

File No. 230847

Committee Item No. _____

Board Item No. 81

COMMITTEE/BOARD OF SUPERVISORS

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Committee: _____

Date: _____

Board of Supervisors Meeting

Date: July 25, 2023

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OTHER

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Prepared by: Lisa Lew

Date: July 21, 2023

Prepared by: _____

Date: _____

1 [Urging the Continuation of the Anchor Brewing Company Legacy, Supporting Anchor
2 Workers, and Preserving Production, Distribution, and Repair Zoning]

3 **Resolution urging the continuation of Anchor Brewing Company’s legacy, supporting**
4 **Anchor workers, and preserving Production, Distribution, and Repair zoning and**
5 **spaces at 1705 Mariposa Street and 495 De Haro Street.**

6
7 WHEREAS, Anchor Brewing Company is a 127-year-old San Francisco institution,
8 located at Potrero Hill in District 10, at 1705 Mariposa Street and 495 De Haro Street, since
9 1979; and

10 WHEREAS, Anchor Brewing Company was establish in 1896 in San Francisco by
11 German brewer Ernst F. Baruth and his son-in-law, Otto Schinkel, Jr., who bought the old
12 brewery on Pacific Street near Russian Hill and named it Anchor; no one knows why Baruth
13 and Schinkel chose the name Anchor, except, perhaps, its indirect but powerful allusion to the
14 booming Port of San Francisco; and

15 WHEREAS, In an uncanny year of misfortune, co-owner Ernst Baruth died suddenly in
16 February 1906, and two months later, the devastating fire following San Francisco’s great
17 earthquake consumed Anchor Brewery; in January 1907, just as Anchor Brewery was
18 opening at its new location south of Market Street, Otto Schinkel, Jr., was run over by a
19 streetcar; fortunately, German brewers Joseph Kraus and August Meyer, along with liquor
20 store owner Henry Tietjen, were able to keep Anchor Brewery going; and

21 WHEREAS, Prohibition effectively shut Anchor Brewery down in 1920, although there
22 may have been a few “activities” during Prohibition and the era of bootlegging, but there is no
23 record of Anchor Brewery doing anything—legal or illegal—during this time; and

24 WHEREAS, After Prohibition ended in April 1933, owner Joe Kraus began brewing
25 Anchor Steam Beer after a 13-year hiatus and as luck would have it, the brewery went up in

1 smoke the following February; Kraus re-opened Anchor Brewery in an old brick building with a
2 new partner, Joe Allen, just a few blocks from where the historic brewery is today; and

3 WHEREAS, Kraus and Allen valiantly and lovingly kept Anchor afloat until Kraus's
4 death in 1952; by 1959, American tastes had changed, with mass-produced, lighter beers
5 driving consumer demand; this took a toll on Anchor's sales; in July of 1959, at the age of 71,
6 Joe Allen shut down Anchor for what would, thankfully, be a brief period; and

7 WHEREAS, Lawrence Steese bought and re-opened Anchor in 1960 at yet another
8 nearby location, retaining Joe Allen to carry Anchor's craft brewing tradition forward; but one
9 of Anchor's oldest accounts, the Crystal Palace Market had already closed its doors; and
10 Steese had an increasingly difficult time convincing loyal Bay Area establishments to continue
11 serving Anchor Steam; by 1965, Steese—like Allen six years before—was ready to shut
12 Anchor down; and

13 WHEREAS, During a meal at the Old Spaghetti Factory, a young Stanford grad named
14 Fritz Maytag learned that the makers of his favorite beer Anchor Steam Beer were soon to
15 close their doors forever; despite the primitive equipment and financial condition, Fritz rushed
16 to buy 51% of the historic San Francisco craft brewery—rescuing Anchor from imminent
17 bankruptcy; and

18 WHEREAS, In 1971, one-hundred years after Gottlieb Brekle founded the brewery that
19 became Anchor, Fritz began bottling Anchor Steam Beer—the first bottled Anchor Steam in
20 modern times; and

21 WHEREAS, By 1975, Anchor had produced four other distinctive beers, Anchor Porter,
22 Liberty Ale, Old Foghorn Barleywine Ale, and the first annual Christmas Ale; though the terms
23 “microbrewing” and “craft brewing” had yet to be coined, it was clear that Anchor was leading
24 a brewing revolution in San Francisco; and

25

1 WHEREAS, By 1977, Anchor had five products, a dozen employees and had nearly
2 outgrown its most recent brewery on 8th Street; after a long search, owner Fritz Maytag
3 purchased a wonderful old coffee roastery, built in 1937, on nearby Potrero Hill; on August 13,
4 1979, Anchor brewed its first Steam Beer at its new Mariposa Street home, which remains
5 their home today; and

6 WHEREAS, In 1993, Anchor Brewing became the first brewery in the world with its own
7 in-house distillery, Anchor Distilling, doing for micro-distilling what Anchor Brewing had done
8 for microbrewing; and

9 WHEREAS, After 45 years, Fritz Maytag, announced his retirement with the sale of
10 Anchor Brewing to Keith Greggor and Tony Foglio; Anchor's new owners made plans to
11 preserve and expand the iconic brand's operations and cement its position as a leader in craft
12 brewing; and

13 WHEREAS, In 2017, Anchor Brewing opens Anchor Public Taps, an innovation
14 brewery and public taproom located in Potrero Hill; Public Taps serves as the epicenter of all
15 new beer development at Anchor Brewing; and

16 WHEREAS, In 2017, Historic Japanese brewery Sapporo purchases Anchor Brewing
17 Company, vowing to keep Anchor in San Francisco to preserve its rich legacy and tradition,
18 and invest in it's bright future; and

19 WHEREAS, In 2019, Anchor employees voted to Unionize through the International
20 Longshore and Warehouse Union (ILWU), Local 10, and the pioneer of the craft beer
21 movement became the pioneer of the craft beer union movement; and

22 WHEREAS, In 2021, Anchor celebrated its 125-year anniversary with a fresh new look,
23 and a revelation of its golden future, rooted in Anchor's unique history; and

24 WHEREAS, On July 12, 2023, Sapporo abruptly announced the termination and cease
25 operations at Anchor Brewing and is in the process of negotiating an arrangement with an

1 Assignee to retain as part of a California Assignment for the Benefit of Creditors (ABC), an
2 alternative to filing for bankruptcy; and

3 WHEREAS, Since the announcement that the brewery will cease operations,
4 approximately two dozen investors, individuals and companies have expressed interest in
5 some or parts of Anchor Brewing; and

6 WHEREAS, When workers organized to unionize in 2019, they organized because
7 their wages, benefits, and working conditions at Anchor Brewing went from generous to
8 skimpy with paid sick leave, 45 minute paid lunches, and 3% matching retirement taken away;
9 and

10 WHEREAS, Instead of remaining neutral, Sapporo hired union busters to try to
11 dissuade union organizing but the workers persevered and voted to unionize through ILWU
12 Local 10; and

13 WHEREAS, If there is no new ownership or transition, the workers at Anchor Brewing
14 will lose their employment by the end of this month; and

15 WHEREAS, The location of Anchor Brewing and Anchor Public Taps at 1705 Mariposa
16 Street and 495 De Haro Street have been zoned for Production, Distribution, and Repair
17 (PDR) through Planning; and

18 WHEREAS, PDR spaces are limited in San Francisco and are concentrated in District
19 10; and

20 WHEREAS, Under the Planning Code, preservation of PDR spaces is also an
21 important City policy and is intended to encourage the introduction, intensification and
22 protection of a wide range of light and contemporary industrial activities, therefore new
23 housing, large office developments, large-scale retail, and the heaviest of industrial uses,
24 such as incinerators are prohibited; now, therefore, be it

25

1 RESOLVED, That the San Francisco Board of Supervisors encourages Sapporo and
2 the California Assignment for the Benefit of Creditors to work with the approximately two
3 dozen investors, individuals and companies who have expressed interest in some or all parts
4 of Anchor Brewing to reach a deal so that the legacy of Anchor Brewing may continue in San
5 Francisco for many generations to come; and, be it

6 FURTHER RESOLVED, That the San Francisco Board of Supervisors encourages
7 whomever the new owners of Anchor Brewing to retain or rehire the existing staff as well as
8 respect future contract negotiations with ILWU Local 10, who represent the workers, to ensure
9 that workers continue to have employment and living wages and good benefits; and, be it

10 FUTHER RESOLVED, That the San Francisco Board of Supervisors urges the City
11 and County of San Francisco to preserve the PDR zoning at 1705 Mariposa Street and 495
12 De Haro Street as aligned with City policy intended to encourage the introduction,
13 intensification, and protection of a wide range of light and contemporary industrial activities.

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Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: