



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use and Office Development

HEARING DATE: NOVEMBER 1, 2012

Date: October 25, 2012
Case No.: **2012.1046 BC**
Project Address: **1550 BRYANT STREET**
Zoning: PDR-1-G (Production, Distribution, and Repair - General)
68-X Height and Bulk District
Block/Lot: 3923/006
Project Sponsor: Alcion 1550 Bryant Venture, LP
c/o John Kevlin
1 Bush Street, 26th Floor
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,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

A letter of determination from the Zoning Administrator in 1992 clarified that the 188,400 square foot subject building (Hamm's Building) contained the following legal uses:

- 80,000 square feet of legal nonconforming office use;
- 53,600 square feet of wholesale space;
- 39,800 square feet of service and other business space;
- 9,000 square feet of general retail space; and
- 6,000 square feet of restaurant space.

The Zoning Administrator determined on August 2, 2012, that an additional 92,753 gross square feet in the building was eligible to be legitimized as legal nonconforming office space pursuant to Planning Code Section 179.1.

The proposal is to 1) expand the existing 80,000 gross square feet of legal nonconforming office space by an additional 15,646 gross square feet through a conditional use authorization, and 2) establish a total of 108,399 gross square feet (92,753 + 15,646) of legal office use within the existing building through an office development authorization. These actions will allow all 188,400 gross square feet of the existing building to be used as office space.

As part of this approval, the project also seeks to remove the requirement for 60 valet parking spaces during business hours in association with Variance Case No. 2003.1209V because no parking is currently required for the existing and proposed uses in the subject building in the PDR-1-G District.

SITE DESCRIPTION AND PRESENT USE

The project site is located on the west side of Bryant Street between Division and 15th Streets. The subject property is an irregularly shaped through lot of approximately 27,088 square feet that also fronts on Florida Street. The property contains a 12-story building of approximately 188,400 gross square feet that was originally constructed in 1953 as a brewery (Hamm's Beer) and operated in that capacity until 1975. The existing building contains a mix of office, retail, and other uses, although office uses have expanded over the last two decades.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located in the Inner Mission, just north of the 16th Street corridor. The immediate vicinity is zoned for PDR and mixed uses. Existing surrounding buildings and uses are a mix of PDR, office, and retail buildings. Most retail in the vicinity is larger in scale, including Sports Basement, Best Buy, Costco, and the Potrero Center (Safeway, Office Depot, Jamba Juice, etc.). Highway 101 is one block to the north, and Franklin Square is one block to the south.

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	October 5, 2012	October 3, 2012	22 days
Posted Notice	20 days	October 5, 2012	October 5, 2012	20 days
Mailed Notice	10 days	October 5, 2012	October 5, 2012	20 days

PUBLIC COMMENT

- The Department received no public comment regarding this project.

ISSUES AND OTHER CONSIDERATIONS

- There is currently more than 2.6 million square feet of large cap office space available in the City.
- 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	\$223,213
Jobs-Housing Linkage	\$889,943
Childcare Fee	\$114,903
Eastern Neighborhoods	\$49,754
TOTAL	\$1,277,813

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

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must 1) approve the conditional use authorization to expand the existing 80,000 gross square feet of legal nonconforming office space by an additional 15,646 gross square feet pursuant to Planning Code Section 181(i) and 303, and 2) authorize the allocation of office space to establish a total of 108,399 gross square feet of new office use within the existing building pursuant to Planning Code Sections 179.1, 321, and 322.

BASIS FOR RECOMMENDATION

- The subject building is primarily used as an office building and is not well-suited for other uses.
- The Zoning Administrator determined on August 2, 2012, that an additional 92,753 gross square feet in the building was eligible to be legitimized as legal nonconforming office space pursuant to Planning Code Section 179.1
- The new office space will help increase economic activity in the neighborhood.
- At current rates, the project will produce approximately \$1.3 million in fees that will benefit the community and City.
- The Project is consistent with the Planning Code and General Plan.

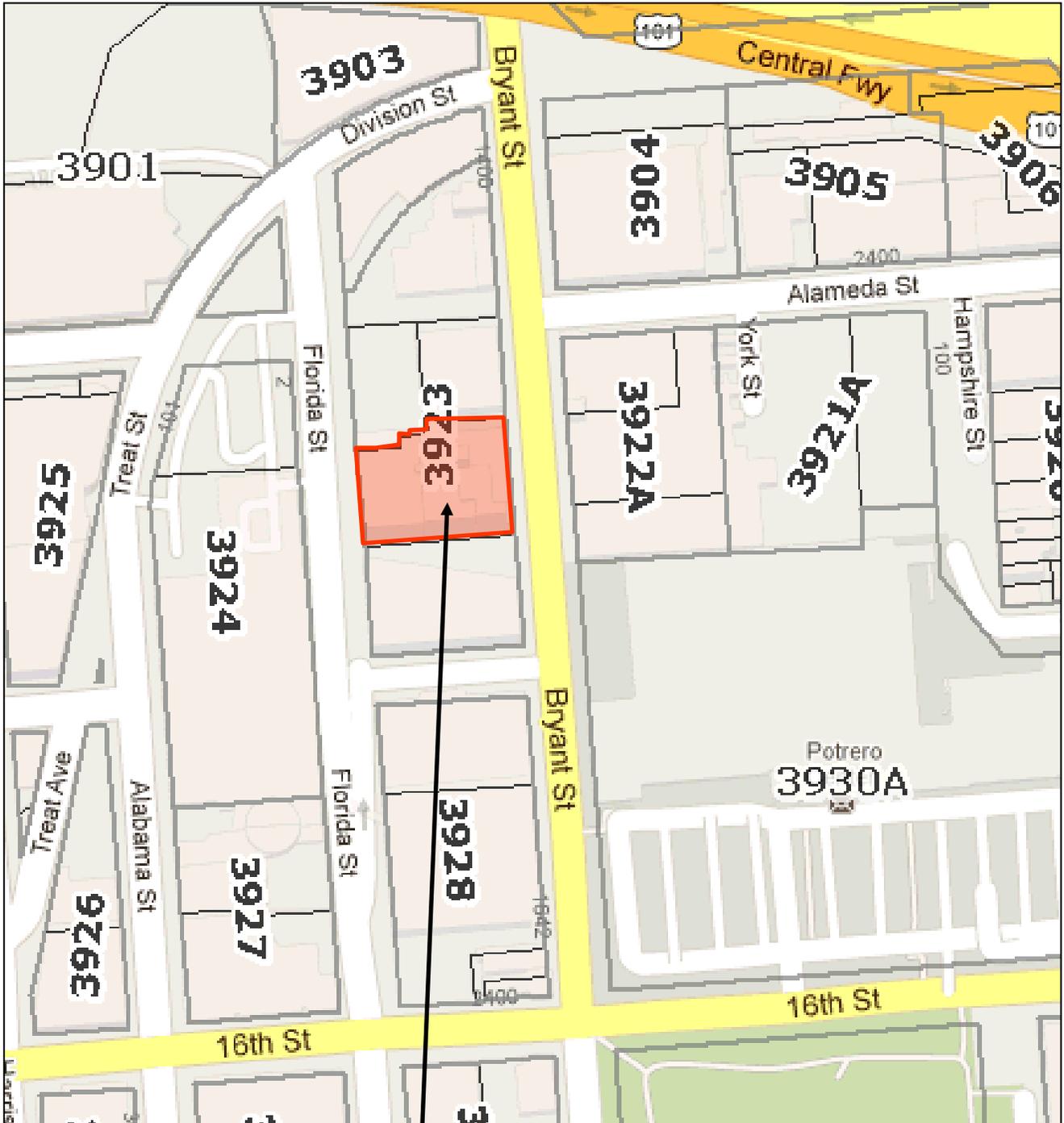
RECOMMENDATION: Approval with Conditions
--

Attachments:

- Parcel Map
- Sanborn Map
- Aerial Photographs
- Zoning Map
- Draft Motion (Conditional Use)
- Draft Motion (Office Development)
- Project Sponsor Submittal
 - Letter to Planning Commission
 - Current Plans

CT: G:\documents\CI\2012\1550 Bryant St\Executive Summary.doc

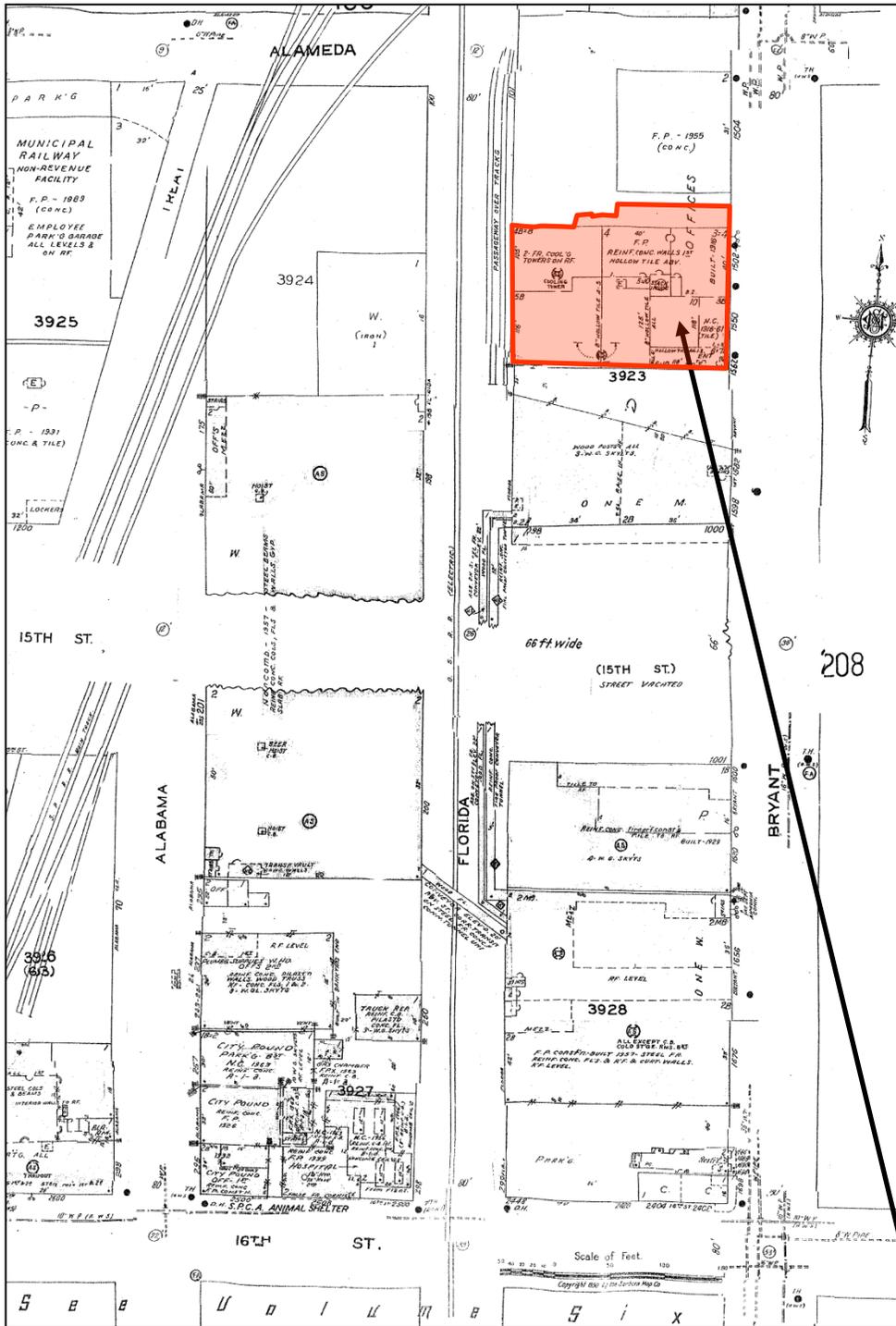
Parcel Map



SUBJECT PROPERTY

Conditional Use and
Office Development Authorization
Case Number 2012.1046BC
1550 Bryant Street

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

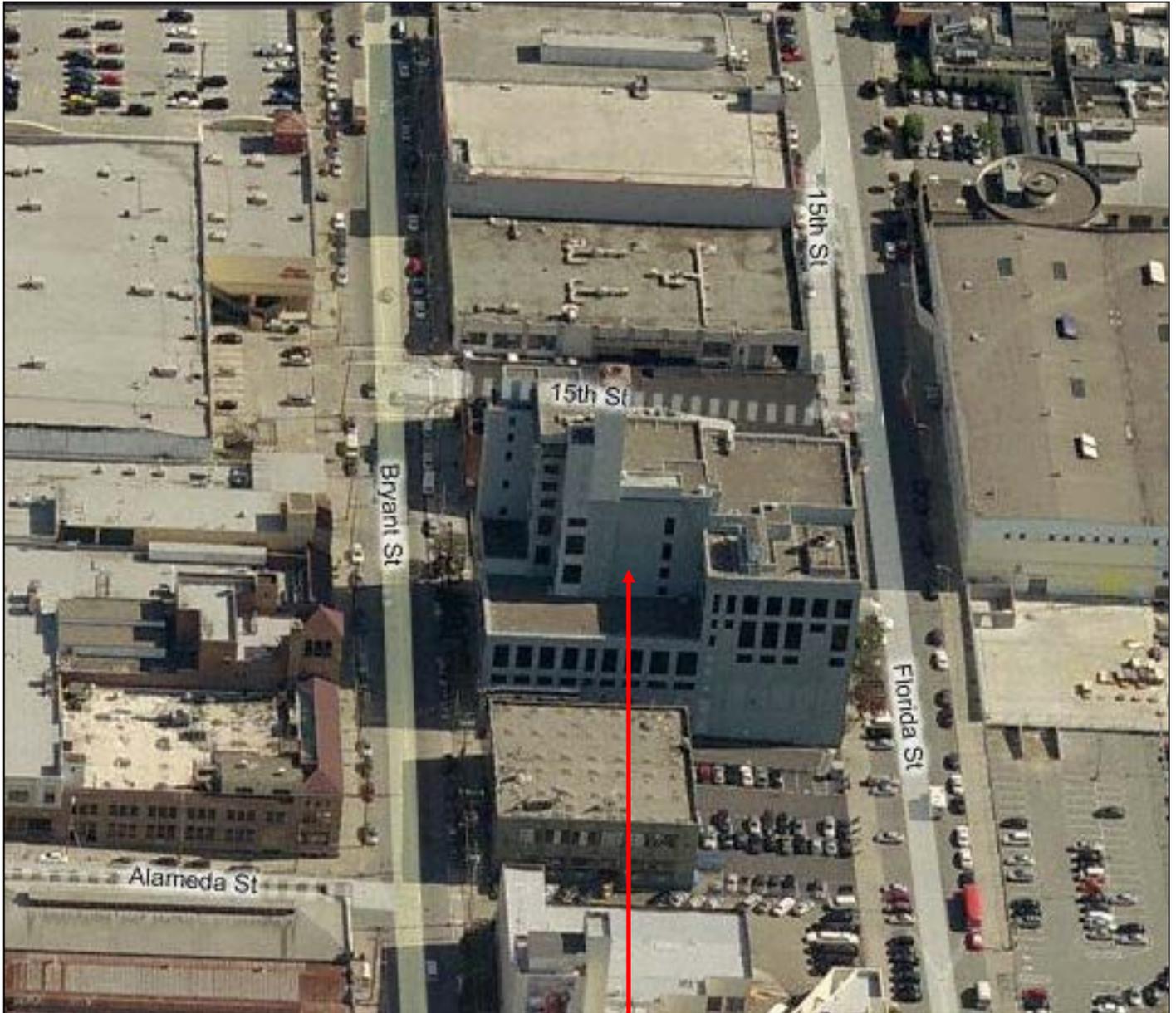


SUBJECT PROPERTY



Conditional Use and
Office Development Authorization
Case Number 2012.1046BC
1550 Bryant Street

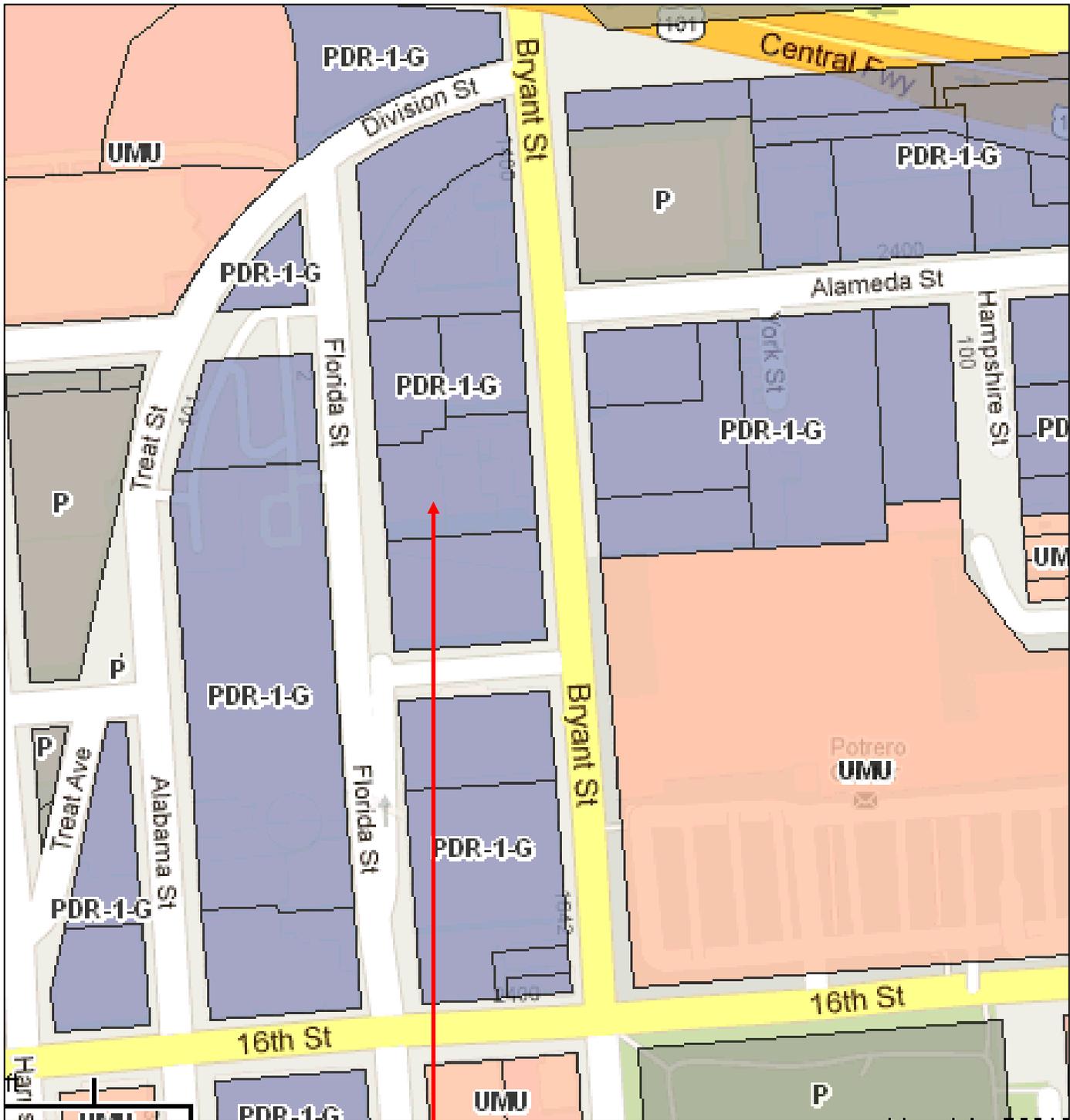
Aerial Photo



SUBJECT PROPERTY



Zoning Map



SUBJECT PROPERTY





SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|--|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other |

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Draft Motion

HEARING DATE: NOVEMBER 1, 2012

Date: October 25, 2012
Case No.: **2012.1046 BC**
Project Address: **1550 BRYANT STREET**
Zoning: PDR-1-G (Production, Distribution, and Repair - General)
68-X Height and Bulk District
Block/Lot: 3923/006
Project Sponsor: Alcion 1550 Bryant Venture, LP
c/o John Kevlin
1 Bush Street, 26th Floor
San Francisco, CA 94104
Staff Contact: Corey Teague – (415) 575-9081
corey.teague@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 181(i) AND 303 OF THE PLANNING CODE TO ENLARGE THE PRE-EXISTING 80,000 GROSS SQUARE FEET OF LEGAL NONCONFORMING OFFICE USE IN THE BUILDING BY AN ADDITIONAL 15,646 GROSS SQUARE FEET IN A PDR-1-G (PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL) ZONING DISTRICT AND 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 8, 2012 John Kevlin (hereinafter "Project Sponsor"), acting on the behalf of Alcion 1550 Bryant Street Venture, LP filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Section(s) 181(i) and 303 to enlarge the pre-existing 80,000 gross square feet of legal nonconforming office use in the building by an additional 15,646 gross square feet in a PDR-1-G (Production, Distribution, and Repair - General) Zoning District and 68-X Height and Bulk District.

On November 1, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1046BC.

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 Conditional Use requested in Application No. 2012.1046BC, 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 west side of Bryant Street between Division and 15th Streets. The subject property is an irregularly shaped through lot of approximately 27, 088 square feet that also fronts on Florida Street. The property contains a 12-story building of approximately 188,400 gross square feet that was originally constructed in 1953 as a brewery (Hamm's Beer) and operated in that capacity until 1975. The existing building contains a mix of office, retail, and other uses. Office uses in the building expanded significantly over the last twenty years, and the Zoning Administrator determined that 92,753 gross square feet of existing office space in the building is eligible to be legitimized pursuant to Planning Code Section 179.1.
3. **Surrounding Properties and Neighborhood.** The project site is located in the Inner Mission, just north of the 16th Street corridor. The immediate vicinity is zoned for PDR and mixed uses. Existing surrounding buildings and uses are a mix of PDR, office, and retail buildings. Most retail in the vicinity is larger in scale, including Sports Basement, Best Buy, Costco, and the Potrero Center (Safeway, Office Depot, Jamba Juice, etc.). Highway 101 is one block to the north, and Franklin Square is one block to the south.
4. **Project Description.** A letter of determination from the Zoning Administrator in 1992 clarified that the building contained the following legal uses:
 - 80,000 square feet of legal nonconforming office use;
 - 53,600 square feet of wholesale space;
 - 39,800 square feet of service and other business space;
 - 9,000 square feet of general retail space; and
 - 6,000 square feet of restaurant space.

The Zoning Administrator determined on August 2, 2012, that an additional 92,753 gross square feet in the building was eligible to be legitimized as legal nonconforming office space pursuant to Planning Code Section 179.1. The proposal is to convert the remaining 15,646 gross square feet in the building, which is spread through various floors, to legal nonconforming office space as an expansion of the pre-existing 80,000 gross square feet of office space.

As part of this approval, the project also seeks to remove the requirement for 60 valet parking spaces during business hours in association with Variance Case No. 2003.1209V because no parking is currently required for the existing and proposed uses in the subject building in the PDR-1-G District.

5. **Public Comment.** The Department received no public comment regarding this project.
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. **Expansion of a Non-Residential Nonconforming Use.** Planning Code Section 181(i) states that a non-residential nonconforming use in the PDR-1-G District may expand in gross floor area by no more than 25 percent with conditional use authorization pursuant to Section 303 of this Code.

The proposal is to expand the existing nonconforming office space from 80,000 gross square feet to 95,646 gross square feet, which represents a 19.6 percent increase of the nonconforming use.

- B. **Parking.** Planning Code Section 151.1 states that parking shall not be required for any use, and parking maximums shall instead apply. Office uses may provide up to one off-street parking space per 1,000 square feet.

The existing property contains no off-street parking. Additionally, Variance Case No. 2003.1209V required the building to provide 60 valet parking spaces during business hours. The project will remove the valet parking space requirement because no parking is required under the current Planning Code.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The subject building already contains 80,000 gross square feet of legal nonconforming office space. Additionally, the Zoning Administrator determined that an additional 92,753 gross square feet was eligible to be legalized as office space pursuant to Section 179.1. The remaining 15,646 square feet of

non-office space represents only 8 percent of the building area, and it is scattered throughout the building.

The building currently functions primarily as an office building. Converting the remaining 15,646 square feet is one of the steps required to make the building a 100% legal office building. Because the building was built specifically for a brewery and has been significantly modified on the interior over the years, it is not well-suited for non-office uses like PDR and retail (low ceilings, no ground floor storefronts, general office floor plan layouts, etc.) Having a unified use for the building will also allow the property owner and manager to operate the building more efficiently and help ensure units are more easily leased, which will benefit the surrounding businesses.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The subject building was originally built as a brewery and was renovated in the 1980s into a mixed use building with office and other uses. Office uses continued to grow within the building over the last twenty years, and the building has operated primarily as an office building without issue. The proposal does not include any exterior changes to the building, and the small conversion of office space will have no impact on the structure or property.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The project site is well served by MUNI bus lines (9, 22, 27, 33, and 47) and is near to several bicycle preferential streets (Harrison, 11th, Potrero, and 17th Streets). The building has operated without off-street parking throughout most of its history, and there is a public parking lot on an adjacent lot. The current Planning Code no longer requires any off-street parking be provided. The proposal will not impact pedestrian, traffic, or parking patterns.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

Given the nature of the Project (a minor office conversion), it would not emit any substantial amount of glare, dust or odor.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The proposal will have no impact on landscaping, screening, open spaces, parking and loading areas, service areas, lighting or signs.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The project is not located within a Neighborhood Commercial District.

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 that has substantial undesirable consequences that cannot be mitigated.

The proposed office space conversion will have no undesirable consequences because much of the building is already office space and the building itself is not well suited for other uses. The conversion will allow the building to continue to attract new office tenants in a building well-suited for such uses.

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.

Much of the existing building is already office space, and the conversion will allow the building to continue to attract new office tenants to a building that is not well-suited for other uses.

TRANSPORTATION

Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

The project site is well served by MUNI bus lines (9, 22, 27, 33, and 47) and is near to several bicycle preferential streets (Harrison, 11th, Potrero, and 17th Streets). As such, it is well-suited to attract office tenants without providing off-street parking.

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 1.3.3:

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 project represents a minor expansion of a legal nonconforming use that will allow the building to continue to provide benefits to the surrounding community and the City.

9. **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.

There are no storefronts in the subject building for typical retail uses. As such, the limited retail within the subject building primarily serves the tenants of the building, and not the surrounding neighborhood. However, providing additional legal office space in the building may increase opportunities for resident employment and business ownership.

- 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 does not add or remove any residential uses, and there are no residential uses in the vicinity. The project will not change the existing building, or the operation of the building. As such, the project will not impact housing or the economic diversity of the neighborhood.

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

The project does not add or remove any housing.

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

The operation of the building will not significantly change. The existing building has operated without on-site parking since its construction. The proposed conversion of office space will have no impact on MUNI or neighborhood parking.

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

The existing building already contains 80,000 square feet of office space, and an additional 92,753 square feet was found to be eligible for legitimization pursuant to Planning Code Section 179.1. The remaining 15,646 square feet proposed for conversion is not well suited for uses other than office. The conversion to office may also improve opportunities for resident employment and business ownership.

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

The project does not include any physical alterations to the existing building.

- G. That landmarks and historic buildings be preserved.

The subject building was found to not be a historic resource in the Showplace Square/Northeast Mission Historic Survey.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

10. 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.
11. The Commission hereby finds that approval of the Conditional Use 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 Conditional Use Application No. 2012.1046BC** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated October 23, 2012, 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 Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on November 1, 2012.

Jonas Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: November 1, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a enlarge the pre-existing 80,000 gross square feet of legal nonconforming office use in the building by an additional 15,646 gross square feet located at 1550 Bryant Street, Block 3923, and Lot 006, pursuant to Planning Code Section(s) 181(i) and 303 within the **PDR-1-G** (Production, Distribution, and Repair - General) Zoning District and **68-X** Height and Bulk District; in general conformance with plans, dated **October 23, 2012**, and stamped "EXHIBIT B" included in the docket for Case No. **2012.1046BC** and subject to conditions of approval reviewed and approved by the Commission on **November 1, 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 **November 1, 2012** under Motion No **XXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

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

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

PROVISIONS

3. **Eastern Neighborhoods Infrastructure Impact Fee.** Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

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

4. **Transit Impact Development Fee.** Pursuant to Planning Code Section 411 (formerly Chapter 38 of the Administrative Code), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

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

MONITORING

5. **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.
6. **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

7. **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, www.sfdpw.org.*
8. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input checked="" type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other |

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Draft Motion

HEARING DATE: NOVEMBER 1, 2012

Date: October 25, 2012
Case No.: **2012.1046 BC**
Project Address: **1550 BRYANT STREET**
Zoning: PDR-1-G (Production, Distribution, and Repair - General)
68-X Height and Bulk District
Block/Lot: 3923/006
Project Sponsor: Alcion 1550 Bryant Venture, LP
c/o John Kevlin
1 Bush Street, 26th Floor
San Francisco, CA 94104
Staff Contact: Corey Teague – (415) 575-9081
corey.teague@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF OFFICE DEVELOPMEENT AUTHORIZATION PURSUANT TO SECTIONS 179.1, 321, AND 322 OF THE PLANNING CODE TO ESTABLISH 108,399 GROSS SQUARE FEET OF LEGAL OFFICE USE IN A PDR-1-G (PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL) ZONING DISTRICT AND 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 8, 2012 John Kevlin (hereinafter “Project Sponsor”), acting on the behalf of Alcion 1550 Bryant Street Venture, LP filed an application with the Planning Department (hereinafter “Department”) for Office Development Authorization under Planning Code Section(s) 179.1, 321, and 322 to establish 108,399 gross square feet of legal office use in a PDR-1-G (Production, Distribution, and Repair - General) Zoning District and 68-X Height and Bulk District.

On November 1, 2012, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1046BC to enlarge the pre-existing 80,000 gross square feet of legal nonconforming office use in the building by an additional 15,646 gross square feet.

On November 1, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Development Application No. 2012.1046BC to establish a total of 108,399 gross square feet of legal office use within the existing building.

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 Conditional Use requested in Application No. 2012.1046BC, 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 west side of Bryant Street between Division and 15th Streets. The subject property is an irregularly shaped through lot of approximately 27,088 square feet that also fronts on Florida Street. The property contains a 12-story building of approximately 188,400 gross square feet that was originally constructed in 1953 as a brewery (Hamm's Beer) and operated in that capacity until 1975. The existing building contains a mix of office, retail, and other uses. Office uses in the building expanded significantly over the last twenty years, and the Zoning Administrator determined that 92,753 gross square feet of existing office space in the building is eligible to be legitimized pursuant to Planning Code Section 179.1.
3. **Surrounding Properties and Neighborhood.** The project site is located in the Inner Mission, just north of the 16th Street corridor. The immediate vicinity is zoned for PDR and mixed uses. Existing surrounding buildings and uses are a mix of PDR, office, and retail buildings. Most retail in the vicinity is larger in scale, including Sports Basement, Best Buy, Costco, and the Potrero Center (Safeway, Office Depot, Jamba Juice, etc.). Highway 101 is one block to the north, and Franklin Square is one block to the south.
4. **Project Description.** A letter of determination from the Zoning Administrator in 1992 clarified that the building contained the following legal uses:
 - 80,000 square feet of legal nonconforming office use;
 - 53,600 square feet of wholesale space;
 - 39,800 square feet of service and other business space;

- 9,000 square feet of general retail space; and
- 6,000 square feet of restaurant space.

The Zoning Administrator determined on August 2, 2012, that an additional 92,753 gross square feet in the building was eligible to be legitimized as legal nonconforming office space pursuant to Planning Code Section 179.1. On November 1, 2012, the Planning Commission approved a proposal to convert the remaining 15,646 gross square feet in the building, which is spread through various floors, to legal nonconforming office space as an expansion of the pre-existing 80,000 gross square feet of office space.

The proposal is to establish a total of 108,399 gross square feet (92,753 + 15,646) of legal office use within the existing building, which would allow all 188,400 gross square feet of the existing building to be used as office space.

5. **Public Comment.** The Department received no public comment regarding this project.
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 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 August 2, 2012 for this project stating that 92,753 gross square feet of office space in the existing building is eligible to be approved as legal nonconforming office space pursuant to Planning Code section 179.1.

- B. **Parking.** Planning Code Section 151.1 states that parking shall not be required for any use, and parking maximums shall instead apply. Office uses may provide up to one off-street parking space per 1,000 square feet.

The existing property contains no off-street parking, and no parking is required by the current Planning Code.

- C. **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 Childcare Fee per Planning Code Section 414.

The Project Sponsor shall pay the appropriate Transit Impact Development, Jobs-Housing Linkage and Childcare fees, pursuant to Planning Code Sections 179.1(g), 411, 413 and 414, at the appropriate stage of the building permit application process.

D. **Office Allocation.** Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

The existing building has been used primarily as office space for approximately two decades. There is currently more than 2.6 million gross square feet of available "Large Cap" office space in the City. Additionally, the Project is subject to various development fees that will benefit the surrounding community. Therefore, the Project will help maintain the balance between economic growth, housing, transportation and public services.

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

The Project is consistent with the General Plan, as outlined in Section 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 or alterations 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 located in an area of diverse commercial uses, many of which are of a large scale. The existing building has been used primarily as office space for approximately two decades.*

Additionally, Section 179.1 permits eligible office uses in the PDR-1-G Zoning District. The Zoning Administrator issued a Letter of Legitimization on August 2, 2012, stating that 92,753 gross square feet in the building was eligible to be converted to legal nonconforming office space pursuant to Planning Code Section 179.1.

b) Transit Accessibility. *The project site is well served by MUNI bus lines (9, 22, 27, 33, and 47) and is also near to several bicycle preferential streets (Harrison, 11th, Potrero, and 17th Streets).*

- c) Open Space Accessibility. *The project is located in the Inner Mission neighborhood, which does not include a large amount of open space. However, Franklin Square is a large park containing both active and passive recreational space, and is located only one block away. The existing building contains no open space.*
- d) Urban Design. *The proposed office space is in an existing structure. The project does not include any exterior alterations or additions.*
- e) Seismic Safety. *The project does not include any exterior alterations or additions.*

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 108,399 gross square feet of new office space. Based on the Project Sponsor's estimate of one employee per 200 square feet, the new office space can employ approximately 542 people at full occupancy.*
- b) Needs of Existing Businesses. *The Project will supply office space in the Inner Mission area, which limits or prohibits office use, depending on the Zoning District. In contrast to the downtown area, office rents in this area are generally lower and provide valuable space for smaller and/or younger businesses. Based on the Project Sponsor's analysis, the total office space can employ approximately 542 employees at full occupancy. Since office space is limited in this area, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.*
- c) Availability of Space Suitable for Anticipated Uses.

The project will provide quality office space that is suitable for a variety of office uses and sizes.

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

The building will not be owner-occupied. The owner will lease the office space to multiple office tenants.

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

The Project does not include any Transfer of Development Rights.

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 WORKING 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.

The proposed office space conversion will have no undesirable consequences because much of the building is already office space and the building itself is not well suited to other uses. The conversion will allow the building to continue to attract new office tenants in a building well-suited for such uses.

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.

Much of the existing building is already office space, and the conversion will allow the building to continue to attract new office tenants to a building that is not well-suited for other uses.

TRANSPORTATION

Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

The project site is well served by MUNI bus lines (9, 22, 27, 33, and 47) and is near to several bicycle preferential streets (Harrison, 11th, Potrero, and 17th Streets). As such, it is well-suited to attract office tenants without providing off-street parking.

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 1.3.3:

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 project represents a minor expansion of a legal nonconforming use that will allow the building to continue to provide benefits to the surrounding community and the City.

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.

There are no storefronts in the subject building for typical retail uses. As such, the limited retail within the subject building primarily serves the tenants of the building, and not the surrounding neighborhood. However, providing additional legal office space in the building may increase opportunities for resident employment and business ownership.

- 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 does not add or remove any residential uses, and there are no residential uses in the vicinity. The project will not change the existing building, or the operation of the building. As such, the project will not impact housing or the economic diversity of the neighborhood.

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

The project does not add or remove any housing.

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

The operation of the building will not significantly change. The existing building has operated without on-site parking since its construction. The proposed conversion of office space will have no impact on MUNI or neighborhood parking.

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

The existing building already contains 80,000 square feet of office space, and an additional 92,753 square feet was found to be eligible for legitimization pursuant to Planning Code Section 179.1. The remaining 15,646 square feet was approved as office space by the Planning Commission (Motion No. XXXXX) as an expansion of the existing 80,000 square feet. The existing building is not well suited for uses other than office. Allocating the proposed 108,399 square feet of office space will allow the building to operate as a true office building and may increase opportunities for resident employment and business ownership.

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

The project does not include any physical alterations to the existing building.

- G. That landmarks and historic buildings be preserved.

The subject building was found to not be a historic resource in the Showplace Square/Northeast Mission Historic Survey.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

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 Conditional Use 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. 2012.1046BC** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated October 23, 2012, 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 November 1, 2012.

Jonas Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: November 1, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for an office development authorization to establish 108,399 gross square feet of legal office use in the building located at 1550 Bryant Street, Block 3923, and Lot 006, pursuant to Planning Code Section(s) 179.1, 321, and 322 within the **PDR-1-G** (Production, Distribution, and Repair - General) Zoning District and **68-X** Height and Bulk District; in general conformance with plans, dated **October 23, 2012**, and stamped "EXHIBIT B" included in the docket for Case No. **2012.1046BC** and subject to conditions of approval reviewed and approved by the Commission on **November 1, 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 **November 1, 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 Allocation 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 Conditional Use 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 Conditional Use 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 Sections 411 (formerly Chapter 38 of the Administrative Code) and 179.1, 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.

5. **Jobs Housing Linkage.** Pursuant to Planning Code Sections 413 (formerly 313) and 179.1, the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

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

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. **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, www.sfdpw.org.*

10. **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.

REUBEN & JUNIUS^{LLP}

October 22, 2012

VIA U.S. MAIL

Mr. Rodney Fong, President
San Francisco Planning Commission
1650 Mission Street, 4th Floor
San Francisco, CA 94103

**Re: 1550 Bryant Street
Planning Department Case No. 2012.1046BC
Hearing Date: November 1, 2012
Our File No.: 6730.04**

Dear President Fong and Commissioners:

This office represents Alcion 1550 Bryant Venture, LP (“Project Sponsor”), the project sponsor of a proposed conversion of the existing office/showroom building at 1550 Bryant Street (the “Property”) to a 100% office building (the “Project”). The Property is popularly known as the Hamm’s Building. The building was originally built in 1915 and was used as a brewery for the Ranier Brewing Company and then as the Hamm’s Brewery until 1975. The building went unused for several years until it was remodeled as an office/showroom building in the mid-1980s. The remodel created a mix of office, wholesale, business service, retail and restaurant uses at the Property. Since its conversion, the Property has increasingly been used as an office building, to the point where the building was operating at 100% office at the time the Property was rezoned in 2009 as part of the Eastern Neighborhoods plan.

The existing building consists of 188,400 gross square feet. In 1992, the Zoning Administrator recognized, among other uses, 80,000 square feet of office space at the Property (confirming several Planning Department approvals from the 1980s). The Project Sponsor filed a legitimization application earlier this year, and on August 2, the Zoning Administrator issued a Letter of Determination recognizing that an additional 92,753 square feet at the Property was eligible for legitimization. The Project Sponsor is now proposing to convert the remaining 15,646 square feet of the Property to office through an expansion of a non-residential, non-conforming use, per a new section of the Planning Code approved as part of the Eastern Neighborhoods plan and specifically intended for this purpose. The Project requires an office space allocation and a conditional use authorization for the expansion of the office uses by the Planning Commission. No alterations (exterior or interior) are proposed.

The Project Sponsor hereby requests that the Planning Commission approve (1) the conditional use for the expansion of the existing office uses by 15,646 square feet, and (2) an

James A. Reuben | Andrew J. Junius | Kevin H. Rose | Sheryl Reuben¹ | David Silverman | Thomas P. Tunny | Jay F. Drake
Daniel A. Frattin | Lindsay M. Petrone | John Kevin | Jared Eigerman^{2,3} | John McNerney III²

1. Also admitted in New York 2. Of Counsel 3. Also admitted in Massachusetts

One Bush Street, Suite 600
San Francisco, CA 94104

tel: 415-567-9000
fax: 415-399-9480

www.reubenlaw.com

Mr. Rodney Fong, President
San Francisco Planning Department
October 22, 2012
Page 2

office allocation of 108,399 square feet (consisting of the 92,753 square feet of legitimized space and the 15,646 square feet of expanded office space).

Plans of the existing building, indicating the various categories of office use, are attached as **Exhibit A**. Photos of existing site conditions are attached as **Exhibit B**.

A. Benefits of the Project

- Confirming the existing building at the Property as a 100% office building, allowing the Project Sponsor to continue operate the building in a such a manner that best serves the office tenants;
- Allowing the existing office tenants at the Property to continue in operation;
- Providing flexible office space for small and large office tenants in the future;
- Maintaining employment space for workers near public transit (Property is within one block of five MUNI bus lines);
- Collecting roughly \$1.2 million in development fees to be used towards affordable housing, transportation and infrastructure upgrades.

B. Hamm's Building's Most Appropriate Use is as an Office Building

As part of the Eastern Neighborhoods plan, the Property was rezoned from M-1 to PDR-1-G. Previously, a wide variety of uses were permitted under the M-1 zoning, and now the zoning is significantly restricted in the PDR-1-G district, mostly to light industrial uses. The Hamm's building is a 151-foot-tall, twelve-story building with varied floor plates, floor sizes, floor configurations, and ceiling heights. The ground floor consists of a large, office lobby which is vertically open to the second floor.

The building is unique in that there are few if any other buildings of this many stories rezoned to the PDR districts as part of the Eastern Neighborhoods plan. Light industrial uses are typically not able to be operated above the first or second floor of a building due to issues such as adequate floor-to-floor heights and direct access to truck loading docks. In addition, close to half of the building was already legally converted to office prior to the Eastern Neighborhoods rezoning.

The building is simply not appropriate for light industrial uses.¹ Such uses are not well-suited to twelve-story buildings. Combining building access between light industrial and office tenants in the existing lobby would clearly create conflict. The building also consists of irregular floor plates, inconsistent ceiling heights, and elevation transitions within a floor – all of which make the space ill-suited to light industrial uses, which typically require large, open floors to operate. Further, the current building walls are of a quality to provide noise separation for office tenants – light industrial tenants would disturb adjacent office uses. Simply put, it is not appropriate to locate office uses and light industrial uses adjacent to one another in a twelve-story building such as this.

The building is especially appropriate for office users. Due to the number of floors and the amount of floor area in the building, it provides flexible office space that allows for both small and large office tenants. It also allows for smaller office tenants to conveniently grow within the building. In fact, a number of notable companies began operations at the building and continue to grow there, including Rdio (funded by Skype founder Janis Friis) and Asana (led by Facebook founder Dustin Moskovitz). The flexible space has also been particularly well-suited to the office operations of non-profits and educational uses, a number of which have occupied suites throughout the building in recent years.

Current photographs of the interior of the building are attached as **Exhibit C**.

C. The Project will Provide the City Significant Impact Fees

While the proposal largely confirms the existing uses at the Property, it will generate significant fees for the city, estimated at roughly \$1.2 million. These fees will be split between funding affordable housing, transit and transportation upgrades, and infrastructure within the Eastern Neighborhoods. These fees will be generated without any construction impacts.

D. Conclusion

The Project requires a Section 321 office allocation of 108,399 square feet of office space out of the City's annual office cap and approval of a 15,646 square foot expansion of the existing, legal, non-conforming office uses at the Property.

While the Property was originally constructed as a brewery building, it lost all its character as an industrial building after its conversion to office/showroom use in the 1980s. Over time, the building has been used more and more as office, to the point now where it is all office space. The Project will confirm the Property as an office building, and will allow current

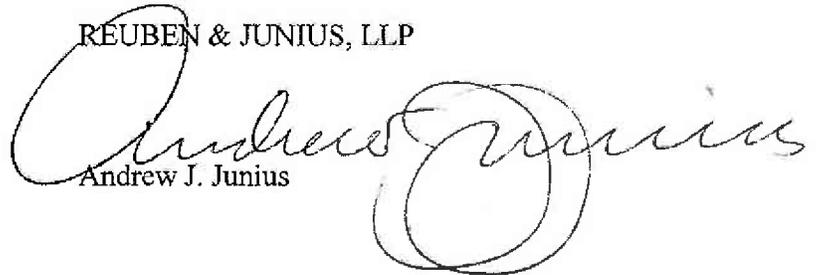
¹ While the building was originally built as a brewery, the renovation conducted in the mid-1980's removed the multi-story brewing vats and related equipment, and added several floors within the existing building envelope. The resulting building was a combination of office, business service, culinary, retail and showroom spaces – none industrial in nature.

Mr. Rodney Fong, President
San Francisco Planning Department
October 22, 2012
Page 4

tenants to maintain their operations there, as well as provide flexible office space to start-ups, non-profits, educational uses and established office tenants in the future. It will do this in an area well served by public transit. Planning staff is recommending approval of the requested authorization. For all of these reasons and those listed in the application, we respectfully request this Commission grant this office allocation and conditional use request for the Project.

Very truly yours,

REUBEN & JUNIUS, LLP



Andrew J. Junius

Encls.

cc: Vice-President Cindy Wu
Commissioner Michael Antonini
Commissioner Gwen Borden
Commissioner Rich Hillis
Commissioner Kathrin Moore
Commissioner Hisashi Sugaya
Linda Avery - Commission Secretary
Corey Teague - Neighborhood Planner
Adam Chall - Project Sponsor

One Bush Street, Suite 600
San Francisco, CA 94104

tel: 415-567-9000
fax: 415-399-9480

REUBEN & JUNIUS, LLP

www.reubenlaw.com

EXHIBIT A

EXHIBIT B

1550 Bryant Street









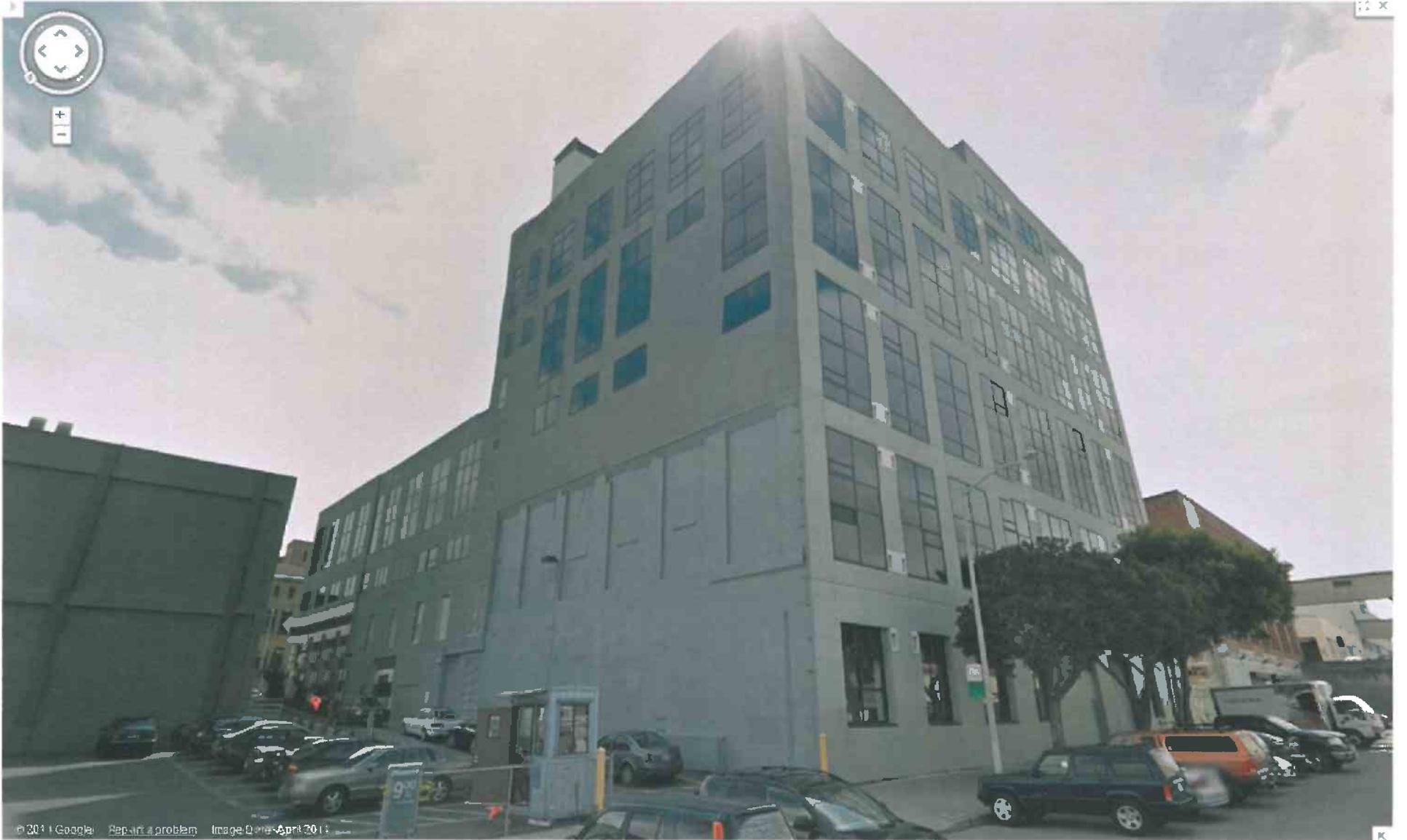
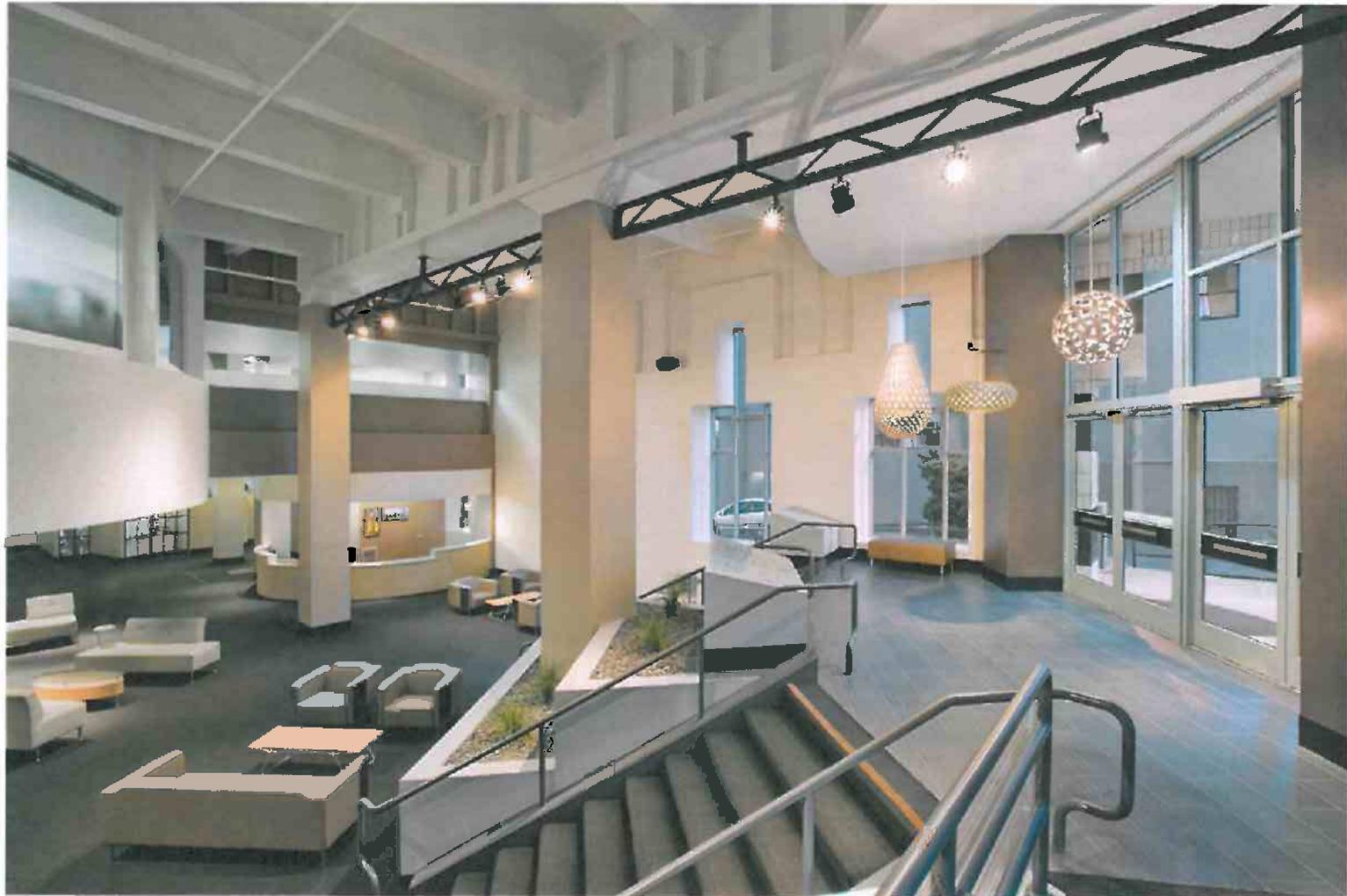




EXHIBIT C



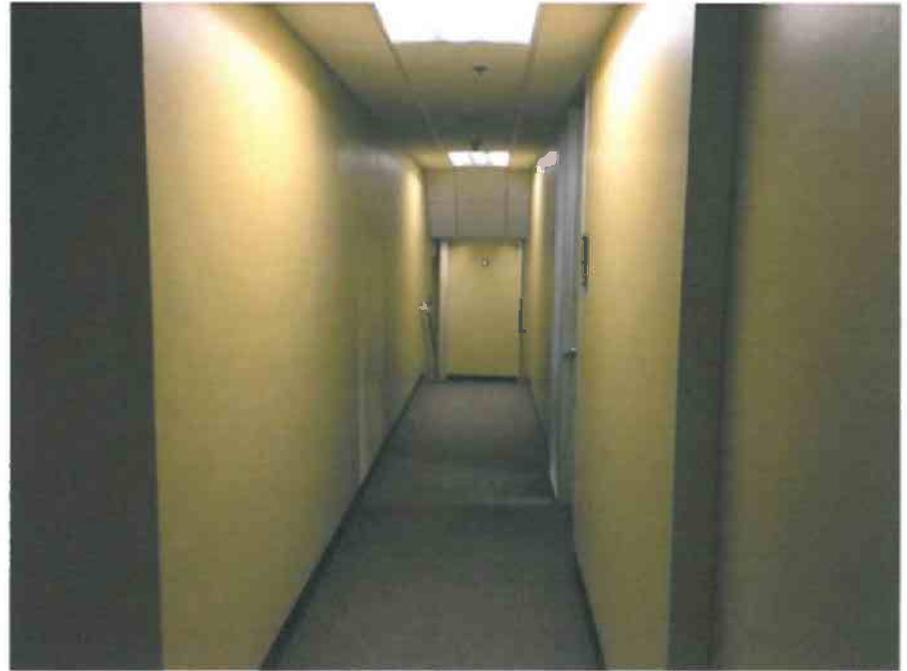
Building Entrance/Lobby



← Ground Floor Elevators

Typical Upper-Floor
Elevator Lobby →





Typical Office Corridors



Typical Office