

SAN FRANCISCO PLANNING DEPARTMENT

Executive SummaryOffice Development Authorization

HEARING DATE: SEPTEMBER 20, 2012

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

Reception:

415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

Date: September 13, 2012

Case No.: **2012.0371B**

Project Address: 100 POTRERO AVENUE

Zoning: PDR-1-G (Production Distribution Repair – General)

58-X Height and Bulk District

Block/Lot: 3920/001

Project Sponsor: David Silverman

1 Bush Street, Suite 600 San Francisco, CA 94104

Staff Contact: Diego R Sánchez – (415) 575-9082

diego.sanchez@sfgov.org

Recommendation: Approval with Conditions

PROJECT DESCRIPTION

The proposal is to establish 70,070 gross square feet of office use within an existing three-story building. The proposal is utilizing Planning Code Section 179.1, Legitimization of Uses Located in the Eastern Neighborhoods, as part of its request for an office allocation under Planning Code Sections 321 and 322, which govern the development and administrative procedures for office uses. No alterations are proposed to the exterior of the building.

SITE DESCRIPTION AND PRESENT USE

The project is located at the southwest corner of Alameda Street and Potrero Avenue, and is Lot 001 in Assessor's Block 3920. The lot is approximately 200 feet deep and 114 feet wide and is improved with a three story building constructed in 1910, according to Assessor's records. The entire building has been used by one tenant since 1981 and as an office (d.b.a Dolby Laboratories, Inc.) since the late 1990's.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located at the edge of the Mission and Showplace Square neighborhoods and is situated among other two- and three-story light industrial buildings. Immediately to the south of the site are two-story light industrial buildings. To the north are two- and three-story light industrial buildings and Highway 101. To the east of the site is one-story industrial building used in part for retail sales as well as other industrial activity such as warehousing. To the west is an open air parking lot for a retail moving company where the moving vans are stored. The uses in the area are predominately light industrial, although there are retail uses in the area as well. The surrounding properties are located within the P (Public Use), UMU (Urban Mixed Use), PDR-1-D (Production Distribution and Repair - Design) and PDR-1-G (Production Distribution and Repair - General) Zoning Districts.

Executive Summary Hearing Date: September 20, 2012

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	August 31, 2012	August 24, 2012	27 days
Posted Notice	20 days	August 31, 2012	August 30, 2012	20 days
Mailed Notice	N/A	N/A	August 24, 2012	27 days

PUBLIC COMMENT

To date, the Department has not received any public input regarding this proposal.

ISSUES AND OTHER CONSIDERATIONS

- The Zoning Administrator determined the existing office space to be eligible for the legitimization process afforded under Planning Code Section 179.1. The legitimization process allows the existing building to be approved for office use despite the controls under Planning Code Section 219 that now prohibit office uses.
- 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. The fees assessed on a square foot basis.

FEE TYPE	AMOUNT DUE
Transit Impact Development Fee	\$140,140.00
Jobs – Housing Linkage Fee	\$595,595.00
Child Care Requirement for Offices	\$74,274.20
TOTAL	\$810,009.20

There is currently 3.76 million square feet of Large Cap office space available under the Section 321 office allocation program.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must authorize the allocation of office space for the proposed 70,070 gross square foot office project per Planning Code Sections 179.1, 321, and 322.

CASE NO. 2012.0371B 100 Potrero Avenue

Executive Summary Hearing Date: September 20, 2012

BASIS FOR RECOMMENDATION

- The Zoning Administrator determined the proposed office space to be eligible for legitimization pursuant to Planning Code Section 179.1.
- The proposal represents an allocation of less than two percent of the large cap office space currently available for allocation.
- Authorizing the requested office allocation will allow the leased office space to continue its economic activities.
- The proposal will generate approximately \$810,009 in fees that will benefit the City of San Francisco.
- The Project is consistent with the Planning Code, the Mission Area Plan and the General Plan.

RECOMMENDATION:

Approval with Conditions

Attachments:

Block Book Map

Sanborn Map

Aerial Image

Zoning Map

Site Image

Zoning Administrator Letter of Legitimization

Project Sponsor Submittals

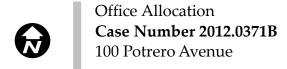
Executive Summary Hearing Date: September 20, 2012

Attachment Checklist

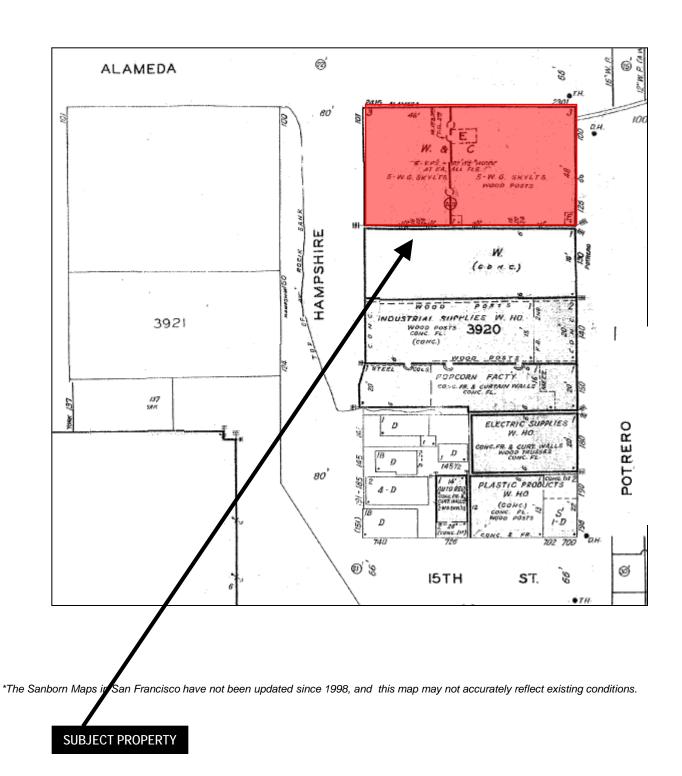
Executive Summary		Project sponsor submittal
Draft Motion		Drawings: Existing Conditions
Environmental Determination		Check for legibility
Zoning District Map		Drawings: <u>Proposed Project</u>
Height & Bulk Map		Check for legibility
Parcel Map		Wireless Telecommunications Materials
Sanborn Map		Health Dept. review of RF levels
Aerial Photo		RF Report
Context Photos		Community Meeting Notice
Site Photos		Housing Documents
ZA Letter of Legitimization		Inclusionary Affordable Housing Program: Affidavit for Compliance
		Residential Pipeline
Exhibits above marked with an "X" are inc	clude	d in this packet
		Planner's Initials

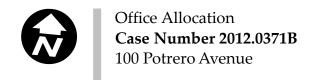
Parcel Map





Sanborn Map*

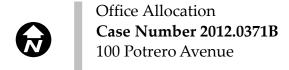




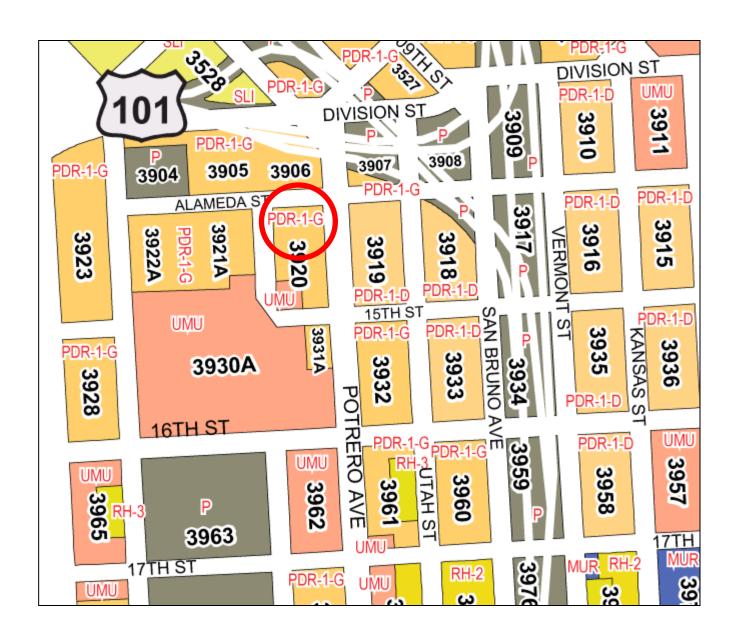
Aerial Image

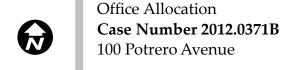


SUBJECT PROPERTY



Zoning Map





Site Image



Office Allocation **Case Number 2012.0371B**100 Potrero Avenue



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)	
☐ Affordable Housing (Sec. 415)	☐ First Source Hiring (Admin. Code)
☐ Jobs Housing Linkage Program (Sec. 413)	☐ Child Care Requirement (Sec. 414)
□ Downtown Park Fee (Sec. 412)	☐ Other
☐ Transit Impact Development Fee (Admin Code)	

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Planning Commission Draft Motion

HEARING DATE: SEPTEMBER 20, 2012

Planning Information: 415.558.6377

Date: September 13, 2012

Case No.: **2012.0371B**

Project Address: 100 POTRERO AVENUE

Zoning: PDR-1-G (Production Distribution Repair – General)

58-X Height and Bulk District

Block/Lot: 3920/001

Project Sponsor: David Silverman

1 Bush Street, Suite 600 San Francisco, CA 94104

Staff Contact: Diego R Sánchez – (415) 575-9082

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ADOPTING FINDINGS APPROVING ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2012 – 2013 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM FOR A PROPOSED PROJECT LOCATED AT 100 POTRERO AVENUE THAT WOULD AUTHORIZE 70,070 GROSS SQUARE FEET OF OFFICE USE PURSUANT TO PLANNING CODE SECTIONS 179.1, 321 AND 322 ON LOT 001 OF ASSESSOR'S BLOCK 3920 IN THE PDR-1-G (PRODUCTION DISTRIBUTION AND REPAIR - GENERAL) ZONING DISTRICT AND A 58-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On March 22, 2012 David Silverman (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for an Office Development Authorization to establish 70,070 gross square feet of office use at 100 Potrero Avenue, within the PDR-1-G (Production Distribution Repair - General) Zoning District and a 58-X Height and Bulk District.

On September 20, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2012.0371B.

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

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. 2012.0371B, 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 is located at the southwest corner of Alameda Street and Potrero Avenue, and is Lot 001 in Assessor's Block 3920. The lot is approximately 200 feet deep and 114 feet wide and is improved with a three story building constructed in 1910, according to Assessor's records. The entire building has been used by one tenant since 1981 and as an office (d.b.a. Dolby Laboratories, Inc.) since the late 1990's.
- 3. Surrounding Properties and Neighborhood. The project site is located at the edge of the Mission and Showplace Square neighborhoods and is situated among other two- and three-story light industrial buildings. Immediately to the south of the site are two-story light industrial buildings. To the north are two- and three-story light industrial buildings and Highway 101. To the east of the site is one-story industrial building used in part for retail sales as well as other industrial activity such as warehousing. To the west is an open air parking lot for a retail moving company where the moving vans are stored. The uses in the area are predominately light industrial, although there are retail uses in the area as well. The surrounding properties are located within the P (Public Use), UMU (Urban Mixed Use), PDR-1-D (Production Distribution and Repair Design) and PDR-1-G (Production Distribution and Repair General) Zoning Districts.
- 4. **Project Description.** The proposal is to establish 70,070 gross square feet of office use within an existing three-story building. The proposal is utilizing Planning Code Section 179.1, Legitimization of Uses Located in the Eastern Neighborhoods, as part of its request for an office allocation under Planning Code Sections 321 and 322, which govern the development and administrative procedures for office uses. No alterations are proposed to the exterior of the building.
- 5. **Public Comment**. The Planning Department has not received input from the public regarding this proposal.

- 6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. Legitimization of Office. 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 February 21, 2012 for this project stating that the project had met all the eligibility requirements of Section 179.1, and the requested 70,070 gross square feet of office use 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 Feet 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 Child Care Requirements for Office and Hotel Development Projects per Planning Code Section 414.

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, and the Child Care Requirements Fee pursuant to Planning Code Section 414 at the appropriate stage of the building permit application process.

- C. **Office Allocation.** Planning Code Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:
 - I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

The existing building has been used as office space for more than more than a decade and is located in an area that is predominantly light industrial in character, with some retail uses. The establishment of the proposed office use would not adversely affect the balance between economic growth and housing, transportation or public services in the area as the area has little or no housing, is served by multiple modes of transportation including MUNI bus lines, bicycle lanes and access to Highway 101, and would not alter access to public service while augmenting public services through the payment of the various development impact fees.

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

The proposal 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 allocation and legitimization of office space does not include exterior additions or alterations and therefore will not compromise the existing design of the building.

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

The proposal is an allocation and legitimization of an office use in existence for more than a decade without complaint to the Planning Department Code Enforcement division regarding incompatibilities to the existing and surrounding uses. The legitimization of the office use in and of itself will not create any new, adverse impacts in the area. Office space is a suitable use for the location as the area is readily accessible by multiple modes of transportation and will not interfere or conflict with the surrounding light industrial uses.

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.

The existing tenant, whose space is proposed to be allocated and legitimized as an office use meets the needs of existing business by legally establishing 70,070 gross square feet of office space that supports other economic activities. The proposal would bring onto the office market additional space that is suitable for a variety of office uses and sizes should the existing tenant vacate the premises.

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

The office space proposed for allocation and legitimization is currently occupied by a single entity (d.b.a. Dolby Laboratories, Inc.).

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

The project will not use TDR's.

7. **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 WORKINIG ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that has substantial undesirable consequences that cannot be mitigated.

Policy 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

The allocation and legitimization of the office use will provide net benefits to the City in that an existing office tenant will remain in San Francisco utilizing a building that has been used as an office for more than a decade. The proposal is required to comply with the Conditions of Approval (Exhibit A), thereby ensuring reasonable performance.

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.

The allocation and legitimization of the office use will retain an existing commercial office tenant and this signals to the greater business community that an attractive environment exists in San Francisco and the Mission neighborhood in which to conduct commerce.

MISSION AREA PLAN

Objectives and Policies

OBJECTIVE 1.3:

INSTITUTE FLEXIBLE "LEGAL NONCONFORMING USE" PROVISIONS TO ENSURE A CONTINUED MIX OF USES IN THE MISSION.

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.

Policy 1.3.2:

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 requested allocation and legitimization will continue an existing non-conforming, desirable existing use in an area that principally permitted industrial uses and will legally establish the use through the process afforded by Planning Code Section 179.1.

- 8. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposal does not directly affect the retail sector as the project is wholly office in nature.

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

The proposal preserves the existing character of the neighborhood as the request is an allocation and legitimization of a use that has existed at the site for more than a decade and that has not generated any incompatibilities with the surrounding area.

C. That the City's supply of affordable housing be preserved and enhanced,

No housing is removed as a result of the proposal.

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

The proposal will not impede MUNI service or overburden streets and neighborhood parking as the proposal is an allocation and legitimization of an existing use.

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 proposal will not displace industrial or service sector activities as the proposed office use has been in existence at the site for more than a decade.

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

The proposal will not affect the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

No exterior alterations to the building are proposed as part of the project.

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

The proposal will have no negative impact on existing parks and open spaces as there is no expansion to the existing three-story structure.

- 9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
- 10. The Commission hereby finds that approval of the Office Development authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Development Application No. 2012.0371B** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated August 2008, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

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 September 20, 2012.

Linda D. Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

September 20, 2012

SAN FRANCISCO
PLANNING DEPARTMENT

ADOPTED:

EXHIBIT A

AUTHORIZATION

This authorization is for an office allocation to establish 70,070 gross square feet of office use in the existing building, located at Lot 001 in Assessor's Block 3920, pursuant to Planning Code Section(s) 179.1, 321, and 322 within the PDR-1-G (Production Distribution and Repair - General) Zoning District and a 58-X Height and Bulk District; in general conformance with plans, dated August 2008, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0371B and subject to conditions of approval reviewed and approved by the Commission on September 20, 2012 under Motion No XXXXXXX. 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 **September 20, 2012** under Motion No **XXXXXXX**.

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

1. 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 authorization 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 three (3) years 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.

2. **Extension.** This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said 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

3. **Development Timeline - Office**. Pursuant to Planning Code Section 321(d) (2), construction of the office development project shall commence within 18 months of the effective date of this Motion. 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

4. **Transit Impact Development Fee.** Pursuant to Planning Code Section 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.

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

5. **Jobs Housing Linkage**. Pursuant to Planning Code Section 179.1(g), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the

SAN FRANCISCO
PLANNING DEPARTMENT

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

6. 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

MONITORING

- 7. **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
- 8. **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.

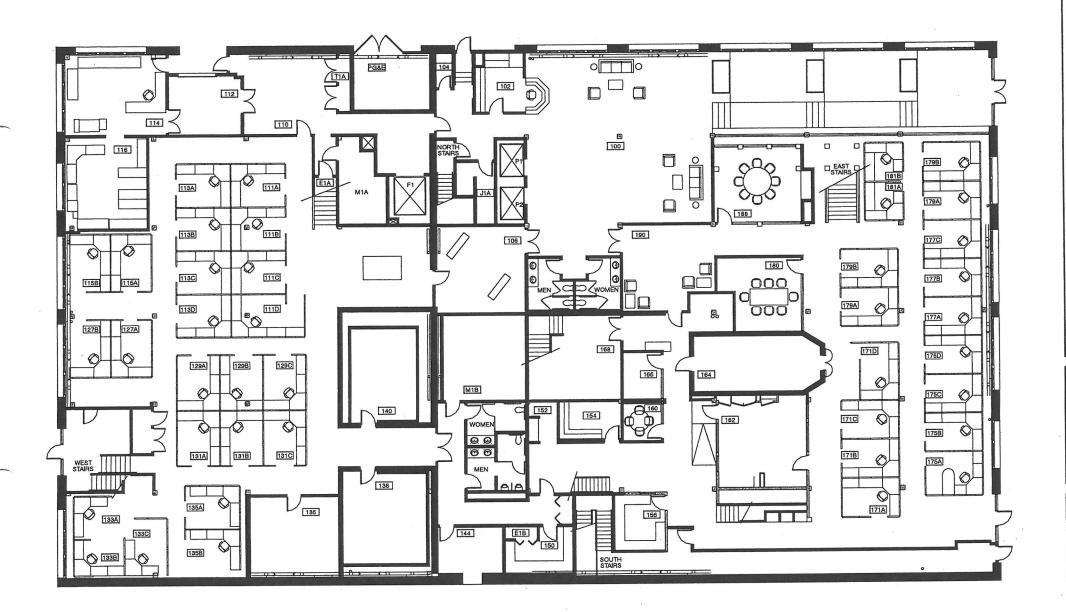
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

9. **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

10. **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/



DOLBY.

Dolby Laboratories, Inc. 100 Potrero Avenue San Francisco, CA 94103-4813 USA

100 POTRERO AVENUE SAN FRANCISCO, CA Location: 94103-4813 USA

Floor: ONE

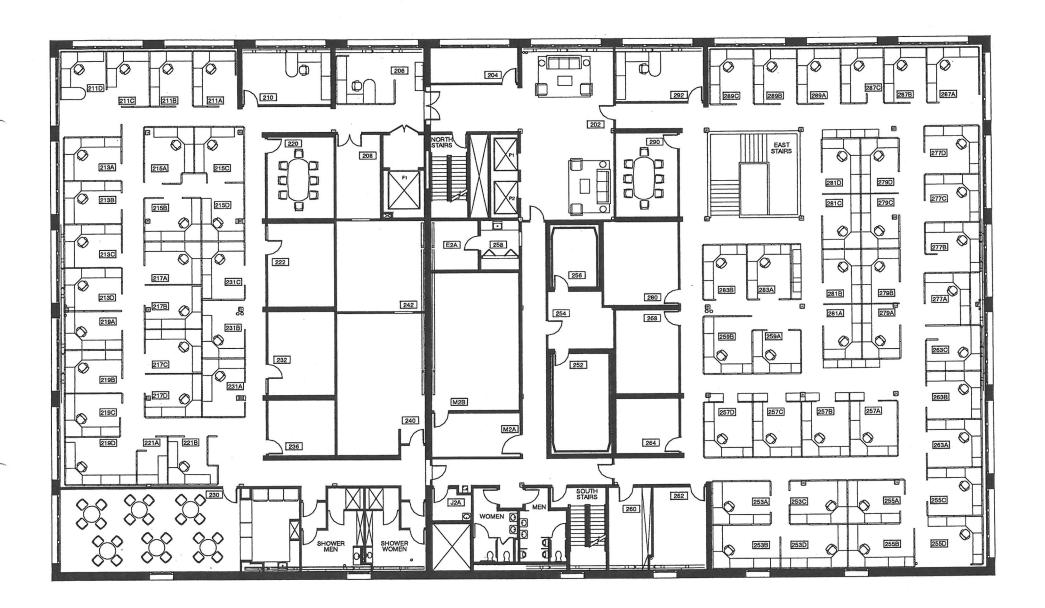
Building Code: SF1

Created: AUGUST 2008

Scale: NTS

Title: FLOOR PLAN

Drawing: A-1.0



DOLBY.

Dolby Laboratories, Inc. 100 Potrero Avenue San Francisco, CA 94103-4813 USA

100 POTRERO AVENUE SAN FRANCISCO, CA Location: 94103-4813 USA

Floor: TWO

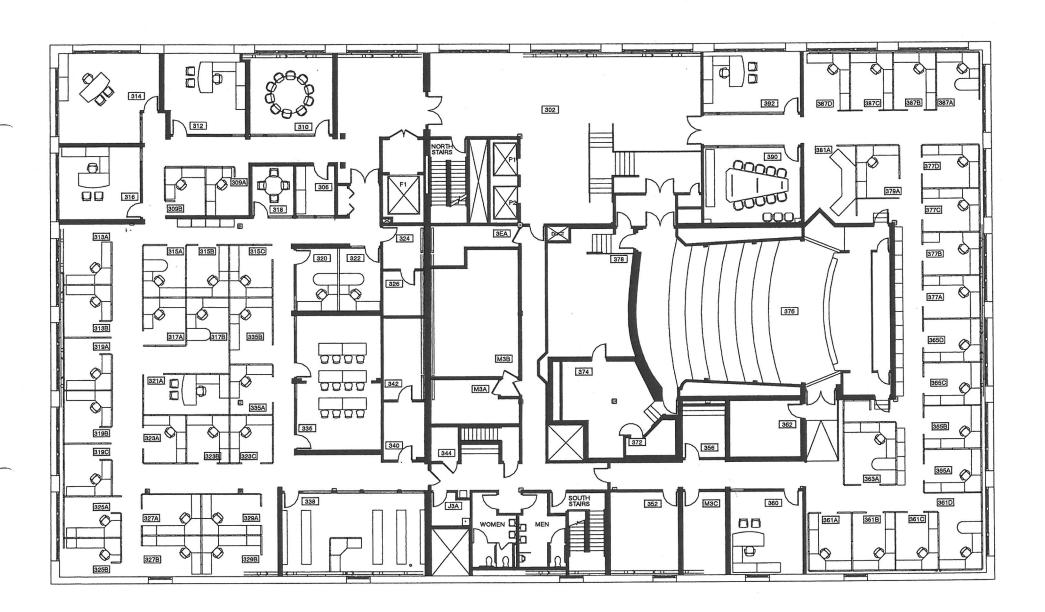
Building Code: SF1

Created: AUGUST 2008

Scale: NTS

Title: FLOOR PLAN

Drawing: A-1.0



DOLBY.

Dolby Laboratories, Inc. 100 Potrero Avenue San Francisco, CA 94103-4813 USA

100 POTRERO AVENUE SAN FRANCISCO, CA Location: 94103-4813 USA

Floor: THREE

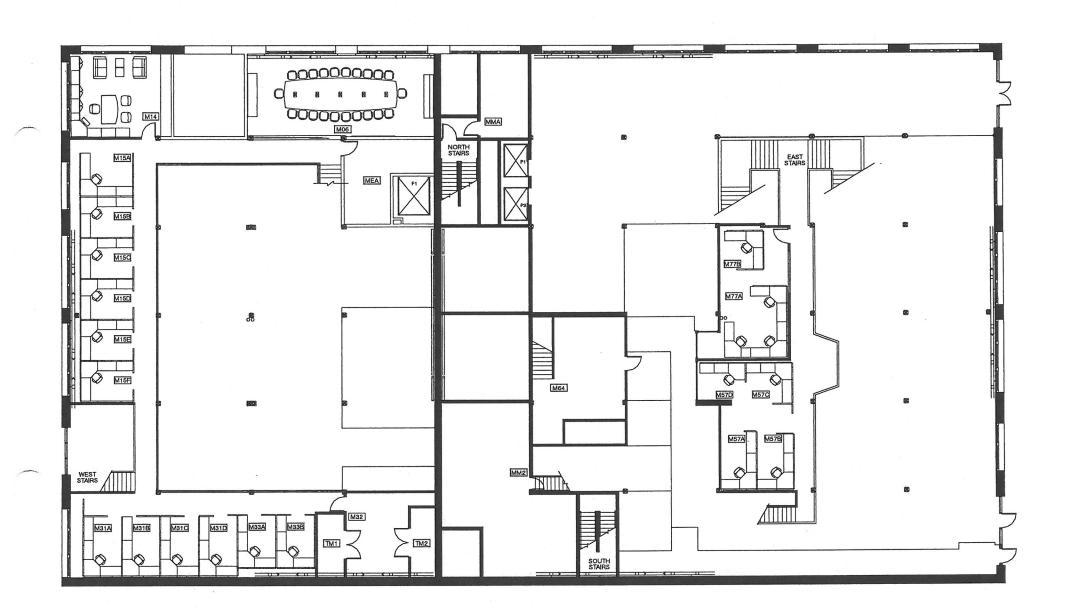
Building Code: SF1

Created: AUGUST 2008

Scale: NTS

Title: FLOOR PLAN

Drawing: A-1.0





Dolby Laboratories, Inc. 100 Potrero Avenue San Francisco, CA 94103-4813 USA

100 POTRERO AVENUE SAN FRANCISCO, CA Location: 94103-4813 USA

Floor: MEZZANINE

Building Code: SF1

Created: AUGUST 2008

Scale: NTS

Title: FLOOR PLAN

Drawing: A-1.0



100 Potrero Ave.



West Side of Potrero Avenue

100 Potrero Ave.



East Side of Potrero Avenue



North Side of Alameda Street



South Side of Alameda Street

Before the San Francisco Planning Commission

PROJECT SPONSOR'S SUBMITTAL IN SUPPORT OF APPLICATION FOR OFFICE ALLOCATION

Planning Code Section 321

100 Potrero Avenue (Assessor's Block 3920/Lot 001)

Project Sponsor: Dolby

Planning Department Case No. 2012.0371B

Hearing Date: September 13, 2012

Attorneys for Project Sponsor:



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A. INTRODUCTION

Dolby Family Trust ("Owner") and Dolby Laboratories, Inc. ("Dolby") seek Project Authorization by the Planning Commission under Planning Code Section 321 for an office allocation of 70,070 gross square feet at 100 Potrero Avenue ("Existing Building"). On August 5, 2011, the Zoning Administrator issued a Letter of Legitimization for the existing office space at the Existing Building pursuant to Planning Code Section 179.1 (Exhibit A). The Existing Building has been fully occupied by Dolby as office space for several decades.

B. <u>SITE INFORMATION</u>

Street Address:

100 Potrero Avenue

Cross Streets:

Alameda Street and 15th Street

Assessor's Block/Lot:

3920/001

Zoning District:

PDR-1-G (Production, Distribution and Repair-General)

Height/Bulk District:

58-X

Lot Area:

22,800 sq. ft.

Floors:

Three

Building Area:

70,070 sq. ft.

C. EXISTING SITE CONDITIONS

Dolby Family Trust owns the Existing Building, which is used by Dolby Laboratories, Inc. The Existing Building lies in the block bounded by Potrero Avenue, 15th Street, Hampshire Street and Alameda Street, adjacent to the Central Freeway. The Existing Building has been occupied continuously by Dolby for office use from 1981 to the present. The prior zoning, M-1, permitted such office use.

The Existing Building is situated within the newly adopted (in 2008) PDR-1-G (Production, Distribution and Repair-General) Zoning District and the Eastern Neighborhood Plan Area.

D. PROPOSED ACTION

Dolby seeks authorization under Planning Code Section 321, to allocate 70,070 gross square feet of office space from the reserve for the current office approval period, or

from any unallocated carryover from a prior approval period, as defined by Planning Code Sections 321(b) and 890.70.

E. COMPLIANCE WITH SECTION 321 CRITERIA

Under Section 321 of the Planning Code, the Planning Commission may approve office allocations that the Commission determines promote the public welfare, convenience and necessity. (Plan. Code §321(b)(1).) To determine whether a particular office allocation promotes the public welfare, convenience and necessity, the Planning Commission must consider seven criteria. (Id. §321(b)(3).) The Planning Commission should approve the requested allocation, because it satisfies each criterion, as follows.

(A) 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.

Dolby proposes to allocate 70,070 gross square feet of office space to the City's office stock, meeting a need for such use adjacent to SOMA and the UCSF Mission Bay Campus. By retaining Dolby office workers in the neighborhood, the Existing Building will also continue to ensure the viability of nearby retailers, restaurants and business services. Dolby, a major employer in San Francisco of long standing, has used the Existing Building for offices for several decades.

The economic benefits from the Existing Building to the City are supplemented by the office allocation's compatibility with other public goals. Dolby would mitigate any effect on the City's supply of affordable housing by paying \$595,595 (\$8.50/sq. ft.) in mitigation fees to the City, pursuant to Planning Code Section 179.1(g)(1)(B), for the Jobs-Housing Linkage Program. The allocation is also designed to minimize any impact on the City's transportation systems. The Existing Building has excellent access to public transit. Dolby would also pay \$140,140 (\$2.00/gross sq. ft) to the City for the City's Transit Impact Development Fund, to mitigate costs incurred by Muni in meeting peak-period public transit demand pursuant to Planning Code Section 179.1(g)(1)(A).

(B) THE CONTRIBUTION OF THE EXISTING OFFICE SPACE TO, AND ITS EFFECTS ON, THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN.

The allocation would serve several objectives and policies of the City's General Plan, as follows:

The requested allocation will accommodate a decades-old use by Dolby, a major supplier of jobs in San Francisco, which has been and continues to be on the cutting edge of sound and multi-media technology.

The allocation is compatible with the City's "Transit First" policy. Seven different Municipal Railway ("Muni") transit lines stop within short walking distance of the Project Site: 9L, 9, 22, 27, 33, 47, and 90 Muni lines. Caltrain's San Francisco terminus is only four blocks away, at Townsend and Fourth Streets. These factors minimize the need of people using the Existing Building to depend on automobile parking facilities.

The location of the Existing Building at the eastern edge of the Mission area, adjacent to SOMA, is an important visual landmark for the City. The district contains an extraordinary concentration of buildings from almost every period of the City's maritime history, including both the one-story design popular during the latter part of the 19th Century, and the multi-story buildings that became more common in the early part of the 20th Century. The Project would contribute to the district by preserving the Existing Building, which was constructed in 1910, and has historic and architectural merit. The Existing Building contributes to the district by harmonizing with the other historic buildings found there.

1. Policies of the Commerce and Industry Element.

OBJCTV. 1, Policy 1 Encourage development which provides substantial net benefits and minimizes undesirable consequences.

Discourage development which has substantial undesirable consequences that cannot be mitigated.

OBJCTV. 1, Policy 3 Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The Existing Building currently provides office space in an area of the City where Dolby has maintained its offices for several decades. The Project Site is very well served by public transit lines. Therefore, the allocation is unlikely to impact the City's public transit system.

OBJCTV. 2, Policy 1 Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

Dolby's existing offices will be maintained, in furtherance of this Policy. The complexity and creativity of multimedia and sound technology uses will likely preserve the need of multimedia-related businesses to cluster in the City, where they can interact with one another and find a pool of highly qualified employees and collaborators. Thus, the allocation would help the City to retain existing and future multimedia and software firms and the jobs they provide.

OBJCTV. 4, Policy 11 Maintain an adequate supply of space appropriate to the needs of incubator industries.

The allocation would help the City to maintain an adequate supply of space for its multimedia and software industry, which is one of only a few industries that currently are source of new jobs in the City.

2. Policies of the Urban Design Element.

- OBJCTV. 1, Policy 3 Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.
- OBJCTV. 2, Policy 6 Respect the character of older development nearby in the design of new buildings.
- OBJCTV. 3, Policy 1 Promote harmony in the visual relationships and transitions between new and older buildings.

The Existing Building would respect and preserve the existing character of the district. The Existing Building, constructed in 1910, will be preserved in entirety, thereby ensuring the preservation of a building of historic and architectural merit.

3. Policies of the Transportation Element

Policy 1.6 Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

The allocation will advance the City's "Transit First" policy. Seven different Municipal Railway ("Muni") transit lines stop within short walking distance of the Existing Building. Caltrain's San Francisco terminus is only four blocks away, at Townsend and Fourth Streets.

(C) THE QUALITY OF THE DESIGN OF THE EXISTING BUILDING

The Existing Building has historically significant design elements such as cornice work and fenestration that are characteristic of many other historic buildings in the neighborhood. The Existing Building will be preserved in order to maintain the neighborhood character and architecture.

(D) THE SUITABILITY OF THE OFFICE USE FOR ITS LOCATION, AND ANY EFFECTS OF THE OFFICE USE SPECIFIC TO THAT LOCATION.

Despite the current recession, there nevertheless is high demand for multimedia and software office space in San Francisco. As the financial services and banking sectors slow down, the multimedia and software market remains relatively strong.

Dolby has used the Existing Building for several decades for office functions. The Existing Building is ideally located to serve the current office use. The allocation would help the City to retain Dolby as a major employer, thereby continuing to provide jobs for local residents.

1. Location

The district contains an extraordinary concentration of buildings from almost every period of the City's maritime history, including both the one-story design popular during the latter part of the 19th Century, and the multi-story buildings that became more common in the early part of the 20th Century. The Existing Building would contribute to the district by preserving the existing historic building.

(E) THE ANTICIPATED USES OF THE OFFICE ALLOCATION, IN LIGHT OF EMPLOYMENT OPPORTUNITIES TO BE PROVIDED, NEEDS OF EXISTING BUSINESSES, AND THE AVAILABLE SUPPLY OF SPACE SUITABLE FOR SUCH ANTICIPATED USES.

Dolby's office space at the Existing Building would help the City to retain the jobs provided by Dolby, in furtherance of this Policy. Despite the current recession, there is still demand for multimedia and software office space in the area. Retailers and business services surrounding the Existing Building will continue to benefit from the continued activity generated by Dolby's workers using the office space at the Existing Building.

(F) THE EXTENT TO WHICH THE OFFICE SPACE WILL BE OWNED AND OCCUPIED BY A SINGLE ENTITY.

Dolby occupies the entire building, and has occupied it for several decades. The prior zoning was M-1, which permitted Dolby's office use of the Existing Building from the beginning of Dolby's occupancy in 1981.

(G) THE USE, IF ANY, OF TDR BY THE PROJECT SPONSOR.

The Existing Building would not use any TDRs.

F. PRIORITY GENERAL PLAN POLICIES FINDINGS

Planning Code Section 101.1 establishes the following eight priority planning policies and requires review of permits for consistency with said policies. The Project and this Section 321 application are consistent with each of these 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.

The Existing Building will not harm neighborhood-serving retail use within the meaning of this policy. The Planning Code limits the term "neighborhood serving business" to Neighborhood Commercial Zoning Districts. (See Plan. Code §790). The Existing Building provides office jobs for local residents.

2. THAT EXISTING AND NEIGHBORHOOD CHARACTER BE CONSERVED AND PROTECTED IN ORDER TO PRESERVE THE CULTURAL AND ECONOMIC DIVERSITY OF OUR NEIGHBORHOODS.

The allocation will not affect neighborhood character within the meaning of this policy. The Existing Building and use will be preserved.

3. THAT THE CITY'S SUPPLY OF AFFORDABLE HOUSING BE PRESERVED AND ENHANCED.

Dolby Laboratories, Inc. will provide \$595,595 to the City for affordable housing in connection with this allocation.

4. THAT COMMUTER TRAFFIC NOT IMPEDE MUNI TRANSIT SERVICE OR OVERBURDEN OUR STREETS OR NEIGHBORHOOD PARKING.

The level of commuter traffic generated by the Existing Building does not impede Muni transit service or overburden our streets or neighborhood parking. The Existing Building is well served by public transit and freeways. Within several blocks run seven different Muni transit lines. Caltrain's San Francisco terminus is only four blocks away, at Townsend and Fourth Streets.

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 allocation will not harm our industrial and service sectors by displacing them. The current office use, which goes back several decades, provides employment opportunities for local residents.

6. THAT THE CITY ACHIEVE THE GREATEST POSSIBLE PREPAREDNESS TO PROTECT AGAINST INJURY AND LOSS OF LIFE IN AN EARTHQUAKE.

The Existing Building will help the City to achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

7. THAT LANDMARKS AND HISTORIC BUILDINGS BE PRESERVED.

The Existing historic Building will be preserved in entirety.

8. THAT OUR PARKS AND OPEN SPACE AND THEIR ACCESS TO SUNLIGHT AND VISTAS BE PROTECTED FROM DEVELOPMENT.

The allocation will have no effect on our parks or open spaces and their access to sunlight or vistas. The Existing Building does not mar any vistas from any public park or open space.

G. CONCLUSION

The Planning Commission should grant the requested office allocation for Dolby because:

- 1. The allocation promotes the public welfare, convenience and necessity;
- 2. The allocation satisfies each of the seven criteria to determine public welfare; convenience and necessity provided under Planning Code Section 321; and
- 3. The allocation is consistent with each of the eight General Plan Priority Policies under Planning Code Section 101.1.

Respectfully submitted,

DOLBY FAMILY TRUST AND DOLBY LABORATORIES, INC.

By: REUBEN & JUNIUS, LLP,

Dated: August ¹³, 2012

David Silverman

LIST OF EXHIBITS

Exhibit A - Zoning Administrator Letter of Office Legitimization

dated February 21, 2012

Exhibit B - Photograph of the Existing Building

EXHIBIT A

Letter of Legitimization

February 21, 2012

David Silverman Reuben & Junius 1 Bush Street, Suite 600 San Francisco CA 94104

Site Address: Assessor's Block/Lot: Zoning District: Staff Contact:

Dear Mr. Silverman:

FEB 21 2012

100 Potrero Avenue 3920/001 PDR-1-G (Production Distribution and Repair - General) Diego Sánchez, (415) 575-9082 diego.sanchez@sfgov.org

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

Reception:

Fax:

Planning Information:

415.558.6378

415.558.6409

415.558.6377

This letter is in response to your request for a Letter of Legitimization per Planning Code Section 179.1 regarding the property at 100 Potrero Avenue. This parcel is located in the PDR-1-G (Production, Distribution and Repair - General) Zoning District and a 58-X Height and Bulk District. The request is to legitimize 70,070 gross square feet of existing office use.

Procedural Background

The Department received the request for legitimization of office space at 100 Potrero Avenue on October 18, 2011. Staff reviewed the request and associated materials and the Zoning Administrator issued a 30day public notice of the intent to issue the Letter of Legitimization on January 12, 2012. 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 February 10, 2012.

Eligibility

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

The land uses existed as of the date of the application;

The following documentation indicates the office use existed as of October 18, 2011:

Lease Agreement executed on January 1, 2006 and First Amendment to Lease Agreement executed on March 31, 2006 by Dolby Laboratories, Inc., as Tenant, indicate office uses at the subject property.

February 21, 2012 Letter of Legitimization 100 Potrero Avenue

- 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;
 - Prior to the Eastern Neighborhoods rezoning, the subject property was located in the M-1 (Light Industrial) Zoning District which principally permitted the office use.
- iii. The land use would not be permitted under current provisions of the Planning Code;
 - The subject property is located in the PDR-1-G Zoning District, which does not permit office uses.
- iv. The land use either has been (1) regularly operating or 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;

The following documentation indicates the office use has been regularly operating for no less than 2 years prior to January 19, 2009:

- O Lease Agreement executed on January 1, 2006 and First Amendment to Lease Agreement executed on March 31, 2006 indicate office uses at the subject property.
- v. The land use is not accessory to any other use;

The office use is occupies the entire building and as such is the principal use of the building and not accessory to any other use.

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.

The subject property is presently occupied and has been in continual use by the office tenant identified in the aforementioned Lease Agreement and First Amendment to Lease Agreement. There has been no discontinuance or abandonment of any office use.

Determination

It is my determination that the request for legitimization of the existing 70,070 gross square feet of office space, per the attached plans (Exhibit A), meets all the required criteria of Planning Code Section 179.1, and is therefore deemed to be a legal office use as defined in Planning Code Section 870.90. A Notice of Special Restrictions shall be filed on the subject property documenting the specific building areas legitimized as office use as listed in this letter and documented on the attached plans prior to the approval of a site or building permit establishing such office use. This determination is <u>not</u> a project approval, nor does it in any way a substitute for a Building Permit Application for the legitimization of the office space.

David Silverman Reuben & Junius 1 Bush Street, Suite 600 San Francisco, CA 94104 February 21, 2012 Letter of Legitimization 100 Potrero Avenue

Please note that before a Building Permit Application may be approved to legally establish the office space in question, this project must pay a \$2 per gross square foot Transit Impact Development Fee and an \$8.50 per gross square foot Jobs-Housing Linkage Fee per Planning Code Section 179.1. In addition an application for an Office Allocation must be filed, pursuant to Planning Code Section 320 and 321, and the requested Office Allocation granted.

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

CC:

Diego R Sánchez, Planner Steve Wertheim, Planner

Planning Commissioners

All Parties on the Notification Request List

EXHIBIT B

