



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other – Development Agreement

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Planning Commission Motion No. 19467 Office Allocation

HEARING DATE: SEPTEMBER 17, 2015

Date: September 3, 2015
Case No.: 2011.0409ENV/CUA/DVA/OEA/MAP/PCA/SHD
Project Address: **925 Mission Street and various parcels (aka "5M")**
Existing Zoning: RSD (Retail/Service) Mixed-Use District
 40-X/85-B Height and Bulk District
 SOMA Youth and Family Special Use District
Block/Lots: Lots 005, 006, 008, 009, 012 and 098 of Assessor's Block 3725
[the "H-1 Site"]
Project Sponsor: Audrey Tendell
 5M Project, LLC
 875 Howard Street, Suite 330
 San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
 Kevin.Guy@sfgov.org
Recommendation: Approval with Conditions

ADOPTING FINDINGS RELATING TO THE APPROVAL OF ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2014-2015 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO SECTIONS 320 THROUGH 325 OF THE PLANNING CODE FOR A PROJECT TO CONSTRUCT A NEW 25-STORY BUILDING REACHING A MAXIMUM HEIGHT OF APPROXIMATELY 362 FEET, WITH AN APPROXIMATELY 30-FOOT ARCHITECTURAL SCREEN, FOR A TOTAL HEIGHT OF APPROXIMATELY 395 FEET, CONTAINING APPROXIMATELY 593,500 SQUARE FEET OF OFFICE USES, APPROXIMATELY 33,000 SQUARE FEET OF ACTIVE GROUND FLOOR AND MEZZANINE SPACE (INCLUDING 7,100 SQUARE FEET OF RETAIL), AND UP TO THREE SUBTERRANEAN LEVELS WITH VEHICLE AND BICYCLE PARKING, LOADING, AND MECHANICAL SPACE, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1(b). THE PROJECT SITE IS CURRENTLY LOCATED IN THE RSD (RESIDENTIAL SERVICE) DISTRICT, THE 40/85-B HEIGHT AND BULK DISTRICT, AND THE SOMA YOUTH AND FAMILY SPECIAL USE DISTRICT.

PREAMBLE

On August 19, 2014, May 15, 2015, and August 7, 2015, 5M Project, LLC (“Project Sponsor”) filed entitlement applications with the San Francisco Planning Department for the development of a mixed-use commercial, residential and retail/educational/cultural development project known as the 5M Project (“5M Project”), including a request for an allocation of office space pursuant to Sections 320 through 325 (Annual Office Development Limitation Program) (Case No. 2011.0409OFA) for a project to construct a new 25-story building reaching a maximum height of approximately 362 feet, with an approximately 30 foot architectural screen, for a total height of approximately 395 feet, containing approximately 593,500 square feet of office uses, approximately 33,000 square feet of active ground floor and mezzanine space (including 7,100 square feet of retail), and up to three subterranean levels with vehicle and bicycle parking, loading, and mechanical space, located at 172,190 Fifth Street; 910, 912, 914-918 and 924-926 Howard Streets, on lots 5, 6, 8, 9, 12 and 98 of Assessors Block 3725 (“H-1 Site”) within the proposed “Fifth and Mission Special Use District” (“5M SUD”) and generally referred to as the “H-1 Project.” The H-1 Project is one of three new buildings in the larger mixed use commercial residential, retail/educational/cultural development project known as the 5M Project.

The 5M Project is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The 5M Project site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100 (“5M Project Site”).

The Planning Department began conversations with the Project Sponsor in 2008 identifying the subject property as an opportunity site that should both reference the lower-scaled environment to the west by emphasizing the existing historic buildings on the site and adding much needed open space to this part of SOMA, with the potential for density and a mix of uses that relate to the high-rise environment to the east. The proposed 5M Project pre-dates the Central SOMA Plan, but supports many of the goals of the Plan, such as supporting transit oriented growth, providing extensive open space, and shaping the area's urban form with recognition of both the City and neighborhood context.

The 5M Project proposes to demolish surface parking lots and several existing buildings (926 Howard Street, 912 Howard Street, 409-411 Natoma Street, and 190 Fifth Street), retain the Dempster, Camelline, Chronicle, and Examiner (portion) buildings, and construct three new towers on the 5M Project site, with occupied building heights ranging from approximately 200 feet to 450 feet. The 5M Project includes approximately 821,300 square feet of residential uses (approximately 690 units), 807,600 square feet of office uses (including active office uses at or below the ground floor), and 68,700 square feet of other active ground floor uses (a mix of retail establishments, recreational and arts facilities, restaurants, workshops, and educational uses).

The 5M Project would also include vehicular parking, bicycle parking, and loading facilities, an extensive program of private- and publicly-accessible open space, and streetscape and public-realm improvements. The northerly portion of Mary Street between Minna and Mission Streets would be converted into a pedestrian alley lined with active uses and enhanced with seating, landscaping, and pedestrian-scaled lighting. Public Open Space will be provided at the center of the 5M Project, providing active and passive space incorporating artwork, landscape and treatments and furnishings. Another significant open space would be situated on the rooftop of the Chronicle building, including a deck, lawn space, seating and opportunities for urban agriculture and outdoor gardens.

On November 20, 2014, the Planning Commission held an informational hearing regarding the 5M Project, which included a broad overview of the design and regulatory approach being proposed for the site. On July 23, 2015, the Planning Commission held a second informational hearing for the 5M Project, which focused on the Design for Development document proposed as part of the overall project entitlements. On August 6, 2015, the Planning Commission held a third informational hearing for the 5M Project, focusing on public benefits, wind and shadow effect, circulation design and transportation, and street improvements. On September 3, 2015, the Planning Commission held a final informational hearing on the Project, focusing on various issues raised at the third informational hearing.

In order for the 5M Project to proceed and be developed with the proposed mix of uses and development controls, various General Plan amendments, height reclassifications and amendments to the Planning Code and Zoning Maps, together with additional entitlements and approvals, are required.

On July 9, 2015, Mayor Lee introduced draft Ordinances with respect to the 5M Project 1) approving a Development Agreement for the Project, and 2) amending the Planning Code to add Section 249.74 to create the 5M Special Use District, and amending Sectional Maps ZN01, SU01, and HT01 of the Zoning Map to reflect the 5M Special Use District and height reclassifications associated therewith. In order for the 5M Project to proceed and be developed with the proposed mix of uses and development controls, various General Plan amendments, height reclassifications and amendments to the Planning Code and Zoning Maps, together with additional entitlements and approvals, are required, including this Office Allocation. The 5M SUD is described in Commission Resolution No. 19464 and 5M Design for Development described in Commission Motion No. 19465 which together form the basic regulatory scheme for the 5M Project, which requires, in lieu of Planning Code Section 309, which typically applies to development of buildings within the C-3 Zoning Districts, the conditional use authorization process described in the 5M SUD.

On August 6, 2015, the Planning Commission held a duly noticed public hearing to consider initiation of General Plan Amendments associated with the 5M Project, and adopted Resolution No. 19429 initiating such General Plan Amendments.

On October 15, 2014, the Department published a draft Environmental Impact Report (EIR) for public review. The draft EIR public comment period was originally proposed to end on December 1, 2014, and was subsequently extended by the Environmental Review Officer to January 7, 2015. On November 20, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On August 13, 2015, the Department published a

Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project. The draft EIR and the Comments and Responses document constitute the Final EIR. On September 17, 2015, the Commission reviewed and considered the Final EIR at a duly noticed public hearing and found that the contents of said report and the procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission found the Final EIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the draft EIR, and approved the Final EIR for the 5M Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2011.0409ENV. Planning Department staff prepared a Mitigation and Monitoring and Report Program (MMRP), which material was made available to the public and the Commission for the Commission's review and consideration and action.

On September 17, 2015, at a duly noticed public hearing at a regularly scheduled meeting, by Motion No. 19459, the Commission adopted findings, including a statement of overriding considerations and a Mitigation Monitoring and Reporting Program pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with the actions contemplated herein, the Commission has reviewed the Final EIR for the 5M Project and adopts and incorporates by reference as though fully set forth herein the findings, including a statement of overriding considerations, pursuant to CEQA, adopted by the Commission by Motion No 19459.

Also on September 17, 2015 at a duly noticed public hearing at a regularly scheduled meeting, by Resolution Nos. 19464, 19463, 19466, 19459 and 19460, the Commission adopted Resolutions recommending that the Board of Supervisors approve the 5M SUD, various General Plan amendments required for the 5M Project, a Development Agreement for the 5M Project, and adopted findings in connection therewith.

Also on September 17, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding the Office Allocation Application for the H-1 Project. 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, the Planning Department staff, and other interested parties.,

MOVED, that the Commission hereby authorizes the Office Allocation requested in Application No. 2011.0409OFA, subject to the conditions contained in **Exhibit A** of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and also constitute findings of this Commission.
2. **Site Description and Present Use.** The 5M Project Site is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100. The H-1 Site is located at the southeast portion of the 5M Project Site, measuring approximately 40,200 square feet. The H-1 Site is currently occupied by surface parking uses, as well as four existing buildings containing warehouse and commercial workshop uses.
2. **Surrounding Properties and Neighborhood.** The 5M Project Site is located at the nexus of the Downtown, SOMA, and Mid-Market areas, within a context characterized by intense urban development and a diverse mix of uses. The Westfield San Francisco Centre located at the southeast corner of Market and Fifth Streets, which defines the entry into the major retail shopping district around Union Square. The Fifth and Mission Parking Garage and the University of the Pacific School of Dentistry are located immediately to the east across Fifth Street, with the Metreon shopping center, Yerba Buena Gardens, and Moscone Center situated further to the east. The 340-foot Intercontinental Hotel is immediately to the east of the 5M Project site, while the Pickwick Hotel and the Hotel Zetta are located along the 5th Street corridor. The Old Mint is situated immediately to the north of the 5M Project site across Mission Street. Existing buildings to the west and the south of the 5M Project site tend to be lower in scale, and contain a wide variety of uses, including residential hotels, older and newly-constructed residential buildings, offices, retail establishments, and automotive repair. The transit spine of Market Street is situated one block to the north, while the alignment of the future Central Subway is located one block to the east along Fourth Street.
3. **H-1 Site - Proposed Project.** The H-1 Project on the approximately 40,200 square foot H-1 Site would include the demolition of existing surface parking (on 435-39 and 441-45 Minna Street, 44 and 55 Mary Street) and the demolition of four one- and two-story buildings (totally 25,300 sq. feet), at 172, 190 Fifth Street, 910, 912, 914-916, and 924-926 Howard Street. The proposed H-1 project development includes construction of an up to 617,900 square feet, 395 foot tall-25 story office building with approximately 593,500 square feet of office use, 584,900 square feet of office space above the ground floor, and 33,000 square feet of actual ground floor and mezzanine space (including retail, office (8,600) lobby/core and building service space); up to three subterranean levels of vehicle and bicycle parking and loading; a freight loading dock on the ground floor, approximately 11,000 square foot private terrace on the southwest side of the building at or above the tenth floor, adjacent pedestrian improvements along Mary Street, and other associated streetscape improvements.

4. **Public Comment.** The Planning Department has received extensive written and verbal comments from members of the public regarding the proposed 5M Project. In general, communications in support of the project praise the development of a relatively underutilized site with housing, employment, and retail opportunities, the public benefits package outlined in the Development Agreement for the project (including contributions toward affordable housing, youth, workforce, and arts programs, and transportation), enhancement of streetscapes and the provision of new open spaces. Communications in opposition to the project express concerns regarding displacement and changes in neighborhood character, traffic, incompatibility in the scale of the new buildings, and changes to existing height and zoning controls necessary to allow the project to proceed.
5. **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.

As of September 3, 2015, there exists 1,430,192 square feet of office space available for allocation to office buildings of greater than 49,999 square feet of office space ("Large Buildings") during this Approval Period, which ends October 16, 2015. With the allocation of 593,500 square feet to the H-1 Building (as well as 40,000 square feet to the Chronicle (M-1) Building portion of the 5M Project) of net new office space, a total of 633,500 square feet to the 5M Project, a total of 796,692 square feet of office space would be available for allocation. On October 17, 2015 and October 17 of each succeeding year, an additional 875,000 square feet of office space will become available for allocation to buildings of greater than 49,999 square feet of office space.

The 5M Project would improve the balance between San Francisco's economic growth and its housing supply by contributing substantial affordable housing benefits as outlined in the Development Agreement for the Project. . The 5M Project is also subject to the Transportation Impact Development Fee, Child Care In-Lieu Fee, Downtown Parks Fee, all of which will contribute to maintaining a balance between economic growth and housing, transportation and public services. Additionally, the 5M Project would create both new construction jobs and permanent new jobs and comply with all the requirements of the First Source Hiring Program (Chapter 83 of the Administrative Code) and Section 164 of the Planning Code to maximize employment opportunities for local residents.

In general, the downtown core of San Francisco offers relatively few remaining opportunity sites for employment growth. The Project would maximize development intensity at one of the largest and last remaining opportunity sites, and would utilize the site for both housing and substantial employment uses. The Project also seeks to address issues of regional sustainability and traffic congestion by focusing job growth within an intense, urban context in an area supported by abundant existing and planned transit services, as well as retail and service amenities. The H-1 Site Project implements this vision through the development of 593,500 square feet of office space, located within walking distance of the future Transit Center, the future Central Subway, and the Market Street transit spine.

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

The H-1 Project is consistent with the General Plan for the reasons described in Motion No. 19460, Case No. 2011.0409, as applicable to the 5M Project as a whole and separately to the H-1 Project. The Project would advance the objectives and policies of the Commerce, Urban Design, Downtown Plan, Transportation, and Transit Center District Plan Elements of the General Plan, and presents no significant conflicts with other elements.

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

While it is anticipated that the 5M Project will generally be developed in accordance with the plans approved at the time of entitlement, future evolution of aspects of the project implementation (such as exterior architectural treatments and variations in massing) may be modified during its design development where consistent with the 5M SUD and the 5M Design for Development (“D4D”) document. The D4D articulates a vision for the character of the overall project, and provides specificity on aspects of architecture and massing, streetscape improvements, landscaping and greening, lighting, circulation and transportation facilities, public art, open space programming and design, activation and enhancement of the pedestrian realm, and sustainability features. The scope of the D4D is expansive, and the guidelines and regulations within each topic area are detailed.

The D4D includes specific guidance for each of the new buildings proposed for the 5M Project, including the H1 Site. The bulk controls are intended to allow larger, more flexible floorplates to serve a variety of office tenants, while providing design controls that minimize the apparent bulk that results from the larger floorplates. The tower would have a maximum base height of 145 feet. Above this base, the tower would be expressed as two massings that would read as distinct, but connected buildings. Each individual massing would be subject to specific bulk controls.

Where the two massings of the tower are joined, horizontal offsets measuring a total of 60 feet would be required to create substantial breaks in plane that will articulate and animate the façade. A deep reveal, measuring a minimum of 8’x 10’, would create a “seam” where the massings are joined at the south elevation that will further enhance the distinction between the two massings. Finally, the two massings must maintain a 40-foot difference in height to avoid a “plateau” effect within the skyline.

Revisions to Project and/or individual buildings determined by the Planning Director to be consistent with the 5M SUD, the D4D, and, where applicable, existing conditional use authorization, may be reviewed and approved by the Planning Director. Inconsistent modifications to the Project would be considered by the Planning Commission and, if applicable, the Board of Supervisors.

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 H-1 Site Project’s proposed office and retail uses are permitted uses in the C-3-S District.*

1. The proposed use, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community;

The H-1 Project is a 617,900 gsf office building, including 593,500 gsf of office space, including 8,600 gsf of active ground floor office use and 7,100 square feet of ground floor retail uses. Its proposed location is an underutilized site measuring approximately 40,200 square-feet that currently contains 22,700 square feet of surface parking with the remaining area composed of low-rise warehouse/commercial workshop uses. The H-1 Site is currently located within the RSD Zoning District, but is proposed for rezoning to the C-3-S (Commercial Support) Zoning District in order to correspond with the zoning that applies to the remainder of the 5M Project Site. In addition, the H-1 Site is proposed to be located within the 5M SUD that would apply to the entirety of the 5M Project Site. The high-density office and active ground floor uses proposed by the H-1 Project are desirable for and compatible with the proposed location and with uses found in the surrounding neighborhood, as described below.

Under the Downtown Plan, high density office uses are encouraged, and are principally permitted uses within the C-3-S District. The Downtown Plan encourages prime downtown office activities to grow so long as negative effects can be controlled, including the displacement of other uses. The H-1 Project would displace minimal amounts of existing uses because over half of the H-1 Site is surface parking. Furthermore, as discussed in the Draft Environmental Impact Report for the 5M Project, which includes the H-1 Project, all but three potentially significant impacts of the overall 5M Project are reduced to less than significant levels, and the Project would implement measures to reduce these remaining three impacts to the extent feasible. The H-1 Project provides office use of the type encouraged by the Downtown Plan.

The size and intensity of the office use proposed in the H-1 Project building is particularly desirable for the proposed location. The H-1 Site is underutilized given its current use and proximity to existing and growing employment centers in Downtown and SoMa, as well as to the major Powell Street transit hub and transit corridors on Market Street and Mission Street, and the Central Subway alignment on Fourth Street. Locating high-density uses in proximity to transit is consistent with Downtown Plan goals of promoting additional transit usage and ensuring that the number of private vehicle trips to Downtown are not detrimental to the area, because users will be within convenient walking distance of many transit options.

The varied land uses in the immediate vicinity of the H-1 Project reflect the intersection of Downtown and SoMa, with high-rise hotel, major retail, convention center, midrise office and residential development within one block of the building site. Additional major planned and approved projects in the immediate vicinity include two hotels, mixed-use residential and commercial uses, and expansion of Moscone Center. Mid- and high-rise office and residential uses are also approved and proposed within the surrounding neighborhoods, including the Transit Center District Plan area, Mid-Market, and forthcoming Central SoMa Plan area. Given this context, the size and intensity of the H-1 Project would be consistent with existing and proposed uses and character of the surrounding neighborhood. As concluded in the Final EIR, the 5M Project, including the H-1 Project building, would be compatible with and would not overwhelm the existing neighborhood character, including nearby historic resources.

Lastly, the pedestrian streetscape and open space improvements proposed by the H-1 Project would function as a connection between the surrounding neighborhoods, and contribute to greater activity levels within the H-1 Project area itself. This would provide a desirable,

pedestrian-friendly experience that would interact with ground floor retail space in the H-1 Project building.

Thus, the size and intensity of the H-1 Project, at its proposed location within the Downtown Plan and C-3-S District, is appropriate and desirable because it meets the City's planning and zoning objectives for this area, it would not overwhelm neighborhood character, and its streetscape and open space improvements would be beneficial functional connections to the surrounding neighborhood.

b) Transit Accessibility. The H-1 Project site is two blocks from major transit hubs at Powell Street BART/Muni station, Market Street and the forthcoming Central Subway station at Folsom and Fourth Street. The Golden Gate Bridge, Highway, and Transportation District, SamTrans and A/C Transit Districts all operate regional transit services between San Francisco and Marin/Sonoma, San Mateo and Alameda/Contra Costa Counties, respectively, with stops within three blocks of the H-1 Project. Its transit-rich location particularly enhances the accessibility of the site and minimizes the project's impact on vehicle traffic patterns.

c) Open Space Accessibility. The overall 5M Project includes the development of publicly-accessible open spaces and public realm improvements. The H-1 Project portion of the overall 5M Project would include pedestrian-oriented streetscape improvements to Mary Street between Howard and Minna Streets – such as special paving, shallow curbs, and street furnishings – that would transform that right of way into a shared public way for pedestrians and vehicles.

Construction of the H-1 Project would also include Mary Court West, a publicly accessible 14,600 sf open space located between Minna and Natoma Streets west of Mary Street, as well as a 1,600 sf open space snippet along Mary Street adjacent to H-1. Mary Court West is intended to invite the public to interact with public art, landscaping and other programmed elements within the open space, resulting in a vibrant and active open space that is adjacent to active ground floor uses within the H-1 Project building. Mary Court West will be consistent with Guidelines for Downtown Open Space and will serve as a publicly accessible private open space consistent with Planning Code requirements for these spaces.

d) Urban Design.

The nature of the H-1 Site is a collection of underutilized parcels, including surface parking lots and low-density warehouse/commercial workshop uses. The size and shape of the H-1 Site is sufficient to accommodate the proposed uses without being detrimental to persons residing or working in the vicinity, existing properties or potential development in the vicinity of the H-1 Project.

The H-1 Site is located in the larger block pattern located South of Market Street. These blocks generally provide sufficient area to accommodate high-density uses like the H-1 Project building. The H-1 Site itself is appropriate for the high-density use. It is buffered on all sides by public streets, and for the sole existing adjacent building (198 Fifth Street), the H-1 Building proposes to provide a setback that respects the light well in that building, thereby preserving light and air to the uses in therein.

The overall design concept for the H-1 Project is to reflect both the density and height of Downtown and the diverse architectural character of SoMa. As an office tower, the H-1 Project reflects the density and height of Downtown. Meanwhile, concentrating building height on Fifth Street enables the creation of open space and a vibrant pedestrian realm to the interior of the 5M

Project site. The proposed active ground floor uses within the H-1 Project would interact with these open spaces to reflect the finer-grain character of SoMa. These open spaces and pedestrian-oriented streetscapes, bordered in part by retail uses, would also provide a beneficial functional connection to the surrounding neighborhood.

Thus, the H-1 Site and size and location of the H-1 Project would not be detrimental to the health, safety, convenience or general welfare of persons living or working in the vicinity of the building, or injurious to surrounding property.

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 Project Sponsor shall make contributions and require contractors, consultants, subcontractors and subconsultants, as applicable, to undertake activities to support workforce development in both the construction and end-use phases of the Project as set forth in the Workforce Agreement of the 5M Project Development Agreement. The Project will also comply with the requirements of Planning Code Section 164, which includes city resident employment and training requirements.

As proposed, the H-1 Project provides a range of commercial floorplates sizes in a location identified for office uses (the C-3 District). In so doing, it accommodates commercial office demand for existing large floorplate buildings without converting buildings in the surrounding SoMa area that are traditionally used for industrial and service uses, thereby helping to preserve existing space for those uses.

The H-1 Project will provide future opportunities for service-sector employment within the ground floor retail uses in the Project.

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

The entire nearly 4-acre 5M Property site is currently under the ownership of the 5M Project, LLC. The anticipated tenant or tenants will be determined at a later date. It is not known whether the 5M or H-1 Site Project will be occupied by a single entity.

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

The proposed 5M SUD, which would include the H-1 Site, establishes a maximum floor area ratio applicable to the entire 5M Project, and does not require the use of TDRs.

7. **General Plan Conformity.** The General Plan Consistency Findings set forth in Planning Commission Resolution No. 19460, Case No. 2011.0409 apply to this Motion, and are incorporated herein as though fully set forth.
8. **Priority Policy Findings.** Section 101.1(b) establishes eight priority planning policies and requires

the review of permits for consistency with said policies. The 5M Project and by reference therein, the M-1 Project, together and separately comply with these policies, on balance, for the reasons set forth in Planning Commission Resolution No. 19460, Case No. 2011.0409, which findings are incorporated herein as though fully set forth.

9. The Commission hereby finds that granting the Office Allocation in this case will particularly promote the public welfare, convenience and necessity for the reasons set forth above.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Allocation, Application No. 2011.0409OFA**, subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, and in general conformance with the plans attached to Motion No. 19472 as Exhibit B, on file in Case Docket No. 2011.0409CUA.

The Planning Commission hereby adopts the CEQA findings contained in Planning Commission Motion No. 19459, incorporated herein as part of this motion, by this reference thereto, and the MMRP attached to Motion 19459 as Exhibit 1 to Attachment A and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 320-325 Office Space Allocation to the Board of Supervisors under Planning Code Section 308.1. The effective date of this Motion shall be the date of adoption by the Board of Supervisors of the 5M SUD, and the same being effective and operative OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information regarding an appeal, please contact the Clerk of the Board of Supervisors in person at San Francisco City Hall or call (415) 554-5184.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting on September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Richards
NOES: Moore, Wu
ABSENT: None
ADOPTED: September 17, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for an allocation of office space under the Annual Office Development Limitation Program for a development application under the proposed "Fifth and Mission Special Use District ("5M SUD"), Planning Code Section ("Section") 249.74 for a project to construct a new 25-story building reaching a maximum height of approximately 362 feet, with an approximately 30 foot architectural screen, for a total height of approximately 395 feet, containing approximately 593,500 square feet of office uses, approximately 33,000 square feet of active ground floor and mezzanine space (including 7,100 square feet of retail), and up to three subterranean levels with vehicle and bicycle parking, loading, and mechanical space, located at 172,190 Fifth Street; 910, 912, 914 918 and 924 926 Howard Streets, on Lots 005, 006, 008, 009, 012 and 098 of Assessors Block 3725 ("H-1 Site") within the proposed "Fifth and Mission Special Use District" ("5M SUD") and generally referred to as the "H-1 Project." The subject property is currently located within the RSD District, and the 40/85-X Height and Bulk District. Such Authorization is for a Project as described therein and subject to these conditions of approval reviewed and approved by the Commission on September 17, 2015 under Motion No 19467, and in general conformance with plans, dated September 17, 2015 and attached to Motion No. 19472 and stamped "EXHIBIT B" for Case No. 2011.0409CUA, 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 for new construction 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 17, 2015 under Motion No 19467.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

These conditions of approval of this Planning Commission Motion No. 19467 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, except as provided in and subject to the applicable provisions of the Development Agreement between 5M Project, LLC and the City and County of San Francisco for the 5M Project (the "DA"), 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 or modifications to the Project approved pursuant to this authorization or the conditions thereof, that are consistent with the Fifth and Mission Special Use District and 5M Design for Development, may be approved administratively by the Planning Director in accordance with Planning Code Section 249.74(e), as provided below. Other 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

Additional Project Authorization. In order to implement the overall 5M Project, the 5M Project Sponsor must obtain 1) Findings under Section 295 as to whether the shadow cast by the 5M Project on Boeddeker Park would have an adverse impact, 2) Height Reclassifications to reflect the building heights identified in the Design for Development Document for the Project, 3) Planning Code Amendments and Zoning Map Amendment to adopt the “Fifth and Mission Special Use District” associated with the 5M Project, 5) General Plan Amendments to maps and exhibits in the Downtown Plan, Urban Design Element, and South of Market Area Plan associated with the Project for the subject property, and 6) Approval of the Design for Development document associated with the 5M Project. In addition, in order to implement the M-1 Project, the Project Sponsor must obtain a Conditional Use Authorization for the H-1 Site, and the conditions of approval for Case No. **2011.0409CUA**, attached as Exhibit B to Motion No. **19472** are incorporated by reference as though fully set forth herein. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

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

Mitigation Measures. Mitigation measures described in the MMRP attached as Exhibit 1 of Attachment A to Motion No. **19459** are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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