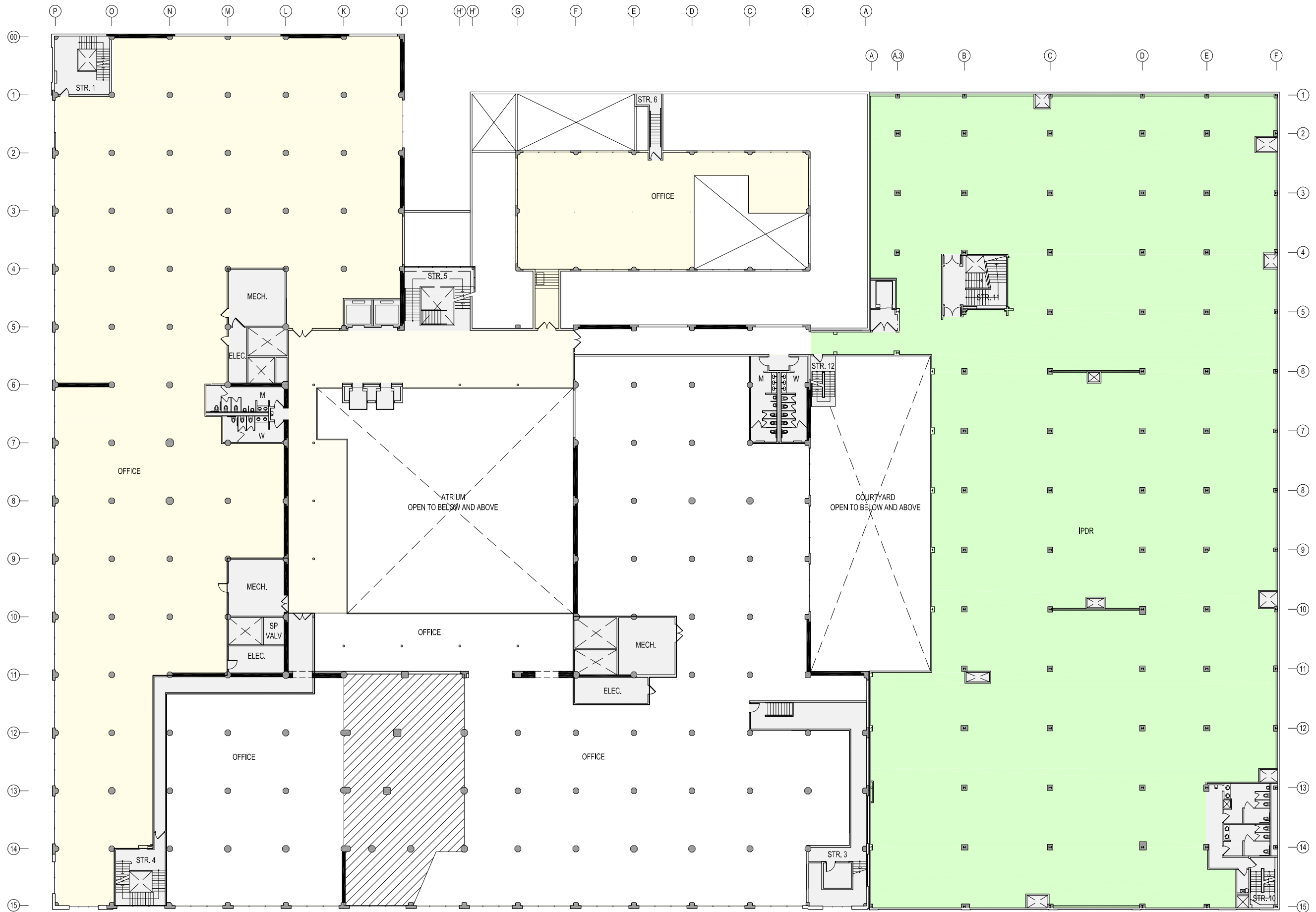
888 Brannan Street

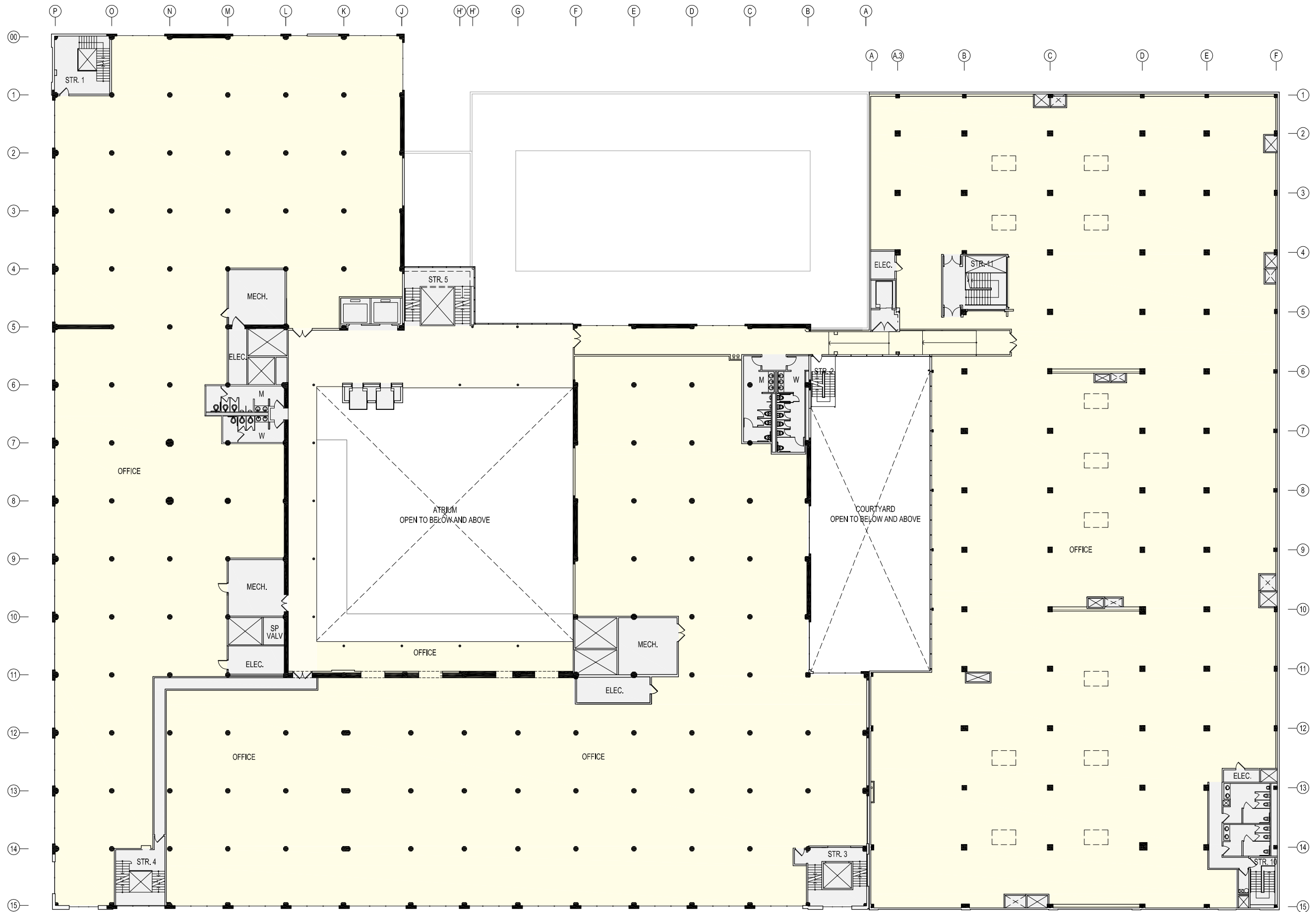
PROPOSED FLOOR PLAN - LEVEL B01
 EEA/ SECTION 321 APPLICATION

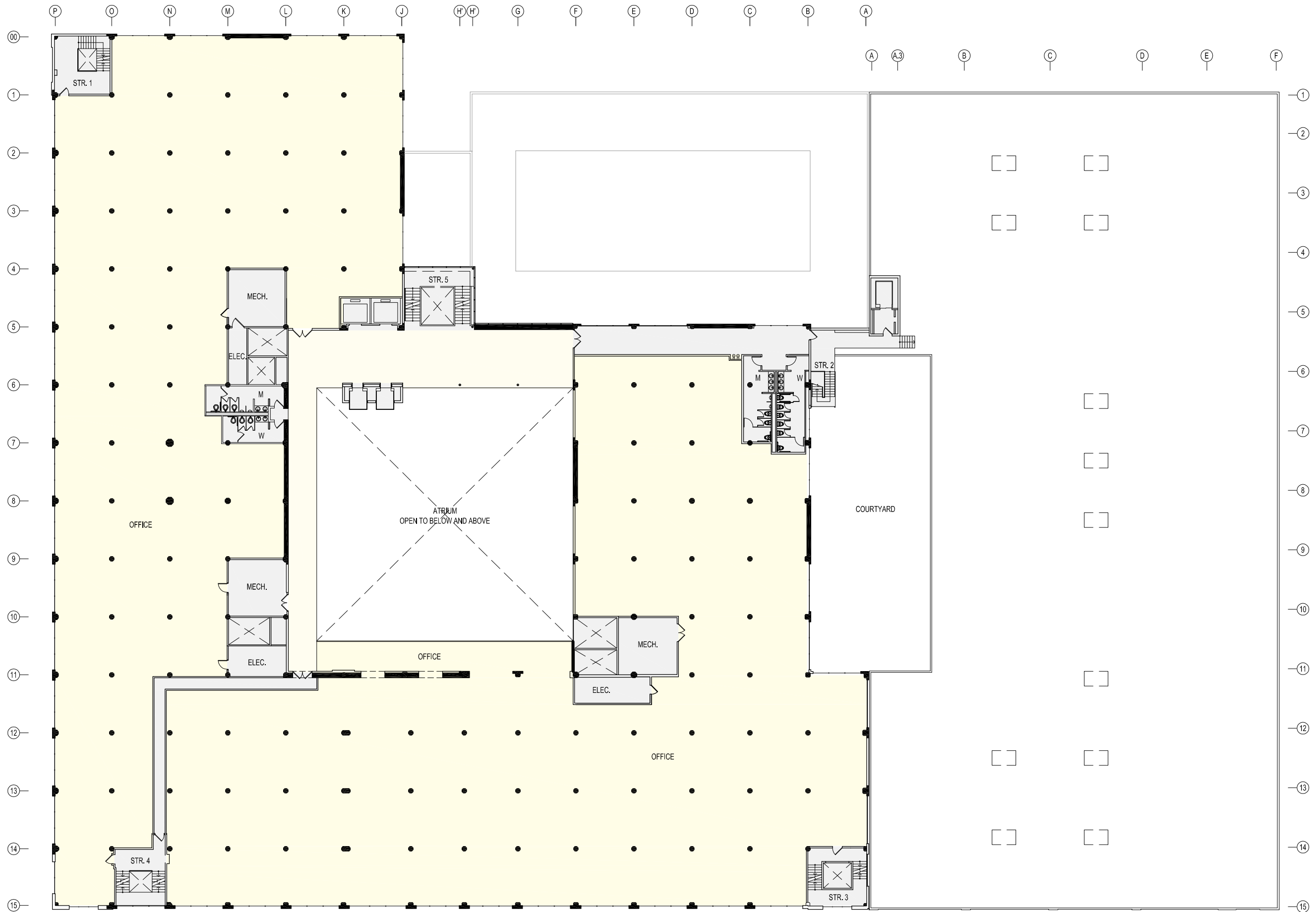
JANUARY 17, 2012

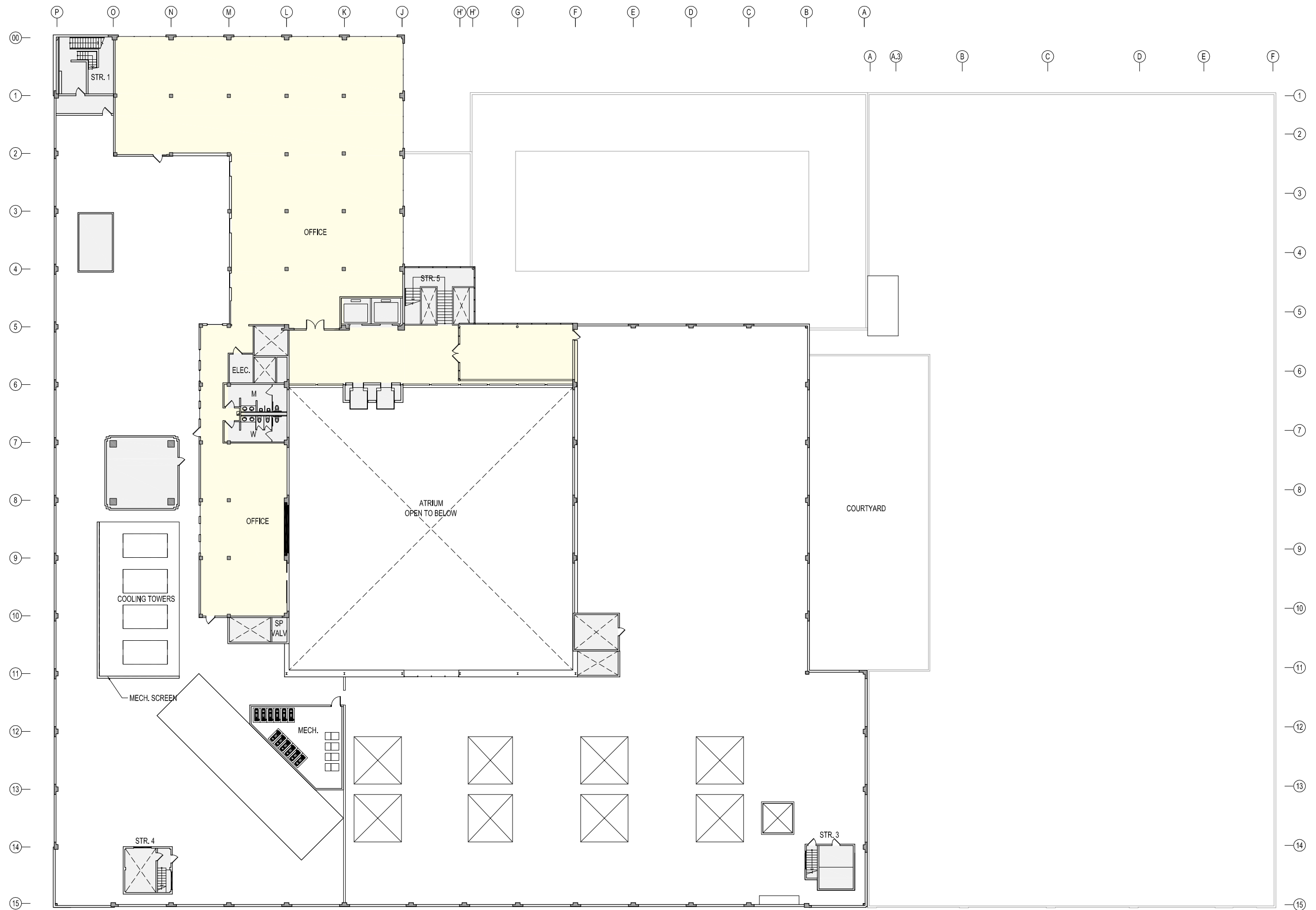
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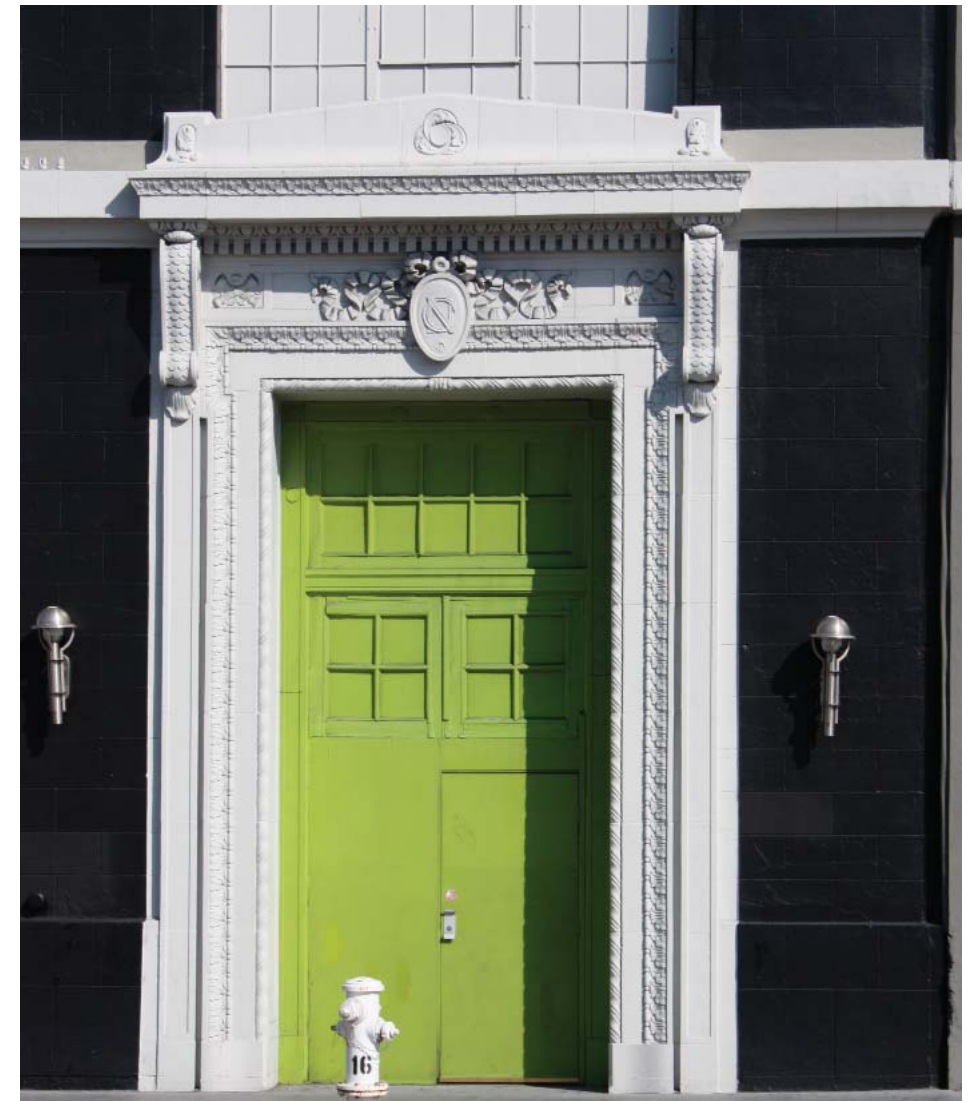




EIGHTH STREE EXIT PORTICO



BRANNAN STREET WESTERN PORTAL



BRANNAN STREET EASTERN PORTICO





WEST AND SOUTH FACADE
SCALE: NTS

4



SOUTH FACADE
SCALE: NTS

2



EAST FACADE
SCALE: NTS



3

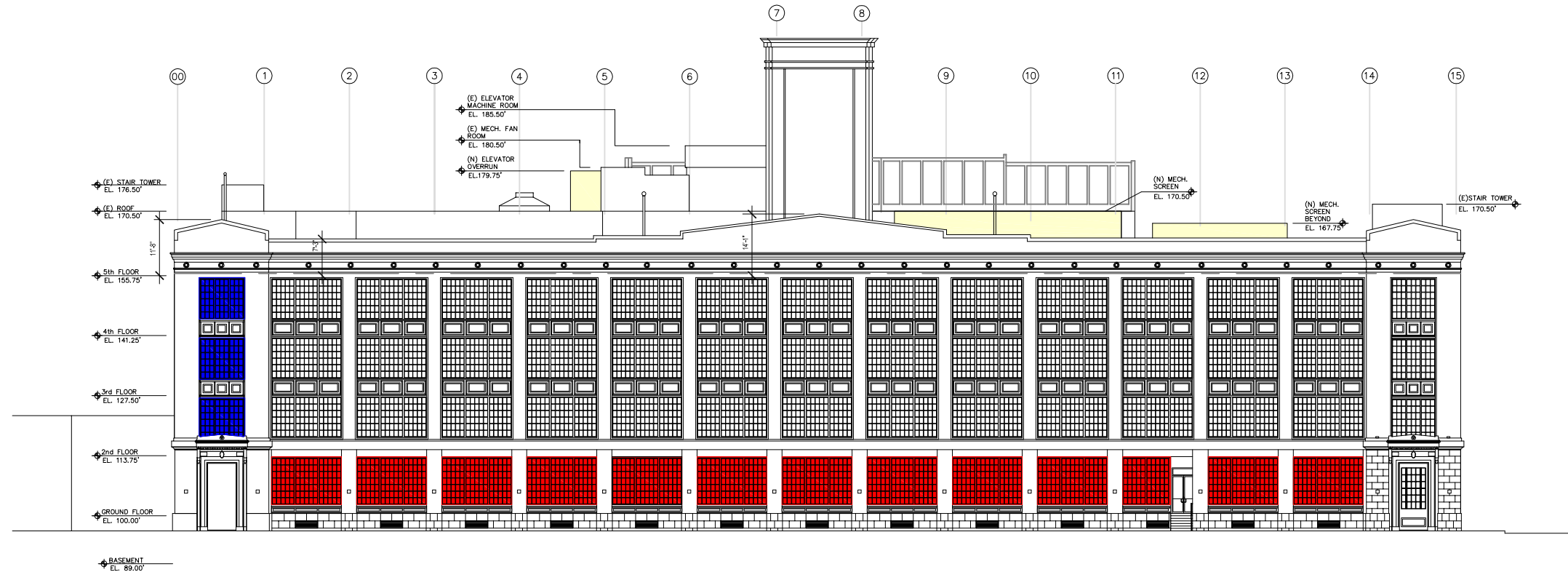


NORTH FACADE
SCALE: NTS

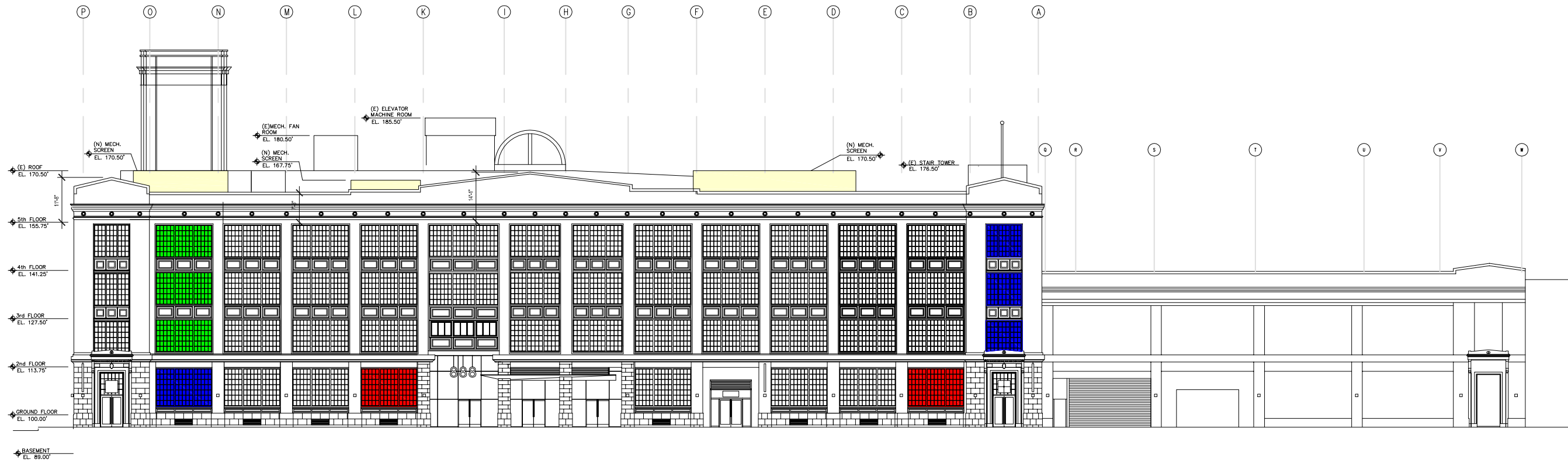
1

LEGEND:

-  REPAIR ORIGINAL FRAME AND INSTALL MICRO RIB CORRUGATED GLASS (OPTION 1A)
-  REPAIR ORIGINAL STEEL FRAME AND INSTALL NEW CLEAR GLAZING (OPTION 1B)
-  NEW 5TH LEVEL MECHANICAL SCREENS
-  * REMAINING WINDOWS TO BE REMOVED AND REPLACED WITH NEW ALUMINUM UNITS WITH MATCHING LAYOUT AND FRAME PROFILE (OPTION 3A)
-  COVERED BY PREVIOUS ADDITIONS OR SURROUNDING BUILDINGS.
-  WINDOW TO BE REMOVED AND REPLACED WITH NEW ALUMINIUM UNITS WITH MATCHING LAYOUT AND FRAME (NON-VISION MICRO RIB GLASS)



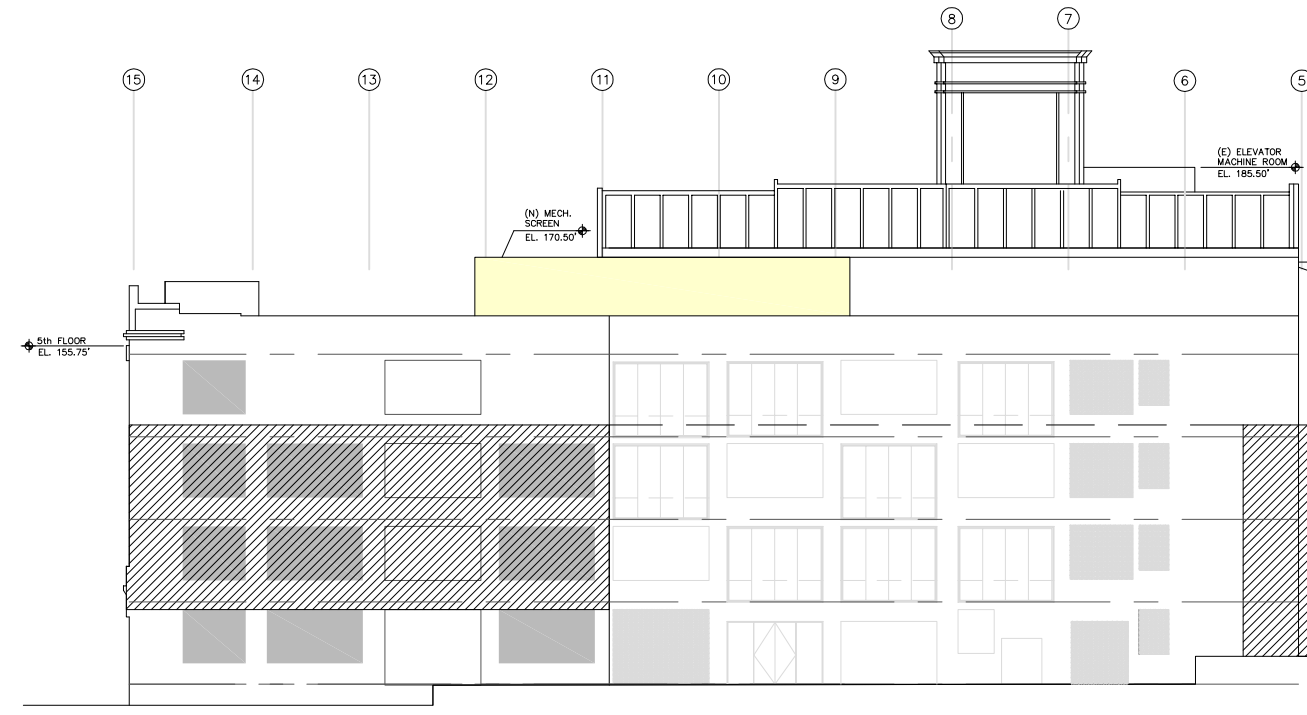
ELEVATION - EIGHTH STREET
SCALE: 1/32" = 1'-0"



ELEVATION - BRANNAN STREET
SCALE: 1/32" = 1'-0"

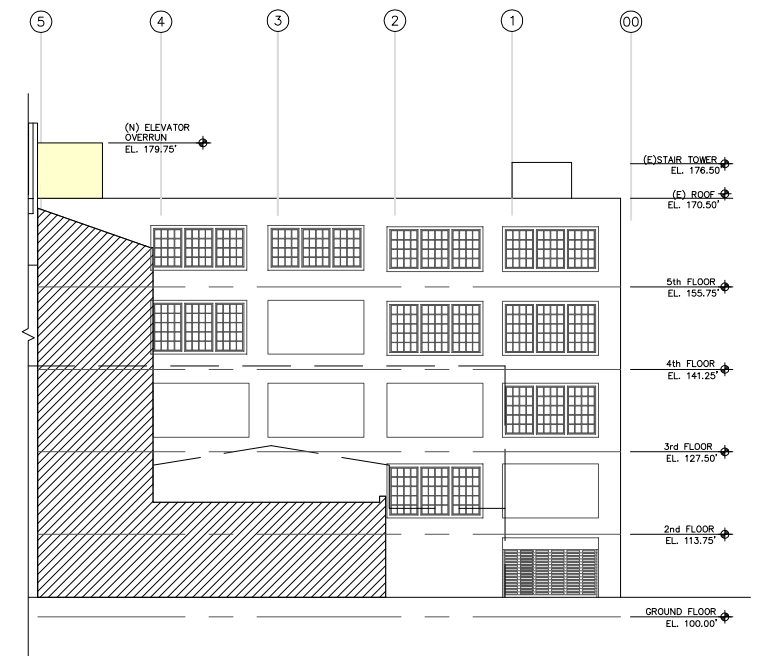
LEGEND:

- REPAIR ORIGINAL FRAME AND INSTALL MICRO RIB CORRUGATED GLASS (OPTION 1A)
- REPAIR ORIGINAL STEEL FRAME AND INSTALL NEW CLEAR GLAZING (OPTION 1B)
- NEW 5TH LEVEL MECHANICAL SCREENS
- REPLACE EXISTING WINDOWS WITH NEW STEEL FRAMED WINDOWS WITH INSULATED GLAZING @ NORTH ELEVATION/ ZERO LOT LINE
- * REMAINING WINDOWS TO BE REMOVED AND REPLACED WITH NEW ALUMINUM UNITS WITH MATCHING LAYOUT AND FRAME PROFILE (OPTION 3A)
- COVERED BY PREVIOUS ADDITIONS OR SURROUNDING BUILDINGS.



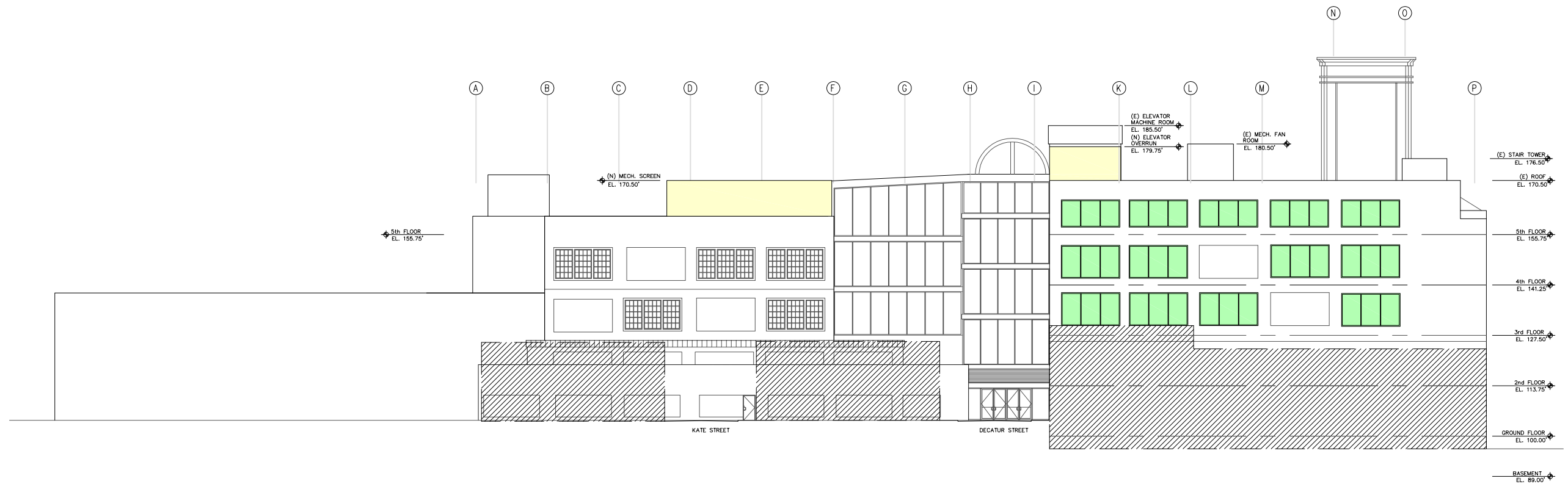
EAST ELEVATION - @ COURTYARD
SCALE: 1/32" = 1'-0"

3



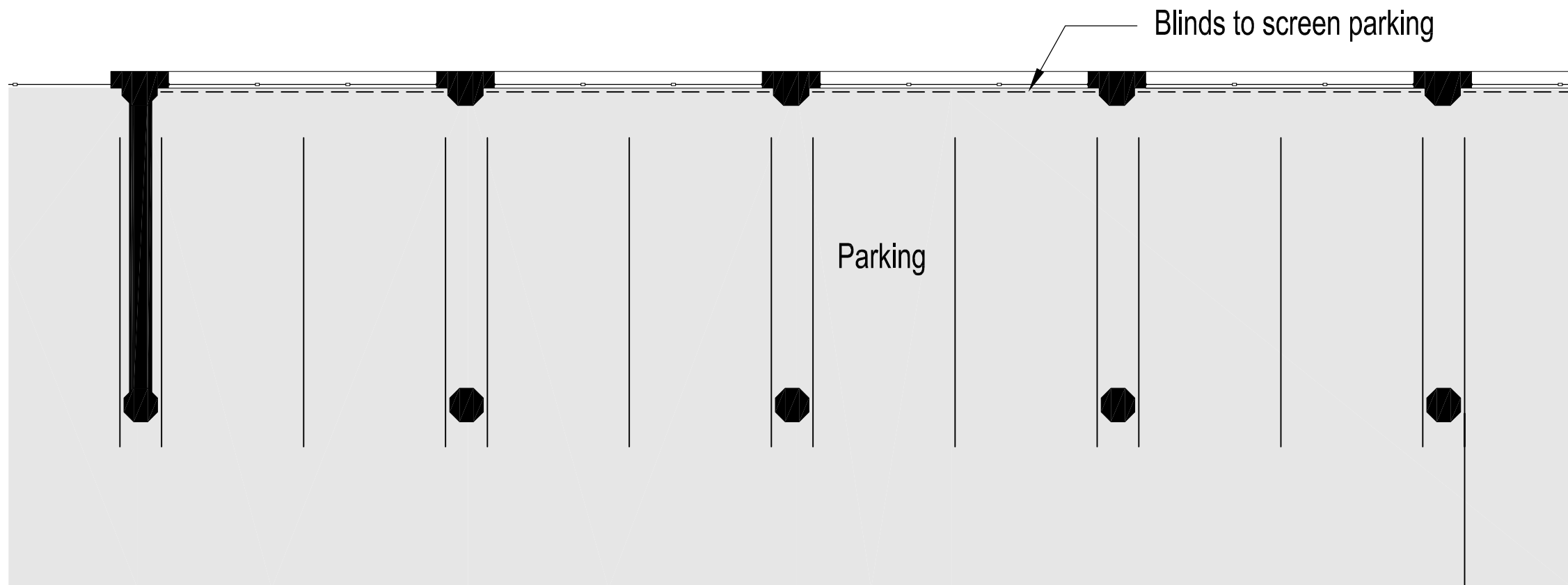
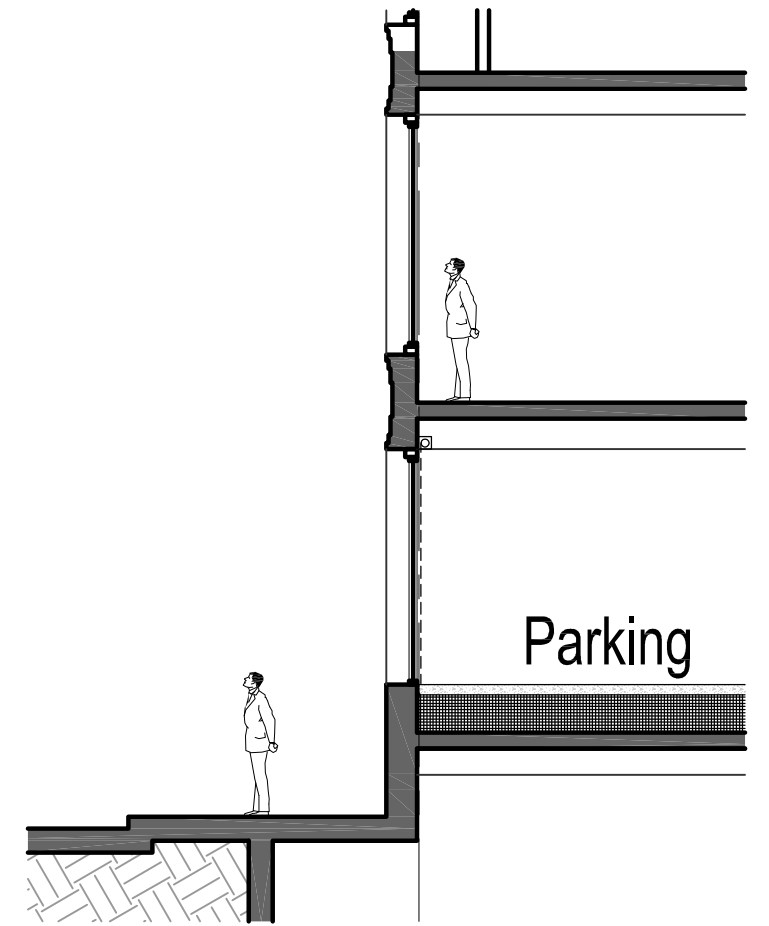
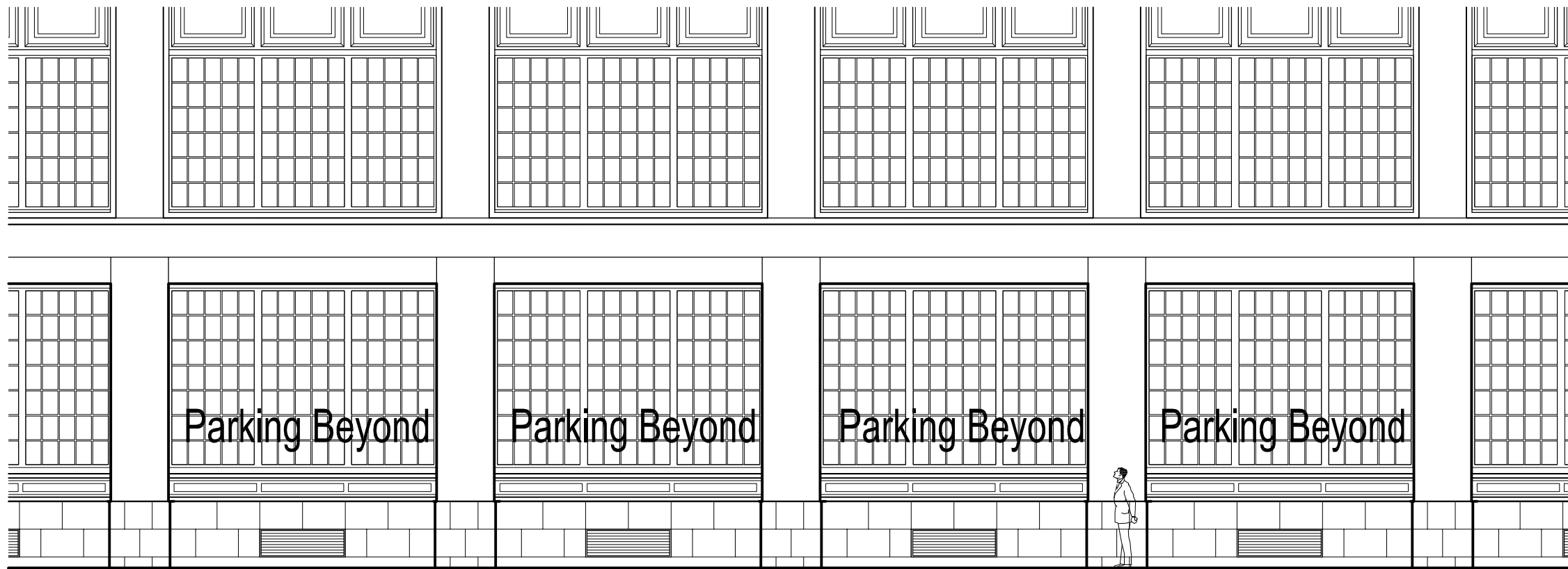
EAST ELEVATION - @ DECATUR ST
SCALE: 1/32" = 1'-0"

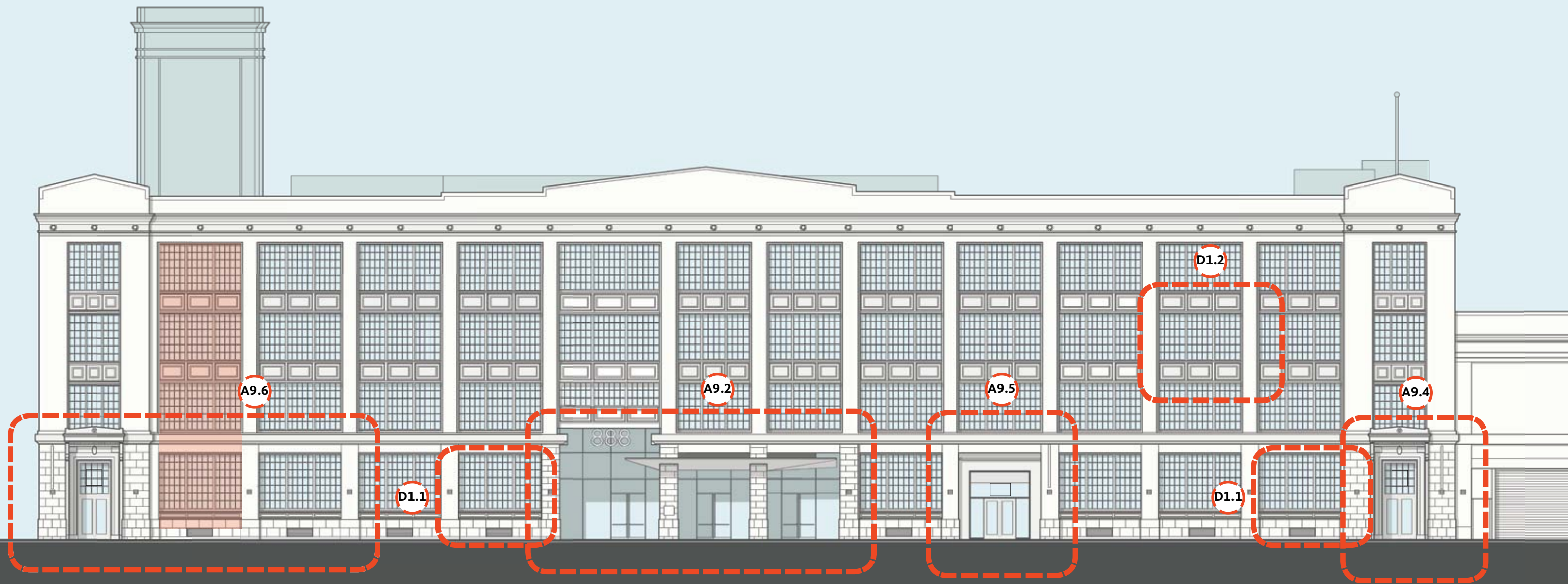
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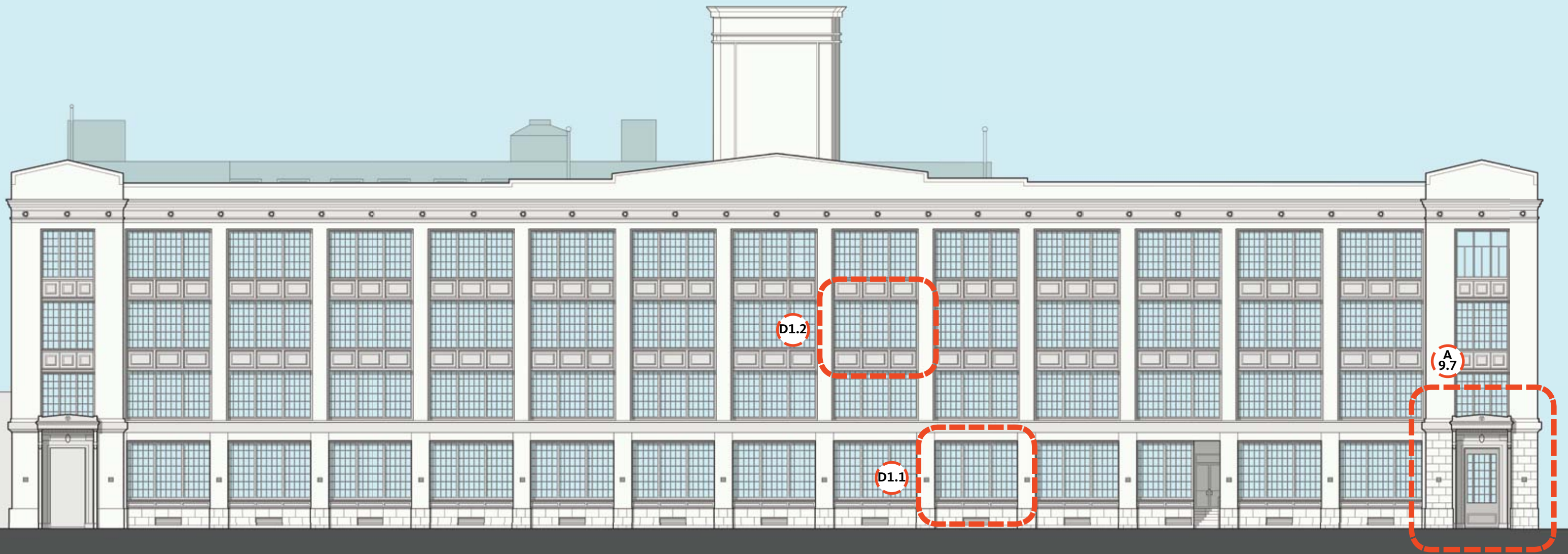


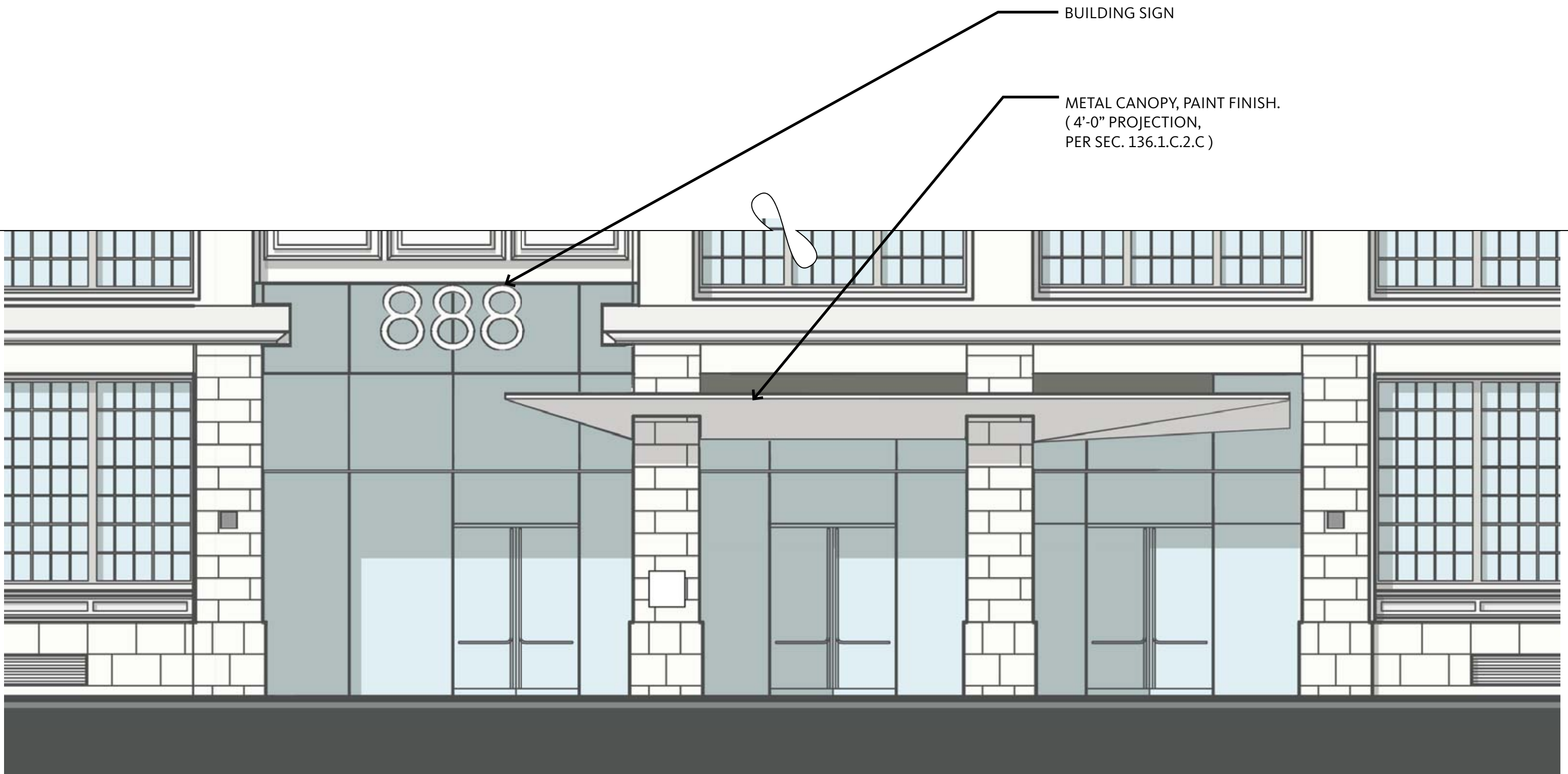
NORTH ELEVATION - BRYANT STREET
SCALE: 1/32" = 1'-0"

1











PERSPECTIVE FROM ACROSS BRANNAN ST.



SIDEWALK PERSPECTIVE

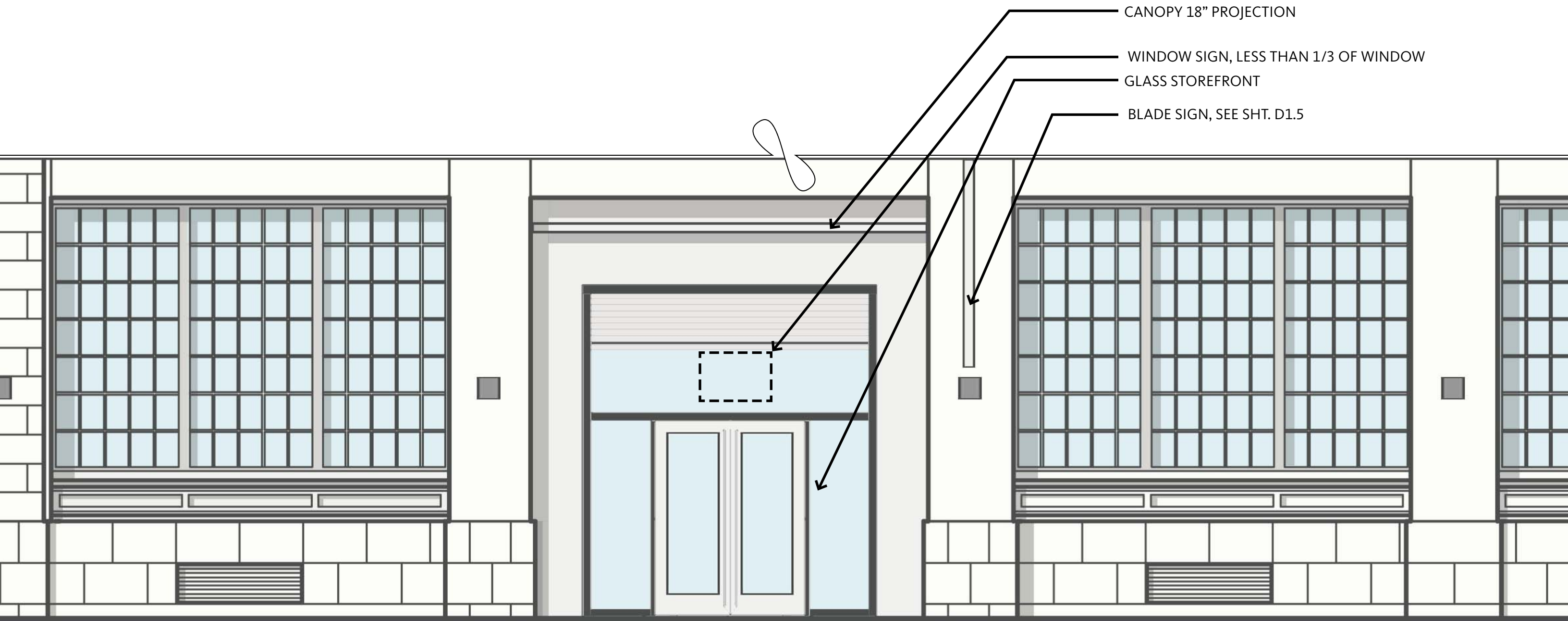


WINDOW SIGN, LESS THAN 1/3 OF WINDOW

DARK NICKEL FRAMED DOOR WITH DIVIDED TRANSOM LITE ABOVE

BLADE SIGN, SEE SHT. D1.5

ROLL UP DOOR AT NEW LOADING DOCK

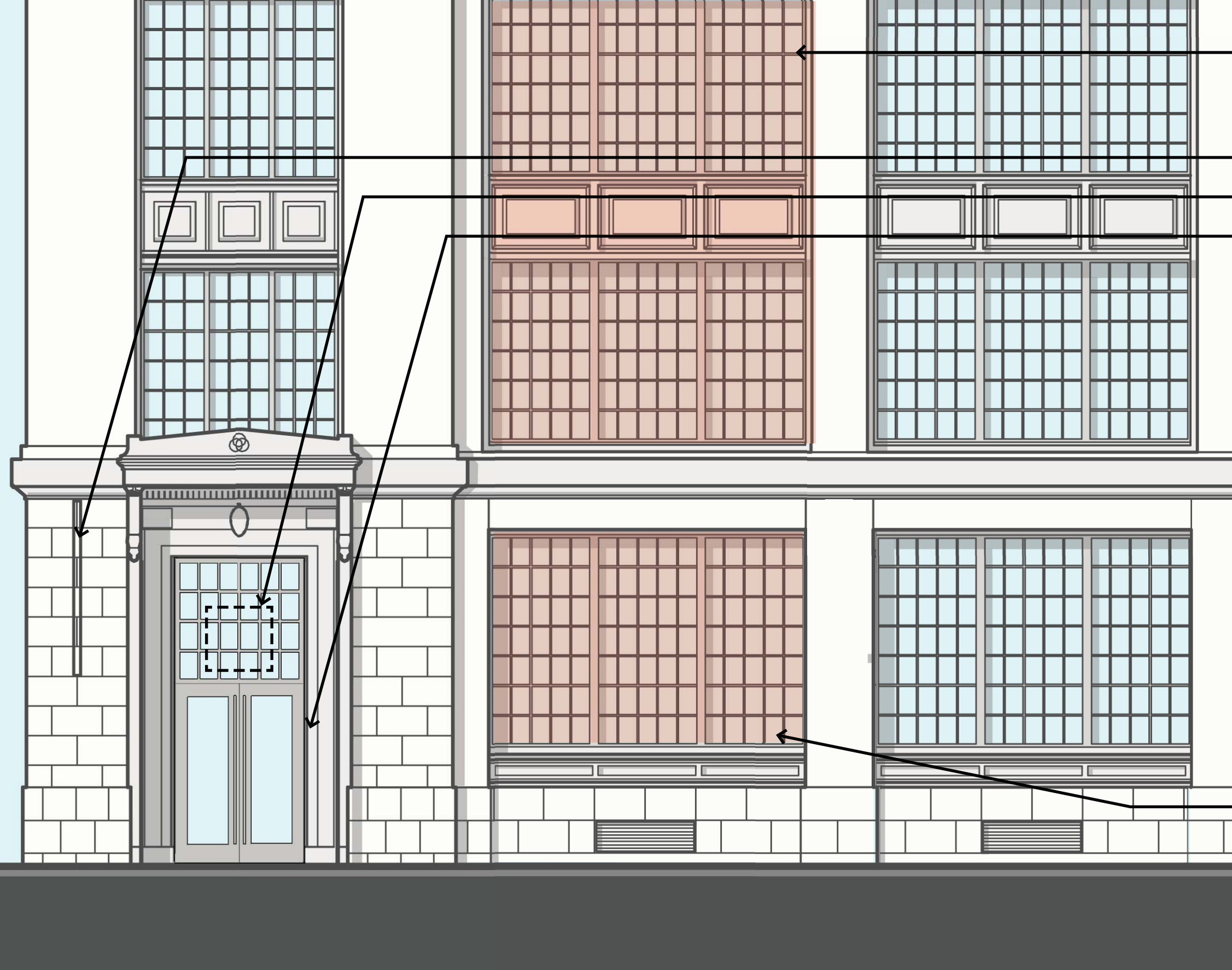


CANOPY 18" PROJECTION

WINDOW SIGN, LESS THAN 1/3 OF WINDOW

GLASS STOREFRONT

BLADE SIGN, SEE SHT. D1.5



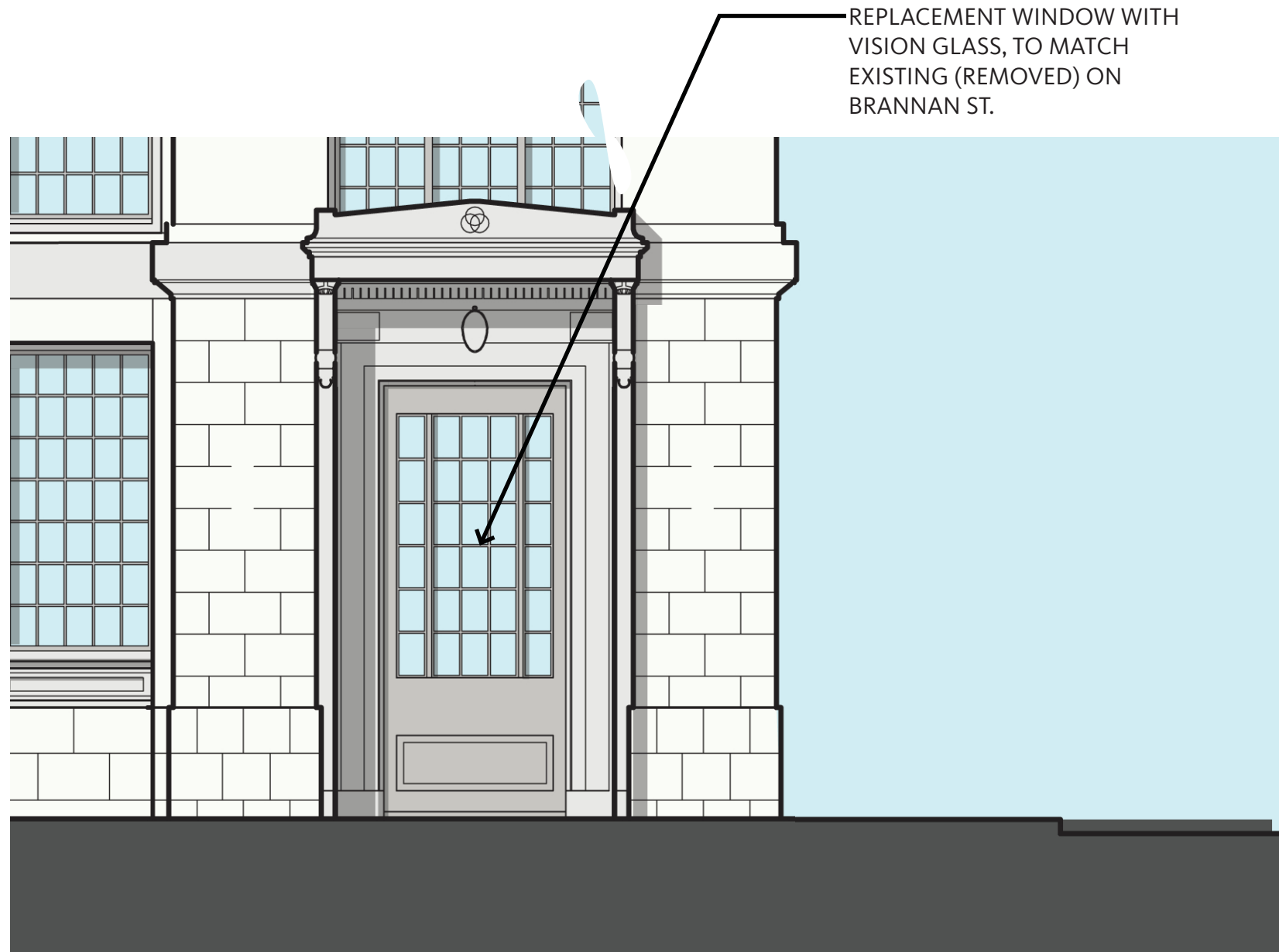
NEW ALUMINUM W/
CORRUGATED GLASS

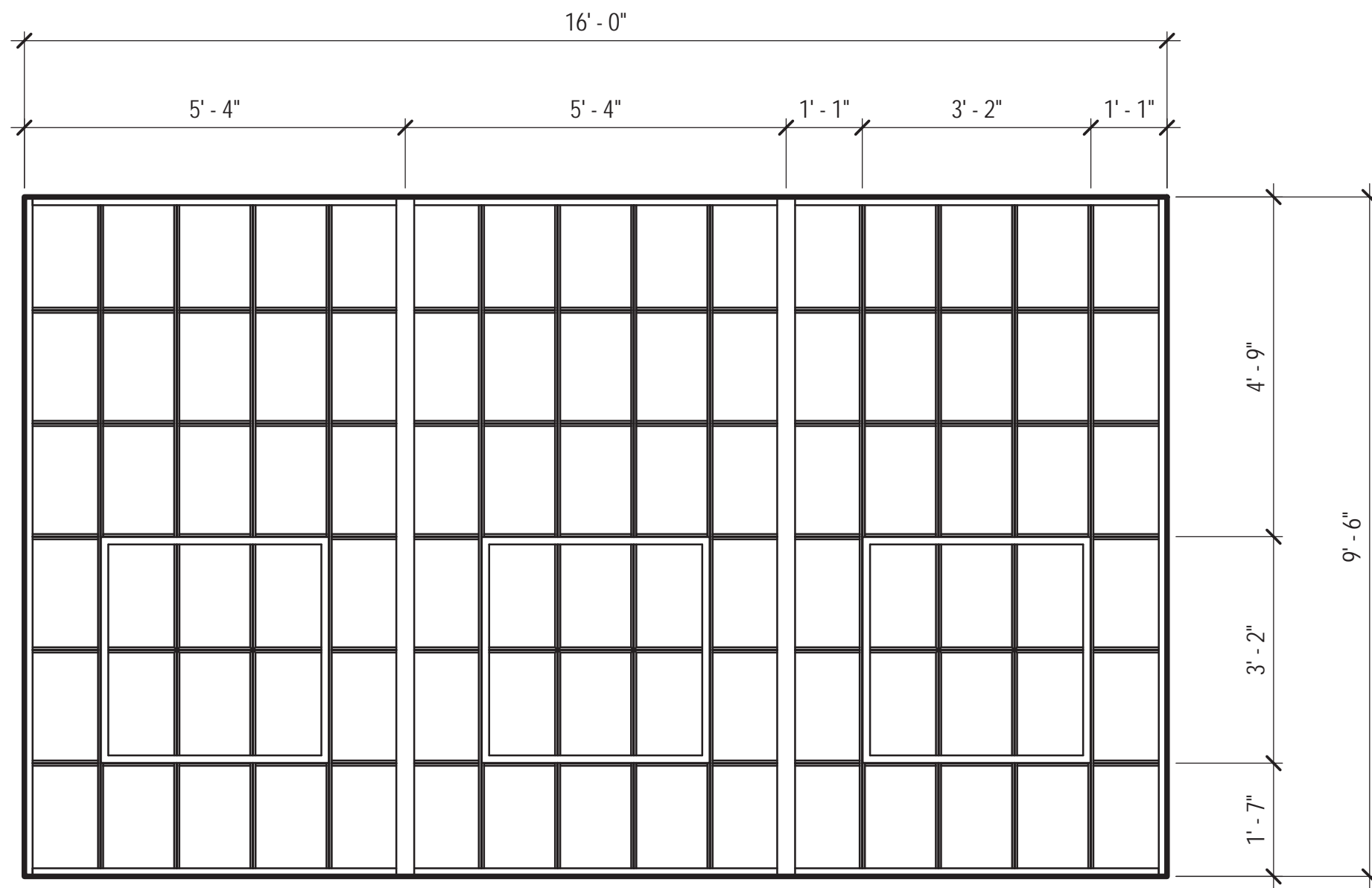
BLADE SIGN, SEE SHT. D1.5

WINDOW SIGN, LESS THAN 1/3
OF WINDOW

DARK NICKEL FRAMED DOOR
WITH DIVIDED TRANSOM LITE
ABOVE

RENOVATED W/
CORRUGATED GLASS





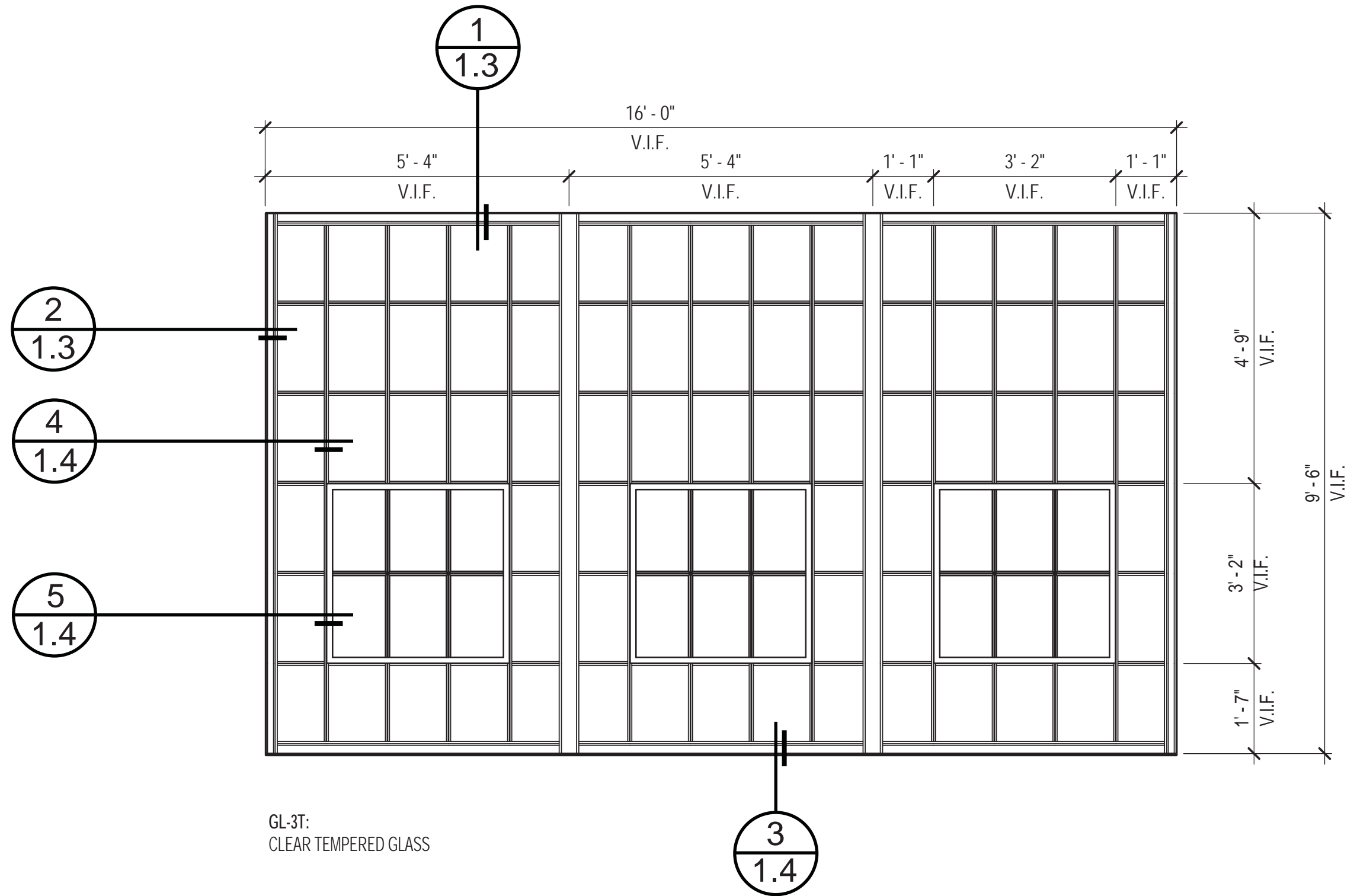
GL-3T:
CLEAR TEMPERED GLASS

RESTORED WINDOW - TYPICAL - ELEVATION

SCALE: 1/2" = 1'-0"

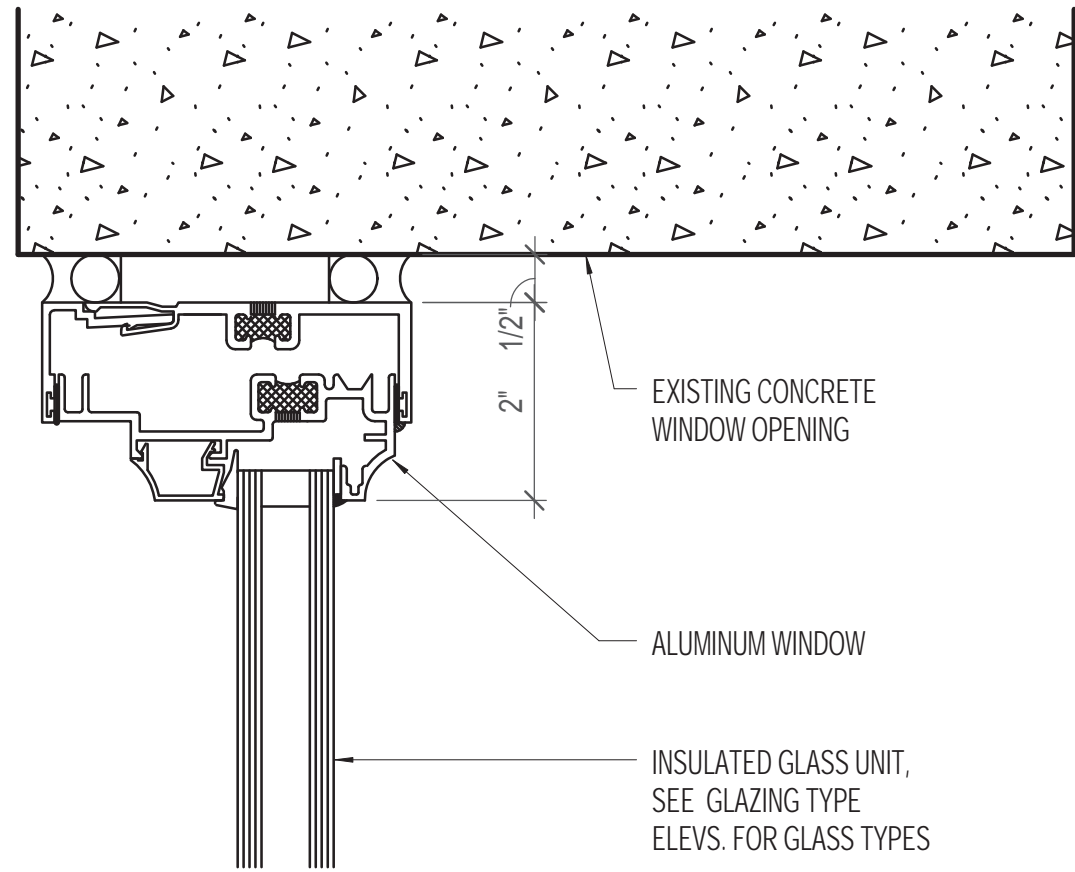


TYPICAL EXISTING WINDOW



ALUMINUM REPLACEMENT WINDOW - TYPICAL - ELEVATION

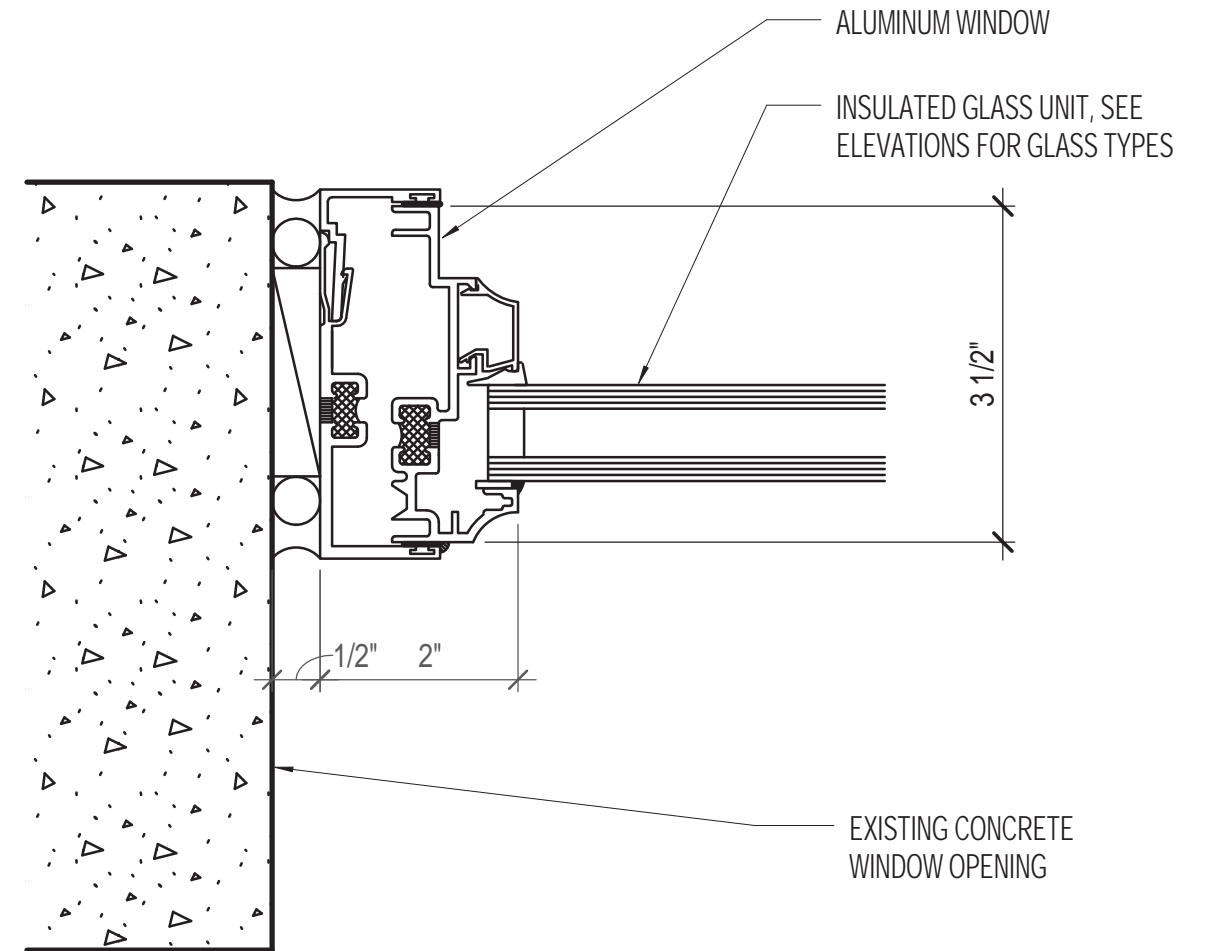
SCALE: 1/2" = 1'-0"



TYPICAL WINDOW HEAD

SCALE: 6" = 1'-0"

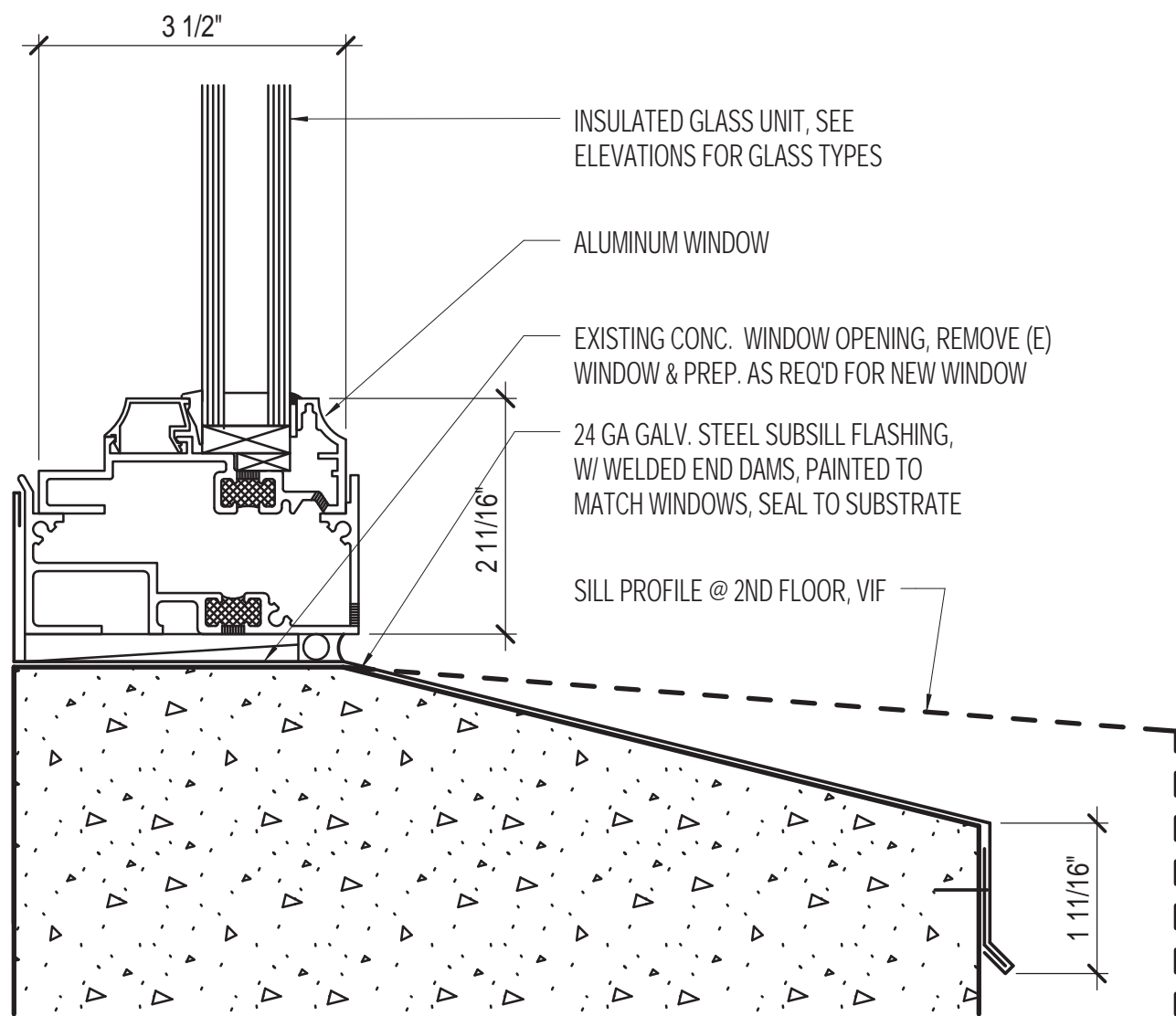
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TYPICAL WINDOW JAMB

SCALE: 6" = 1'-0"

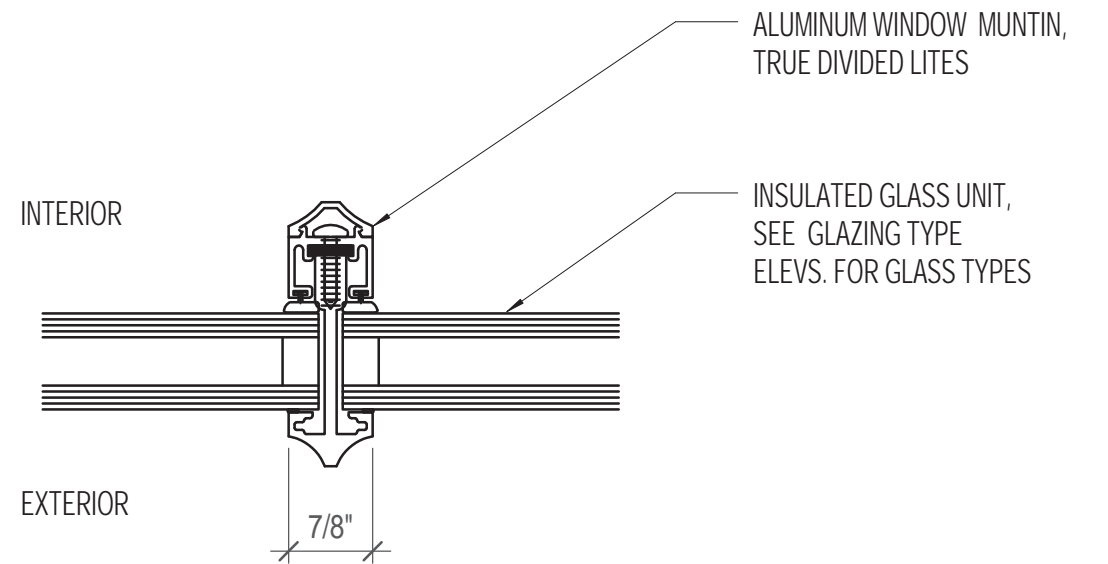
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TYPICAL WINDOW SILL

SCALE: 6" = 1'-0"

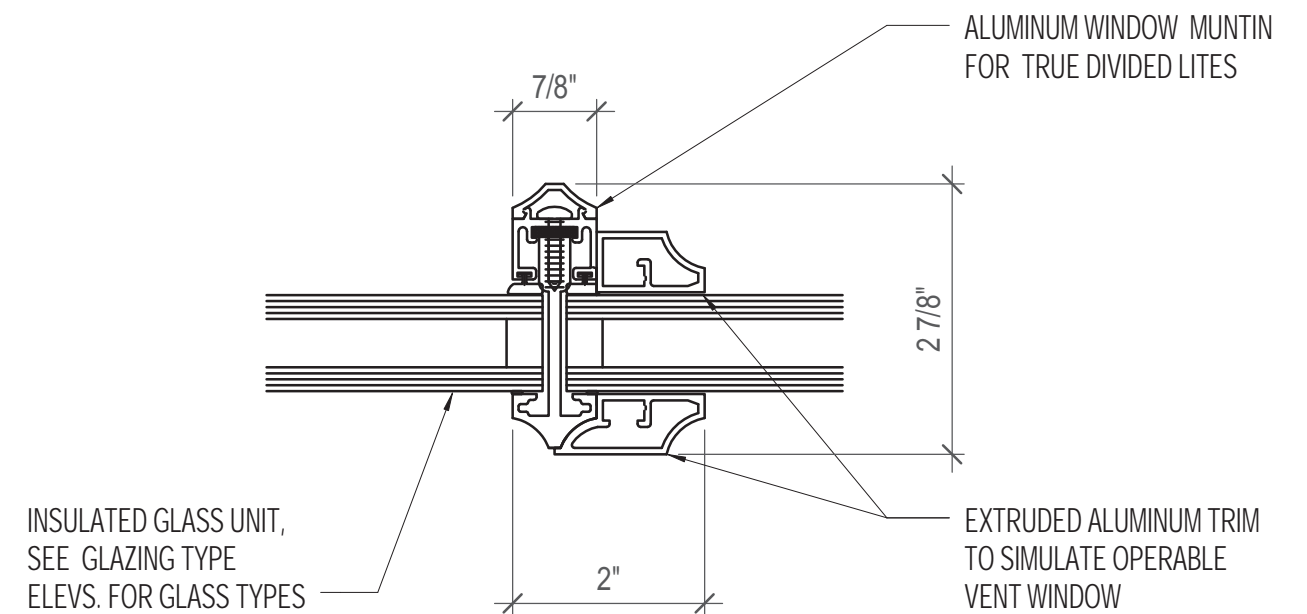
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TYPICAL WINDOW MUNTIN

SCALE: 6" = 1'-0"

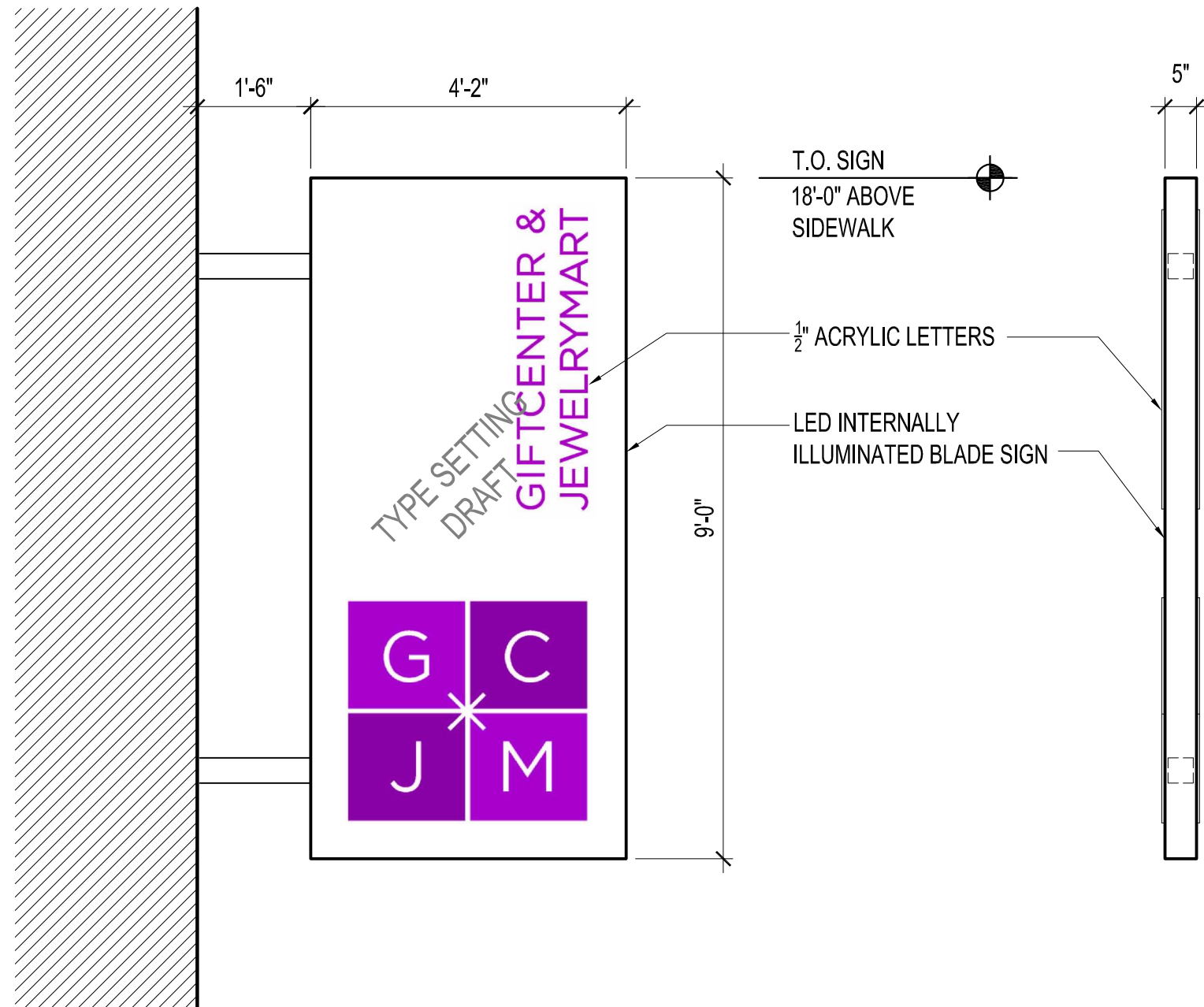
4



MUNTIN @ SIMULATED OPERABLE VENT

SCALE: 6" = 1'-0"

5



SIDE ELEVATION - BLADE SIGN **2**
SCALE: 1/2" = 1'-0"

FRONT ELEVATION - BLADE SIGN **1**
SCALE: 1/2" = 1'-0"