



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Office Development Authorization

HEARING DATE: APRIL 12, 2012

Date: April 5, 2012
Case No.: 2012.0128B
Project Address: 375 ALABAMA STREET
Zoning: PDR-1-G (Production, Distribution, and Repair - General)
68-X Height and Bulk District
Block/Lot: 3966/002
Project Sponsor: Alabama Street Partners, LP
c/o Brad Koch
180 Sansome Street, Suite 1200
San Francisco, CA 94104
Staff Contact: Corey Teague – (415) 575-9081
corey.teague@sfgov.org
Recommendation: **Approval with Conditions**

1650 Mission St.
Suite 400
San Francisco,
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Reception:
415.558.6378

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415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

The proposal is to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building. No alterations are proposed for the exterior of the building. The proposed office space has existed on the site for more than five years, and is requesting to be approved as a legal nonconforming use.

SITE DESCRIPTION AND PRESENT USE

The project site is located on the east side of Alabama Street between 16th and 17th Streets on the block surrounded by Alabama, 16th, Florida, and 17th Streets in San Francisco's Mission neighborhood, and is commonly known as 375 Alabama Street. The existing building of approximately 130,000 gross square feet includes multiple tenant spaces and a variety of business types. The ground floor is used for warehousing and parking, and the second floor contains other PDR uses. The third and fourth floors are primarily used as office space.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The Project site falls within the Mission 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.

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	March 23, 2012	March 21, 2012	22 days
Posted Notice	20 days	March 23, 2012	March 23, 2012	20 days
Mailed Notice	N/A	N/A	March 23, 2012	20 days

PUBLIC COMMENT

- To date, the Department received no public comment on this project.

ISSUES AND OTHER CONSIDERATIONS

- The Zoning Administrator determined the existing office space on the entire third floor and a portion of the fourth floor to be eligible for the legitimization process afforded under Planning Code Section 179.1. The legitimization process allows those portions of the existing building to be approved for office use now even though the office use is not otherwise permitted in the building.
- 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	\$96,378
Jobs-Housing Linkage	\$409,607
TOTAL	\$505,985

These fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application.

- The subject office space on the third and fourth floors currently employs approximately 105 workers.
- There is approximately 1.3 million square feet of Small Cap office space available under the Section 321 office allocation program at this time.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must authorize the allocation of office space for the proposed 48,189 gross square foot office project per Planning Code Sections 179.1, 321, and 322.

BASIS FOR RECOMMENDATION

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

- The proposed office space on the third and fourth floors was determined to be eligible for legitimization pursuant to Planning Code Section 179.1.
- The Project represents an allocation of less than four percent of the small cap office space currently available for allocation.
- Preserving this fully leased office space will help continue the positive economic impacts to the neighborhood created by the existing office employees.
- At current rates, the project will produce approximately \$505,985 in fees that will benefit the community and City.
- The Project is consistent with the Planning Code, Mission Area Plan, and General Plan.

RECOMMENDATION: Approval with Conditions
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Attachments:

Parcel Map
Sanborn Map
Aerial Photographs
Site Photos
Zoning Map
Draft Motion

Project Sponsor Submittal, including:

- Letter to Planning Commission
- Reduced Plans

CT: G:\Documents\Bl\2012\375 Alabama St\Executive Summary.doc

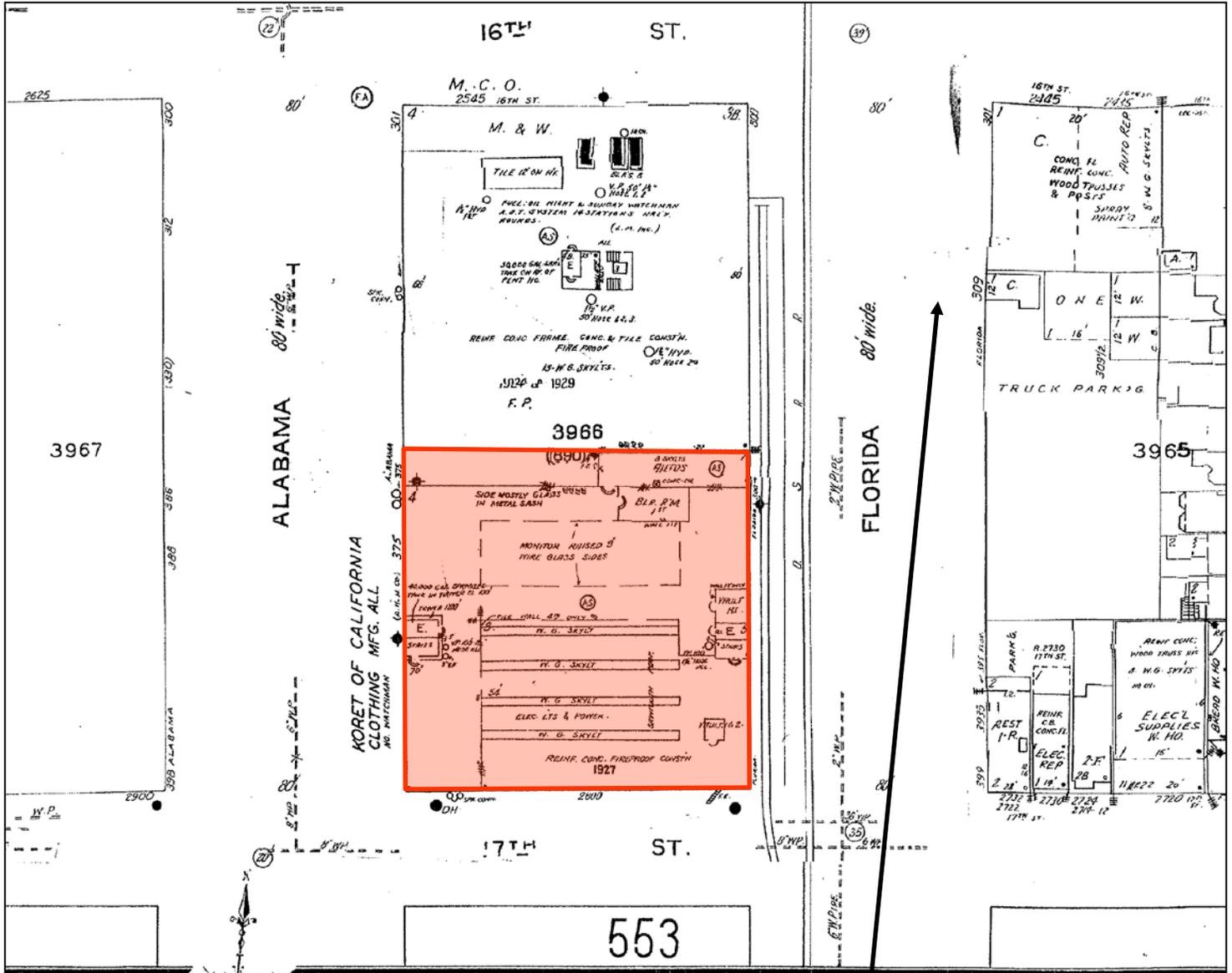
Parcel Map



SUBJECT PROPERTY



Sanborn Map*

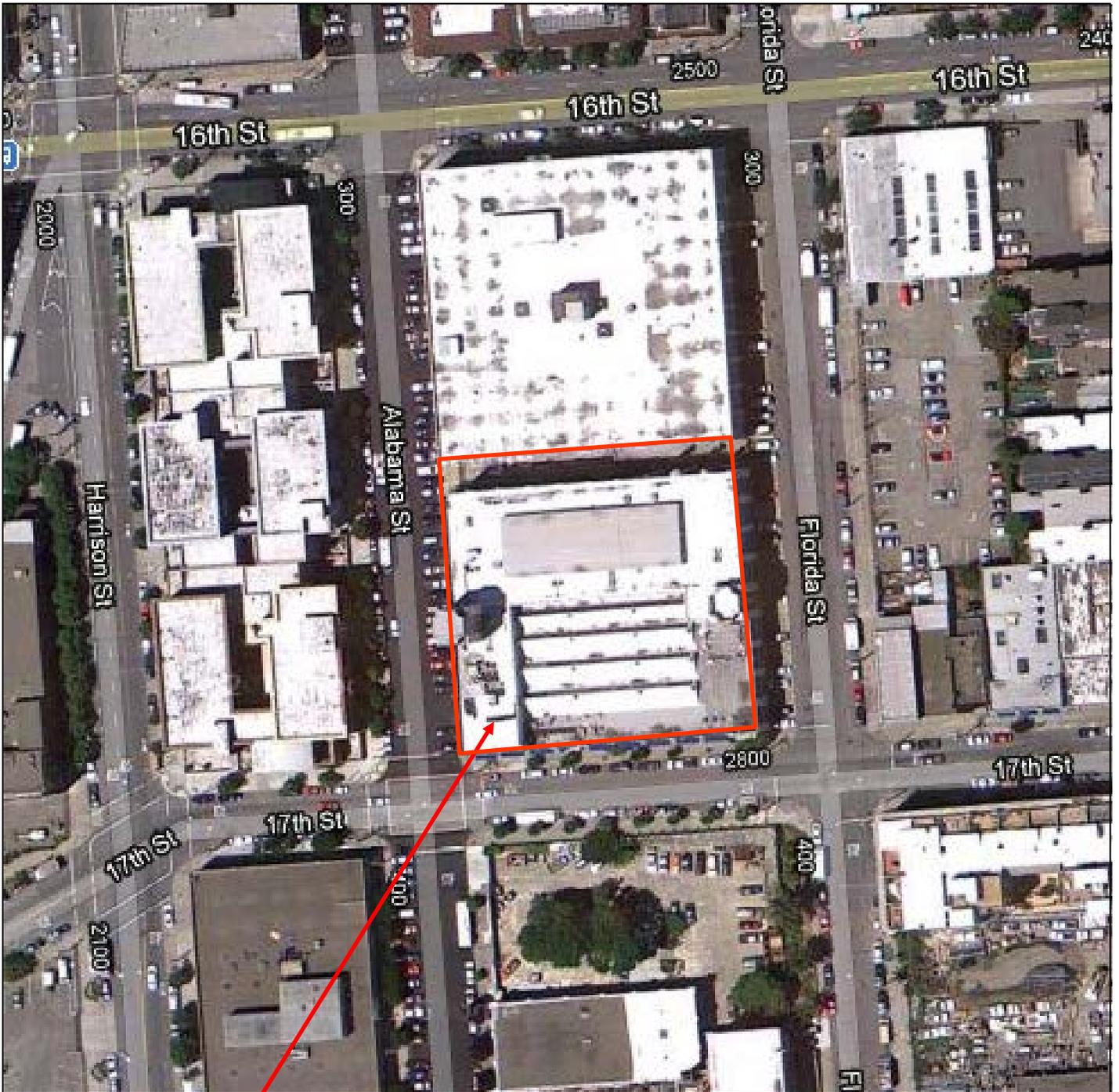


SUBJECT PROPERTY

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



Aerial Photo

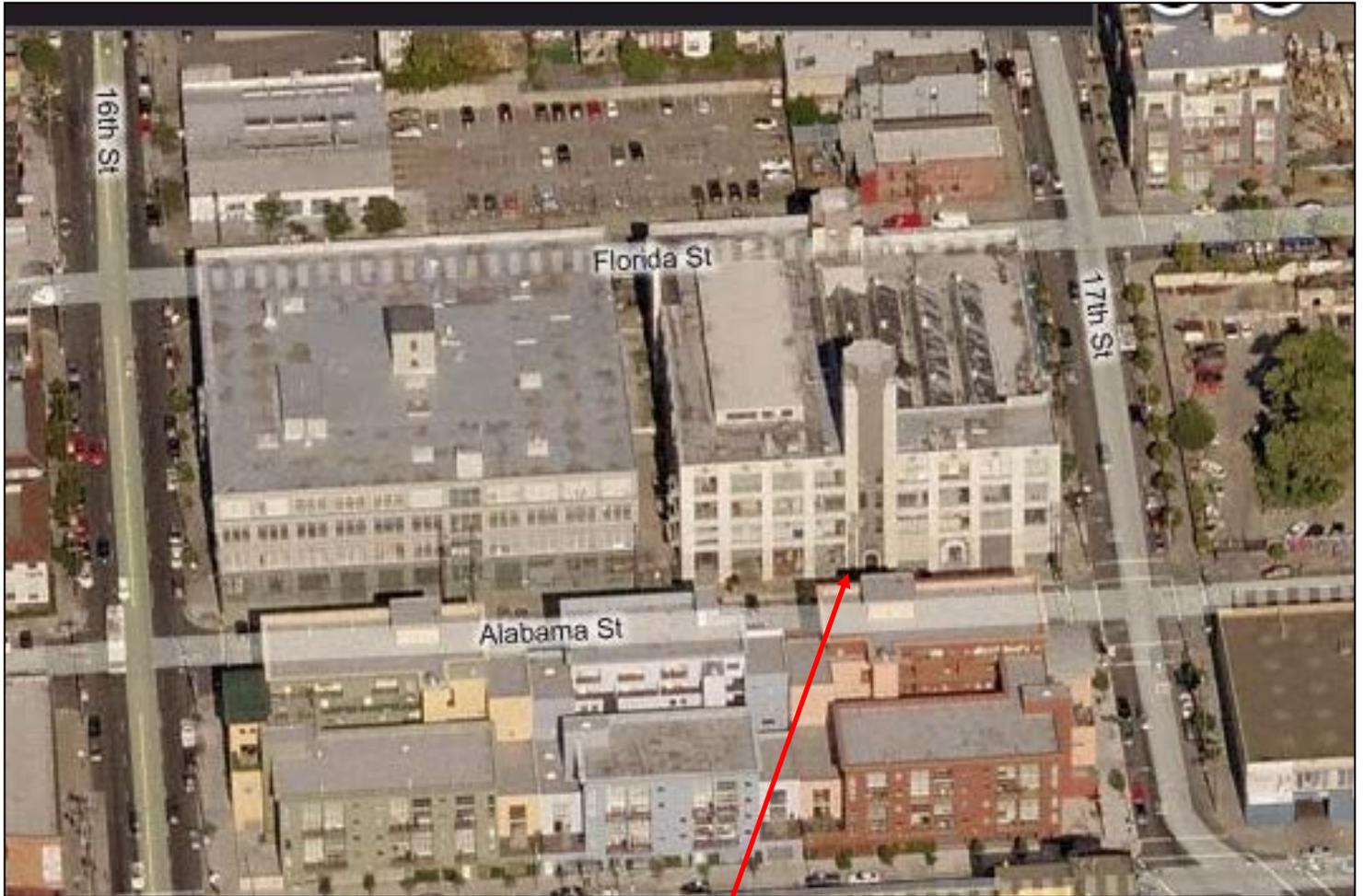


SUBJECT PROPERTY



Office Allocation Authorization
Case Number 2012.0128B
375 Alabama Street

Aerial Photo



SUBJECT PROPERTY

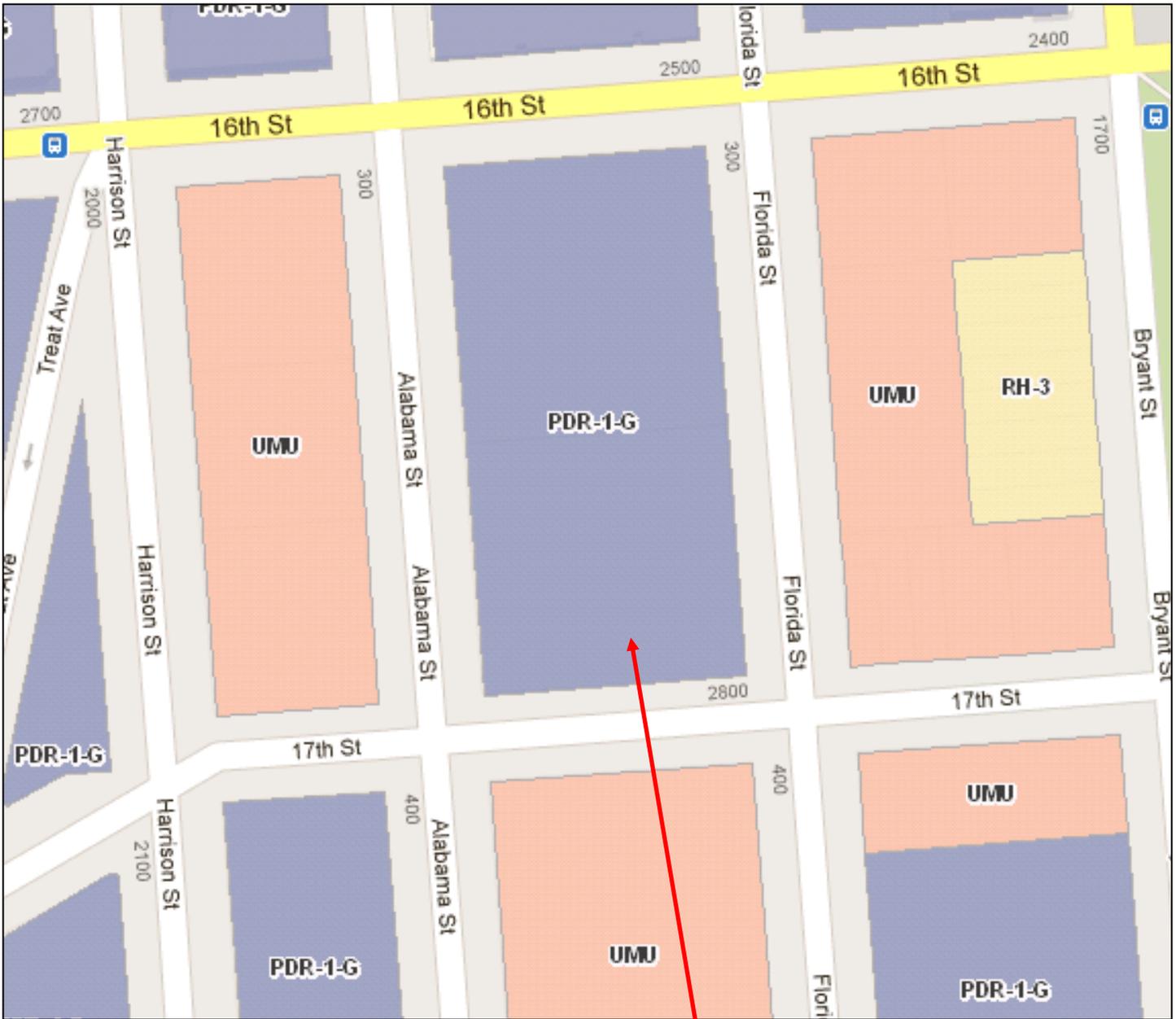


Site Photo



View From Intersection of Alabama and 17th Street

Zoning Map



SUBJECT PROPERTY



Office Allocation Authorization
Case Number 2012.0128B
375 Alabama Street



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 type="checkbox"/> Child Care Requirement (Sec. 314) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 139) | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Transit Impact Development Fee (Admin Code) | |

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Planning Commission Draft Motion

HEARING DATE: APRIL 12, 2012

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Case No.: **2012.0128B**
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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 375 ALABAMA STREET THAT WOULD AUTHORIZE THE CONVERSION OF 48,189 GROSS SQUARE FEET OF OFFICE USE ON THE ENTIRE THIRD FLOOR AND A PORTION OF THE FOURTH FLOOR OF THE EXISTING BUILDING PURSUANT TO PLANNING CODE SECTIONS 179.1, 321, AND 322 ON ASSESSOR'S BLOCK 3966, LOT 002, IN THE PDR-1-G (PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL) ZONING DISTRICT AND WITHIN THE 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On February 9, 2012, Gregg Miller, on behalf of Alabama Street Partners, LP (hereinafter "Project Sponsor") filed Application No. 2012.0128B (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

On April 12, 2012, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2012.0128B.

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 requested in Application No. 2012.0128B, 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 east side of Alabama Street between 16th and 17th Streets on the block surrounded by Alabama, 16th, Florida, and 17th Streets in San Francisco's Mission neighborhood, and is commonly known as 375 Alabama Street. The existing building of approximately 130,000 gross square feet includes multiple tenant spaces and a variety of business types. The ground floor is used for warehousing and parking, and the second floor contains other PDR uses. The third and fourth floors are primarily used as office space.
3. **Surrounding Properties and Neighborhood.** The Project site falls within the Mission 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.
4. **Project Description.** The proposal is to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building. No alterations are proposed for the exterior of the building. The proposed office space has existed on the site for more than five years, and is requesting to be approved as a legal nonconforming use.
5. **Public Comment.** The Department received no public comment on this project.
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. **Legitimization of Office Space.** Planning Code Section 179.1 established a time-limited program wherein existing uses in the Eastern Neighborhoods plan area that have operated without the benefit of required permits may seek those permits. Uses that could

be "legitimized" under this Section are those uses which, under the current provisions of this Code and without this Section, could not otherwise seek the required permits.

The Zoning Administrator issued a Letter of Legitimization on January 6, 2012 for this project stating that the project had met all the eligibility requirements of Section 179.1, and the entire third floor and requested portion of the fourth floor are eligible to be approved as office space pursuant to the Legitimization program.

- B. **Development Fees.** The Project is subject to the Transit Impact Development Fees per Planning Code Sections 179.1(g) and 411, the Jobs-Housing Linkage Fee per Planning Code Sections 179.1(g) and 413, and the Eastern Neighborhoods Community Impact Fee per Planning Code Section 423.

The Project Sponsor shall pay the appropriate Transit Impact Development and Jobs-Housing Linkage Fees pursuant to Planning Code Sections 179.1(g), 411, and 413, at the appropriate stage of the building permit application process.

- C. **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 subject portion of the existing building has been used as office space for more than more than five years. There is approximately 1.3 million gross square feet of available "Small Cap" office space in the City at this time. The subject property is located in an area rich in land use diversity, including PDR uses, retail, housing, and public open space. 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 8 below.

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

The proposed office space is within an existing building. The proposed reclassification of use includes no exterior additions to the existing building.

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 PDR-1-G Zoning District, which does not permit office use. However, the subject site is in an area rich in land use diversity, and three adjacent blocks are zoned UMU, which permits limited office use. Additionally, Section 179.1 permits office uses in the portion of the building where it is otherwise prohibited in the PDR-1-G Zoning District. The Zoning Administrator issued a Letter of Legitimization on January 6, 2012 for this project stating the project met all the eligibility requirements of Section 179.1, and thus the entire third floor and a portion of the fourth floor are eligible to be approved as office space.*
- b) Transit Accessibility. *The area is served by a variety of transit options. The Project site is approximately 0.4 miles from the 16th Street BART station, and approximately 500 feet from stops for the 22 and 33 MUNI bus routes. The 9, 9L, 12, and 27 MUNI bus routes are also within walking distance.*
- c) Open Space Accessibility. *The project is located in the northern portion of the Mission neighborhood, and only two blocks from Franklin Square.*
- d) Urban Design. *The proposed office space is in an existing structure. The building was constructed in 1925 and was identified in the Showplace Square Historic Survey as appearing to be eligible for the National or California Register as a historic resource. It has been minimally altered over the years and remains in good condition.*
- e) Seismic Safety. *The Project does not include any interior or exterior renovations.*

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 48,189 gross square feet of office space that is currently completely leased. The subject office space currently employs approximately 105 workers.*
- b) Needs of Existing Businesses. *The Project will supply office space in the Inner Mission/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. The existing office space currently employs nearly 105 workers. 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. Additionally, the subject office space is completely leased, and many of the businesses have occupied their units since 2008.

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

The building will not be owner-occupied. The owner currently leases the office spaces to multiple tenants.

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

The Project does not include any Transfer of Development Rights.

7. **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 building contains no neighborhood-serving retail uses, nor does the proposal include any retail. Additionally, all of the subject office spaces are leased and have operated as office space for more than five years.

- 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 building and will not remove or add any housing. The Project falls in the Inner Mission/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 and BART. It is also near to several streets that are part of the City's growing bicycle network (i.e. 17th Street and Harrison Street). The proposal includes no new off-street parking spaces. 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 project will provide quality office space that is suitable for a variety of office uses and sizes, which is already completely leased with tenants that have occupied their units since 2008. Legalizing this office space will help maintain the local resident employment and demand for neighborhood-serving businesses in the area.

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

The Project includes no interior or exterior renovations to the existing building.

- g) That Landmarks and Historic Buildings be Preserved.

The building was constructed in 1925 and was identified in the Showplace Square Historic Survey as appearing to be eligible for the National or California Register as a historic resource. Legalizing the subject office space will help keep the historic building viable and well-maintained.

- 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 help preserve a building that is an historic resource and has been used for a variety of uses over the years. This authorization of office space will allow the existing office tenants to continue to support the economic vibrancy of 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.

MISSION AREA PLAN

Objectives and Policies

OBJECTIVE 1.1:

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

OBJECTIVE 1.3:

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

Policy 1.3.1:

Continue existing, legal nonconforming rules, which permit pre-existing establishments to remain legally even if they no longer conform to new zoning provisions, as long as the use was legally established in the first place.

The Zoning Administrator determined that the subject office space was eligible for the Eastern Neighborhoods "Legitimization" Program, which was established specifically to address the Objective 1.3 above.

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. 2012.0128B** 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 April 2, 2012, on file in Case Docket No. 2012.0128B.

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. 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 April 12, 2012.

Linda D. Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: April 12, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for an office allocation to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building, located at Block 3966, Lot 002, pursuant to Planning Code Section(s) 179.1, 321, and 322 within the PDR-1-G Zoning District and a 68-X Height and Bulk District; in general conformance with plans, dated April 2, 2012, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0128B and subject to conditions of approval reviewed and approved by the Commission on April 12, 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 April 12, 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 Office Development 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 Office Development authorization.

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

PROVISIONS

Transit Impact Development Fee. Pursuant to Planning Code Sections 411 (formerly Chapter 38 of the Administrative Code) and 179.1(g), 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 Sections 413 (formerly 313) and 179.1(g), 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.sfplanning.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.sfplanning.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.sfplanning.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>

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.sfplanning.org



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gregg.miller@pillsburylaw.com

April 3, 2012

San Francisco Planning Commission
c/o Linda Avery, Commission Secretary
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 375 Alabama Street, Case No. 2012.0128B

Dear Commissioners:

We submit this letter brief to you on behalf of the project sponsor, Alabama Street Partners, LP, c/o Brad Koch, in support of the project sponsor's request for approval under Section 321 of the Planning Code (the "Code") for an allocation of office space of approximately 48,189 gross square feet, which represents one full floor and one partial floor of the building commonly known as 375 Alabama Street, San Francisco, California (the "Building").

Project Sponsor has sought and obtained a Letter of Legitimization from the Zoning Administrator under Section 179.1 of the Code in which the Zoning Administrator determined that the applicable portions of the Building were legitimate office space under Section 890.70 of the Code. The Building is currently permitted for PDR uses. In order to preserve the ability to lease the Building now and in the future to office users of any type as tenants come and go, Project Sponsor sought legitimization under Section 179.1 and paid the applicable City fees to do that.

Having obtained the Zoning Administrator's determination that the applicable portions of the Building qualify under Section 179.1, Project Sponsor must now obtain from the Commission an allocation of office square footage under Section 321 of the Code.

Following the approval of an allocation of office space under Section 321, the Project Sponsor will pay an office legitimization fee to the City of approximately \$506,000.00.

As of the date of this letter, there are approximately 1,355,969 gross square feet ("gsf") of office allocation space available for smaller buildings (those between 25,000 and 50,000 gsf). Of the 1,355,969 gsf of available space, there are 269,248 gsf that have been requested for pending projects, which leaves 1,086,721 gsf available for future small building allocations. Project Sponsor's request for 48,189 gsf of allocation

constitutes approximately 4.43% of the 1,086,721 gsf that is available and unrequested for allocation to small buildings.

I. Background, Project History and History of Legitimization Approvals.

A. Background Information about the Building.

The Building is located on Assessor's Block 3966, Lot 02 and was constructed in 1926. The Building contains approximately 131,063 square feet of gross floor area and is four stories (approximately 50') tall. The ground floor, which contains approximately 37,297 square feet, consists primarily of warehousing space with tenant parking. The second floor, which contains approximately 37,323 square feet, consists primarily of PDR uses. The Project Sponsor is not seeking to legitimize any portions of the ground floor or the second floor.

The third floor, which contains approximately 35,653 square feet, is leased primarily to three companies, (1) Dynalectric Company, which is a mechanical and electrical construction and facilities services firm, whose services include planning, consulting, operations, and maintenance, (2) ProjectJ Corporation, which operates a shopping website, and (3) Wibidata, a software company focusing on data storage.¹ The balance of the space on the third floor consists of small spaces leased to the following companies, each of which is engaged in office uses: Katz (offices of an electrical contractor), HouseWorks (a construction management and administration firm), Heist (an audio/visual production firm), Dunkirk & Associates (office operations for a furniture firm), and Daylight Design (an industrial engineering and product development firm). Past occupants of the third floor include Atlassian, America Online (AOL f/k/a Spinner Networks), and City College of San Francisco, all of which were office users. The Project Sponsor is seeking to legitimize the entire third floor.

The fourth floor, which contains approximately 20,790 square feet of gross floor area, is leased to a variety of tenants. However, the Project Sponsor is seeking to legitimize only a portion of the fourth floor consisting of 12,536 square feet of gross floor area. This portion of the fourth floor is currently leased to three tenants: (1) Bridge Design, a hardware and software design company, (2) Kennerly Architects, an architecture firm, and (3) Metaio, a software company.² Recent previous occupants of the fourth floor include Sonic.Net, Atlassian, Paradesa Media, NG Topo, and DeMeza Architecture and Interiors, all of which were office users.

¹ At the time the 179.1 determination was issued, a software company called Atlassian leased the space that ProjectJ Corporation and Wibidata now occupy.

² At the time the 179.1 determination was issued, an architectural/interior design firm called DeMeza leased the space that Metaio now occupies.

Project Sponsor desires to continue using the Building for uses that the Planning Department now considers office uses and will pay the substantial fee that the City requires as part of the legitimization process.

B. Zoning and Use History.

i. Zoning and Use Prior to Adoption of the Eastern Neighborhoods Plan.

Prior to the Eastern Neighborhoods re-zoning, the Property was located in the former M-1 zoning district in which office and light industrial uses were principally permitted.

ii. Zoning and Use under the Eastern Neighborhoods Plan.

Under the Eastern Neighborhoods plan, the Property has been re-zoned as PDR-1-G. Under the PDR-1-G zoning, PDR use is principally permitted while office use is prohibited. Nevertheless, under Section 179.1 of the Code, a property owner is allowed to legitimize existing office uses in the PDR-1-G if certain conditions are met. Project Sponsor sought and obtained a Letter of Legitimization from the Zoning Administrator in which the Zoning Administrator determined that the applicable portions of the Building were legitimate office space under Section 890.70 of the Code.

C. Legitimization Approvals to Date.

On August 23, 2011, Project Sponsor submitted to the Planning Department its application and request for office use legitimization under Section 179.1 of the Code. The Planning Department gave notice of the application as required under the Code.

The Planning Department did not receive any comments to the draft letter of legitimization. On January 6, 2012, the Zoning Administrator issued his final Letter of Legitimization in which he determined that the applicable portions of the Building were legitimate office space. The period in which to appeal the Letter of Legitimization expired without any appeals being filed.

II. The Planning Commission's Approval of Project Sponsor's 321 Application is Necessary Under Section 179.1(f) of the Code in order to allow Project Sponsor to Legally Convert the Applicable Portions of the Building to Office Space.

Having obtained the Zoning Administrator's determination that the applicable portions of the Building are legitimate office space, Project Sponsor must now obtain approval

from the Planning Commission for an allocation of Office Space pursuant to Section 321 of the Code. Section 179.1(f)(1) of the Code provides that, upon the Zoning Administrator determining that a project contains legitimate office space, the project sponsor may then seek authorization under Section 321(b)(4) for allocation of office space of less than 50,000 square feet. As such, although the Zoning Administrator has determined that the applicable portion of the Building is legitimate office space, the space cannot be converted to office space until the Commission approves an allocation of 48,189 gsf under the office space reserve for smaller buildings and the Project Sponsor pays the applicable office legitimization fee. For the reasons set forth in Sections III and IV below, Project Sponsor believes that the Commission should grant an allocation of 48,189 gsf of office space to the Building.

III. Approval of Project Sponsor's 321 Application is Consistent with Several Key Mission Area Plan Policies and Objectives.

As part of the Eastern Neighborhoods re-zoning, several Area Plans were created. Among those plans is one for the Mission. The Mission Area Plan sets forth several policies and objectives. Approval of Project Sponsor's 321 application is consistent with several of the key policies and objectives of the Mission Area Plan, as follows:

Objective 1.1: Strengthen the Mission's Existing Mixed Use Character, While Maintaining the Neighborhood as a Place to Live and Work.

The neighborhood in which the Building is located consists of a variety of uses, including retail, residential, light industrial, office, and creative arts uses. By approving an allocation of office space for the Building, the Commission would be affirming the mixed use nature of the neighborhood and providing space for jobs that is close to residences.

Objective 1.3: Institute Flexible "Legal Non-Conforming Use" Provisions to Ensure a Continued Mix of Uses in the Mission.

Policy 1.3.3: Recognize desirable existing uses in the former industrial areas which would no longer be permitted by the new zoning, and afford them appropriate opportunities to establish a continuing legal presence.

The inclusion of the office legitimization provision at Section 179.1 of the Code in the Eastern Neighborhoods legislation reflects Objective 1.3 and Policy 1.3.3. Section 179.1 provides property owners with an opportunity to establish the legality of an office use in parts of the Mission where the new zoning resulted in an outright ban or severe limitation on the right to have an office use. As such, approving Project Sponsor's request for an office allocation under Section 321 and pursuant to Section 179.1(f)(1) is

entirely consistent with the City's stated goals of allowing a desirable existing use to clearly establish its legal right to remain at the Building.

Objective 1.4: *Support a Role for "Knowledge Sector" Businesses in Appropriate Portions of the Mission.*

Policy 1.4.2: *Allow Knowledge Sector office-type uses in portions of the Mission where it is appropriate.*

By granting the requested office allocation under Section 321, the Commission will be showing its support for office-type uses in the Mission consistent with Objective 1.4 and Policy 1.4.2. The Building's location at 17th and Alabama is an appropriate location for a knowledge-sector, office-type use. There are nine MUNI lines and a BART station (16th Street) within 1/2 mile of the Building (including four MUNI lines within one block of the Building) and a SamTrans stop within 1/3 mile of the Building.

Objective 1.5: *Minimize the Impact of Noise on Affected Areas and Ensure General Plan Noise Requirements are Met.*

Policy 1.5.2: *Reduce potential land use conflicts by carefully considering the location and design of both noise generating uses and sensitive uses in the Mission.*

Allowing an office use to exist at the Building is consistent with Objective 1.5 and Policy 1.5.2. An office use is far more harmonious with key projects in the area than, for example, a very active and intensive PDR use that might involve frequent deliveries by large trucks or lots of noise emanating from the site in connection with a PDR user's operations.

Objective 6.1: *Support the Economic Well Being of a Variety of Businesses in the Eastern Neighborhoods.*

By approving the Section 321 office space allocation, the Commission will be showing its support for knowledge sector businesses in the Mission consistent with Objective 6.1. As the Mission Area Plan states at Objective 6.1 "the Knowledge Sector provides the majority of San Francisco's high-wage jobs and can provide above-average paying jobs for workers without a four-year degree". Therefore, it is important the Commission approve the office space allocation in order to foster knowledge sector jobs in the Mission consistent with Objective 6.1 and provide an alternative location of office users that is less expensive than traditional downtown office space.

IV. Approval of Project Sponsor's 321 Application is Consistent with the Seven Criteria under Section 321(b)(3)

Section 321(b)(1) of the Code states that the Commission may only approve those office developments which promote the public welfare, convenience and necessity. In determining which office developments best promote the public welfare, convenience and necessity, Section 321(b)(3) of the Code compels the Commission to consider seven criteria. Below are the criteria and the reasons the proposed request for a small building office allocation satisfies those criteria:

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.*

There are currently 1,355,969 square feet available for authorization under the small office allocation. Approval of the requested allocation would reduce the amount available for authorization by 48,189 square feet, leaving over 1.3 million square feet available. As of the hearing date, there are six other small office projects with pending applications.³ Even if those other six projects were approved in addition to Project Sponsor's project, there would still be over one million square feet available. On October 17 of every year, an additional 75,000 square feet is added to the available pool.

Approval of the allocation would provide 48,189 square feet of office supply to the existing supply in the Northeast Mission. There are nine MUNI lines within 1/2 mile of the Building, including four MUNI lines within one block of the Building. The 16th Street BART station is 1/2 mile away. A SamTrans bus stop is 1/3 mile away.

In addition, approval of the allocation will not result in the displacement of any existing businesses or housing. The Building for which the allocation is sought already exists.

Approval of the allocation will allow existing knowledge sector businesses to remain and new businesses to enter the Building in the future, thereby preserving existing economic activity in the area and encouraging its continued existence into the future. Approval of the allocation will also help to maintain the mixed use balance in the Northeast Mission of PDR, residential, office, and retail uses.

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

³ According to the Planning Department, the amount of small building square footage available for allocation has increased every year since 2002.

Approval of the requested office allocation promotes the objectives and policies of the General Plan, including the following policies and objectives.

Commerce and Industry Element

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.*

The project will provide legalized office space in the Northeast Mission that will allow existing uses to remain and new businesses to enter the area. These businesses will provide new employment opportunities and will contribute to the economic vitality of the area. The Building has already been constructed and the portions of the building for which the Project Sponsor is requesting an office space allocation are currently used as office space. Therefore, approval of the project will not result in any significant negative changes to the neighborhood. Finally, approval of the project will result in a net benefit to the City in the form of a payment of an impact fee.

OBJECTIVE 2: MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1: *Seek to retain existing commercial and industrial activity and to attract new such activity to the city.*

Existing office-type uses at the Building will be allowed to continue if the Commission approves the office allocation. Project Sponsor and existing and future tenants will be given certainty about their ability to use the Building, thereby helping to retain existing businesses in the Building and attract new businesses to the Building.

Policy 2.2: *Seek revenue measures which will spread the cost burden equitably to all users of city services.*

Approval of the project will result in payment to the City of an impact fee of approximately \$506,000.00.

OBJECTIVE 3: PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.4: *Assist newly emerging economic activities.*

Approval of the allocation will provide employment opportunities for City residents in a less traditional office setting. Many City residents without previous experience in office work may find such an office setting more comfortable than traditional office settings Downtown. In addition, the Building's proximity to the Mission and its residents will provide Mission residents with employment opportunities outside of the retail and industrial jobs so often associated with the Mission. Allowing a legalized office use at the Building will also provide space suitable for non-profits and companies in emerging industries such as green technology, because many non-profits and emerging companies cannot afford the higher rents that Downtown landlords typically charge.

OBJECTIVE 4: IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.1: *Maintain and enhance a favorable business climate in the City.*

Policy 4.2: *Promote and attract those economic activities with potential benefit to the City.*

Policy 4.3: *Carefully consider public actions that displace existing viable industrial firms.*

Policy 4.11: *Maintain an adequate supply of space appropriate to the needs of incubator industries.*

The Building already exists and no displacement of an existing industrial use will result from the approval of the allocation. Approval of the allocation of office space to the Building will allow an existing use to continue in the Building. Approval will also encourage start-up, knowledge sector uses to grow and thrive in the City by making available less expensive but nevertheless highly suitable office space.

Environmental Protection Element

OBJECTIVE 11: PROMOTE LAND USES THAT ARE COMPATIBLE WITH VARIOUS TRANSPORTATION NOISE LEVELS.

Approval of the allocation will allow an office use to continue at the Building. Such use will generate little noise and is entirely compatible with other projects located near the Building.

Transportation Element

OBJECTIVE 11: ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

There are nine MUNI lines and a BART station (16th Street) within 1/2 mile of the Building, including four MUNI lines within one block of the Building. There is a SamTrans line 1/3 mile away.

Urban Design Element

OBJECTIVE 1: EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3: *Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.*

The Building's design and scale is harmonious with the design of other existing buildings in the neighborhood.

OBJECTIVE 6: IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

Approval of the requested allocation will allow the Building to remain occupied and will improve the desirability of the Building in the future, thereby helping to ensure that the Building remains a vibrant addition to the neighborhood. Without the allocation, the future of the Building is quite uncertain, with prolonged periods of vacancy, leading to blight and an increased likelihood of vandalism and other crime in the neighborhood.

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

The Building has already been constructed and will not be altered as part of the allocation of office space. The existing design is compatible with the surrounding neighborhood and integrates well with existing buildings in the area and the patterns of development in the area.

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

The Building is located in the PDR-1-G zoning district. Office use is prohibited in buildings in the PDR-1-G zoning district. Because the Building has been used for office-type uses for many years prior to approval of the allocation, there will be no new adverse effects on the neighborhood by legalizing such use through the allocation of office space.

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.

The Building will provide high quality space at rental rates that are lower than traditional downtown office space. Start-up businesses and knowledge sector businesses that require more space than traditional office users will find the space highly desirable. The availability of such space that is well served by public transit and within close proximity to a wide variety of neighborhood amenities is limited.

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

The project is currently owned by a single entity and occupied by several businesses.

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

No TDR are required as part of the requested allocation of small building office space.

V. Approval of the Office Allocation will Result in a Significant Payment to the City in the form of a Development Impact Fee.

Pursuant to the Eastern Neighborhoods Legislation and pursuant to the Letter of Legitimization for the applicable portions of the Building, if the allocation is granted and the Project Sponsor obtains a building permit from the City for office use, then the Project Sponsor would be obligated to pay an impact fee of \$10.50 per gross square foot of office space. **Based on the requested allocation of 48,189 gross square feet, the fee would be \$505,984.50.**

San Francisco Planning Commission
April 3, 2012

VI. Conclusion.

For the reasons stated above, we respectfully request that the Commission approve Project Sponsor's Section 321 application and grant the requested allocation of 48,189 gross square feet of office space from the more than 1,300,000 square feet of space currently available for allocation from the small building office space pool.

Respectfully submitted,



J. Gregg Miller, Jr.

cc: Corey Teague

Attachments and Exhibits:

Exhibit A – Consistency with Eight Priority Policies of Section 101.1 of the Planning Code

Tab 1: January 6, 2012 Letter of Legitimization

Tab 2: Planning Department's Summary of Currently Available Annual Office Square Feet, dated February 21, 2012



EXHIBIT A

Approval of the Office Allocation is Consistent with the Eight Priority Policies of Section 101.1 of the Planning Code.

Section 101.1 of the Planning Code requires consistency with the eight priority policies listed therein. The project is consistent with the eight policies as follows:

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

There are no retail uses in the Building and none are proposed. Approval of the allocation will likely increase the chances that neighborhood serving retail uses will continue to exist because workers at the Building will be able to continue to patronize such services.

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

There is no housing at the Building and none is proposed. No housing would be lost as a result of approving the allocation. Allowing a knowledge sector use to continue at the Building will preserve the mixed use character of the neighborhood.

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

There is no affordable housing at the Building and none is proposed. No affordable housing will be lost as a result of approving the office space allocation.

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

The project is well served by public transit. There are nine MUNI lines within 1/2 mile of the Building (including four MUNI lines within one block of the Building) and the 16th Street BART station is 1/2 mile away. A SamTrans line is 1/3 mile away. The Building currently includes parking spaces for the tenants, as well as bicycle storage, thereby reducing the need for street parking and use of cars.

5. *That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.*

The project does not displace service or industrial uses. The Building already exists.

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

The Building was constructed in 1926 in full compliance with the then-effective structural and seismic requirements. The Building meets current code for office use.

7. That landmarks and historic buildings be preserved.

Approval of the office allocation will not result in the alteration or loss of any landmarks or historic buildings. The Building already exists. The project will not alter the Building.

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

Approval of the office allocation will not affect any of the neighborhood's parks or plazas. The Building does not cast a shadow on any parks or plazas. Approval of the allocation will not result in the loss of any open space, as the Building has already been constructed.



SAN FRANCISCO PLANNING DEPARTMENT

Letter of Legitimization

January 6, 2012

J. Gregg Miller, Jr.
Pillsbury Winthrop Shaw Pittman, LLP
50 Fremont Street
San Francisco, CA 94105

Site Address:	375 Alabama Street
Assessor's Block/Lot:	3966/002
Zoning District:	PDR-1-G
Staff Contact:	Corey Teague, (415) 575-9081 or corey.teague@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

Dear Mr. Miller:

This letter is in response to your request for a Letter of Legitimization per Planning Section 179.1 regarding the property at 375 Alabama Street. This parcel is located in the PDR-1-G Zoning District and a 68-X Height and Bulk District. The request is to legitimize the existing office use on the entire third floor and a portion of the fourth floor, totaling 48,189 gross square feet.

Procedural Background

The Department received the request for legitimation of office space at 375 Alabama Street on August 25, 2011. Staff reviewed the request and associated materials and the Zoning Administrator issued a 30-day public notice of the intent to issue the Letter of Legitimization on December 5, 2011. The public notice also included a draft letter for review, and was sent to 1) all owners of property within 300 feet of the subject property, 2) all current tenants of the subject property, and 3) all individuals and neighborhood associations that had requested to receive such notice. Additionally, notice was posted on the site during the notification period. The notification period expired on January 4, 2012.

Eligibility

The land use proposed for legitimation is deemed eligible if it meets the following criteria:

- i. The land use existed as of the date of the application;

Lease documentation indicates that office use existed in each of the relevant units as of August 23, 2011. Specific tenants and general leasing times are listed in a timeline table under Section iv below.

- ii. The land use would have been principally permitted or permitted with conditional use authorization under provisions of the Planning Code that were effective on April 17, 2008;

J. Gregg Miller, Jr.
Pillsbury Winthrop Shaw Pittman, LLP
50 Fremont Street
San Francisco, CA 94105

January 6, 2012
Land Use Legitimization Letter
375 Alabama Street

Prior to the Eastern Neighborhoods rezoning, the subject property was located in the M-1 Zoning District, which principally permitted office uses.

- iii. The land use would not be permitted under current provisions of the Planning Code;

The property containing the subject building is located in the PDR-1-G Zoning District, which prohibits office use except in designated landmark buildings.

- iv. The land use either has been (1) regularly operating for functioning on a continuous basis for no less than 2 years prior to the effective date of Planning Code Section 179.1, or (2) functioning in the space since at least April 17, 2008, and is associated with an organization, entity or enterprise which has been located in this space on a continuous basis for no less than 2 years prior to the effective date of Planning Code Section 179.1;

Lease documentation indicates the office use has been regularly operating for no less than 2 years prior to January 19, 2009. Specific tenants and general leasing times are listed in a timeline table below.

Tenant Information for Units Requesting Legitimization					
Unit	2011	2010	2009	2008	2007
300	Dyna. Co.	Dyna. Co.	Dyna. Co.	Dyna. Co.	SFCCD
325	ASS, Inc	ASS, Inc	ASS, Inc	ASS, Inc	SFCCD
350	ASS, Inc	ASS, Inc	ASS, Inc	ASS, Inc	SFCCD
355	LK Group	LK Group	LK Group	LK Group	SFCCD
356	LK Group	LK Group	LK Group	LK Group	SFCCD
360	HE, Inc	HE, Inc	HE, Inc	N/A	SFCCD
361	HE, Inc	HE, Inc	HE, Inc	N/A	SFCCD
365	Heist	Heist	Heist	Heist	SFCCD
366	D & Assoc.	D & Assoc.	D & Assoc.	D & Assoc.	SFCCD
370	Heist	Heist	Heist	Heist	SFCCD
371	Heist	Heist	Heist	Heist	SFCCD
380	DD, Inc.	DD, Inc.	DD, Inc.	DD, Inc.	SFCCD
400	DM Arch	DM Arch	DM Arch	ASS, Inc	ASS, Inc
410	BD, Inc				
440	Kenn. Arch				

J. Gregg Miller, Jr.
Pillsbury Winthrop Shaw Pittman, LLP
50 Fremont Street
San Francisco, CA 94105

January 6, 2012
Land Use Legitimization Letter
375 Alabama Street

- v. The land use is not accessory to any other use;

The subject office uses occupy a portion of the third floor and the entire fourth floor as principle uses.

- vi. The land use is not discontinued and abandoned pursuant to the provisions of Planning Code Section 183 that would otherwise apply to nonconforming uses.

Leasing documentation indicated that the relevant units have remained occupied during the required period. Units 360 and 361 are the only exceptions, as it took approximately two years for the owner to lease these units between 2007 and 2009.

Determination

It is my determination that the request for legitimization of the existing 48,189 gross square feet of office use on a portion of the third floor, and the entire fourth floor of the subject building as shown on the attached plans, meets all the required criteria of Planning Code Section 179.1. Therefore, the subject gross floor area is deemed legitimate office space as defined in Planning Code 870.90. A Notice of Special Restrictions shall be filed on the subject property documenting the specific building area legitimized as office space as listed in this letter and documented on the proposed plans, attached as Exhibit A, prior to the approval of a site or building permit establishing such office space. This determination is not a project approval, or in any way a substitute for a Building Permit Application for the change of use to office space.

Please note that before a Building Permit Application may be approved to legally convert the subject gross floor area to office, this project must (1) undergo an Annual Limit review for office space before the Planning Commission per Planning Code Section 321, and (2) pay the legitimization fee of \$10.50 per gross square foot.

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

Sincerely,



Scott F. Sanchez
Zoning Administrator

J. Gregg Miller, Jr.
Pillsbury Winthrop Shaw Pittman, LLP
50 Fremont Street
San Francisco, CA 94105

January 6, 2012
Land Use Legitimization Letter
375 Alabama Street

cc: Corey Teague, Planner
Alabama Street Partners, LP
Planning Commissioners
All Parties on the Notification Request List

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PENDING "SMALL" OFFICE PROJECTS

San Francisco Planning Department - Updated 2/21/2012
 Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

SMALL OFFICE PROJECTS: 2011-2012 Approval Period

Amount Currently Available	1,355,969
Subtotal Pending Projects	269,248
Pipeline Availability	1,086,721

Pending Projects

Case No.	Address	Sq. Ft.	Status	Staff	Comments
2005.0942	2300 Harrison Street	47,430	On hold per request from applicant - E (CatEX) issued (10/28/05)	Corey Teague	21,108 sq. ft. of the building's space has historically (prior to the requirements of Prop. M) been approved for and used as Office space. A 1999 Zoning Administrator decision allowed the subject property to increase by 24,584 sq. ft. (to a total of 45,692 sq. ft.) without being considered an office development as defined by Section 320. The current proposal seeks to add 22,846 sq. ft. of office space (for a total of 68,538 sq. ft.). The current proposal, combined with the 1999 office addition, exceeds 25,000 sq. ft. (47,430 sq. ft.); therefore, it is considered an office project.
2009.0065	3433 Third Street	49,229	B filed 1/27/09	Diego Sanchez	
2011.0468	208 Utah Street	48,731	B filed 5/5/11	Kimberly Durandot	
2007.0385	345 Brannan Street	49,999	B filed 9/08	Diego Sanchez	APN 3788/039
2009.0886	3615 Cesar Chavez	31,820	B filed 6/10/10	Liz Watly	CPMC - St. Luke's MOB
2011.1049	385 7th St.	42,039	B filed 9/8/11	unassigned	
Subtotal Pending Projects		269,248			

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 2/21/2012

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available: **1,355,969**

Approval Period ¹	Unallocated Sq. Ft. ²	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
1985-1986	0	75,000	75,000	No Projects	N/A	0	0	
1986-1987	75,000	75,000	150,000	1199 Bush	1985,244	46,645	46,645	
1987-1988	103,355	75,000	178,355	3235-18th Street	1988,349	45,350	45,350	aka 2180 Harrison Street
1988-1989	133,005	75,000	208,005	2601 Mariposa	1988,568	49,850	49,850	
1989-1990	158,155	75,000	233,155	No Projects	N/A	0	0	
1990-1991	233,155	75,000	308,155	No Projects	N/A	0	0	
1991-1992	308,155	75,000	383,155	1075 Front	1990,568	32,000	32,000	
1992-1993	351,155	75,000	426,155	No Projects	N/A	0	0	
1993-1994	426,155	75,000	501,155	No Projects	N/A	0	0	
1994-1995	501,155	75,000	576,155	No Projects	N/A	0	0	
1995-1996	576,155	75,000	651,155	No Projects	N/A	0	0	
1996-1997	651,155	75,000	726,155	No Projects	N/A	0	0	
1997-1998	726,155	75,000	801,155	No Projects	N/A	0	0	
1998-1999	801,155	75,000	876,155	1301 Sansome	1998,352	31,606	31,606	
1999-2000	876,155	75,000	951,155	438 Pacific	1998,369	32,500		
	844,549	75,000	919,549	2801 Leavenworth	200,459	40,000		
				215 Fremont	1998,497	47,950		
				845 Market	1998,090	49,100	169,550	
2000-2001	749,999	75,000	824,999	530 Folsom	2000,987	45,944		
				35 Starbird	2000,1162	48,000		
				2800 Leavenworth	2000,774	34,945		
				500 Pine	2000,539	44,450	173,339	See also 350 Bush Street - Large
2001-2002	651,660	75,000	726,660	No Projects	N/A	0	0	
2002-2003	726,660	75,000	801,660	501 Folsom	2002,0223	32,000	32,000	
2003-2004	769,660	75,000	844,660	No Projects	N/A	0	0	

ANNUAL LIMIT FOR "SMALL" SAN FRANCISCO OFFICE DEVELOPMENT

San Francisco Planning Department - Updated 2/21/2012

Contact: Daniel Sider at 415-558-6697 or dan.sider@sfgov.org

Amount Currently Available: **1,355,969**

Approval Period ¹	Unallocated Sq. Ft. ²	"Small" Office Annual Limit	Adjusted Annual Limit	Project Address	Case No.	Project Allocation	Total Allocated	Comments
2004-2005	844,660	75,000	919,660	185 Berry Street	2005.0106	49,000	49,000	
2005-2006	870,660	75,000	945,660	No Projects	N/A	0	0	
2006-2007	945,660	75,000	1,020,660	No Projects	N/A	0	0	
2007-2008	1,020,660	75,000	1,095,660	654 Minnesota	no case number	43,939	0	UCSF
2008-2009	1,095,660	75,000	1,170,660	No Projects	N/A	0	0	
2009-2010	1,170,660	75,000	1,245,660	660 Alabama Street	2009.0847	39,691	39,691	
2010-2011	1,205,969	75,000	1,280,969	No Projects	N/A	0	0	
2011-2012	1,280,969	75,000	1,355,969	No Projects	N/A	0	0	CURRENT PERIOD
Total						712,970	0	

¹ Each approval period begins on October 17
² Carried over from previous year

