FILE NO. 010456

As Amended in Committee 5/8/01

RESOLUTION NO.

405-01

As amended in Board 5/14/01

[Interim Zoning Requiring Conditional Use Authorization for Internet Services Exchanges]

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Resolution imposing interim zoning controls defining internet services exchanges, including internet services exchanges within the utility installation use category, establishing a requirement for a conditional use authorization for internet services exchanges in commercial and industrial zones, including without limitation, the C-1, C-2, C-3-G, C-3-S, C-M, M-1, M-2, SLI and SSO zones exclusive of lots under the jurisdiction of the San Francisco Port Commission or in a redevelopment project area with an adopted redevelopment plan under the jurisdiction of the San Francisco Redevelopment Agency Commission up to a six month period and making a determination of consistency with the priority policies of Planning Code Section 101.1.

WHEREAS, The City is experiencing a rapid increase in the development of facilities that house telecommunication switching equipment, data processing centers and internet server centers, hereinafter referred to as "internet services exchanges;" and,

WHEREAS, The Planning Department estimates that existing and planned internet services exchanges in San Francisco total an estimated 2 million leasable square feet; and

WHEREAS, Internet services exchanges now under construction, permitted within the last year, or currently requesting approval total over 1.7 million gross square feet and include facilities at 1800 Mission Street, 2055 Folsom Street, 160 Harrison Street, 466 Townsend Street, 5700 Third Street, 200 Paul Street, 400 Paul Street and 1828 Egbert Avenue; and,

WHEREAS, The Planning Department advises that an internet services exchange is not a distinct identified use in the Planning Code, but that the Zoning Administrator has classified an internet services exchange as a utility installation use, as defined in Planning

Code Section 209.6(b) and which under Planning Code Sections 227(e), 817.72 and 818.72 is a permitted use in C-1, C-2, C-3-G, C-3-S, C-M, M-1, M-2, SLI and SSO zones; and,

WHEREAS, Internet services exchanges are largely concentrated in the Southeast section of the City in areas which are zoned industrial or mixed use and allow a utility installation as a permitted use; and,

WHEREAS, The retention of a variety of industrial uses, including production, distribution and repair businesses, in the City's remaining industrial areas, is necessary to accommodate and support the local economy, and resident and visitor population; and,

WHEREAS, A concentration of any one particular industrial use in the City's limited industrial areas and mixed use areas may result in the location of fewer other production, distribution and repair businesses in the area of the City zoned industrial and mixed use and discourage a diverse industrial base and local employment opportunities; and,

WHEREAS, A concentration of internet services exchanges in the industrial and mixed use areas of the City may affect the existing character of these areas and adjacent residential neighborhoods; and,

WHEREAS, Internet services exchanges raise energy policy concerns in that they typically consume 35 to 65 watts of electricity per square foot of equipment use, or three times the electricity demand of office use, consuming electricity at a rate equal to or exceeding that of heavy industry; and,

WHEREAS, The Department of Environment estimates that assuming an average electricity demand of 50 watts per square foot, 2 million square feet of internet services exchanges dedicated to equipment use, would have a peak electricity demand of over 100 megawatts, which is about ten percent (10%) of San Francisco's current peak demand and equivalent to the electricity demand of all of San Francisco's municipal functions; and,

WHEREAS, San Francisco's existing energy load exceeds the capacity of existing transmission lines; and,

WHEREAS, The current energy crisis in California has highlighted the need to assess San Francisco's energy needs, including the demand generated by internet services exchanges, and how those needs can be met; and,

WHEREAS, Internet services exchanges may be able to incorporate measures to reduce energy use into their facility designs; and,

WHEREAS, Internet services exchanges raise concerns about the generation of diesel fuel emissions in that they require the use of backup generators that are most often powered by diesel fuel; and,

WHEREAS, Diesel generators such as those used as backup generators for internet services exchanges may not have the scrubbers and other clean air mechanisms of larger plants because they are not expected to operate full time and if under 50 horsepower may not need a permit to operate from the Bay Area Air Quality Control District; and,

WHEREAS, Backup generators are a potential source of air emissions because typically they are tested weekly and additionally would operate continuously in an energy blackout; and,

WHEREAS, Diesel emissions result in air pollution in the form of nitrogen oxides and particulate matter, including diesel particulates, which the California Air Resources Board has classified as a toxic air contaminant and therefore a potential health concern; and,

WHEREAS, The City Planning Code Section 303 provides for issuance of a conditional use authorization in the specific situations in which such authorization is provided for elsewhere in the Planning Code; and,

WHEREAS, The conditional use authorization process provides for the Planning

Commission to consider several factors in deciding whether to authorize a use, including, but

not limited to whether the proposed use is necessary or desirable for, and compatible with, the neighborhood or the community, and whether the use will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity; and,

WHEREAS, The procedure for consideration and imposition of interim zoning controls by the Board of Supervisors is set forth in Section 306.7 of the City Planning Code; and,

WHEREAS, Planning Code Section 306.7 requires the Board of Supervisors to consider the impact on the public health, safety, peace and general welfare if these interim controls are not imposed; and,

WHEREAS, The imposition of these interim zoning controls is necessary to preserve the status quo pending a study and determination by the Department of City Planning and the Board of Supervisors of the appropriate permanent controls for internet services exchanges; and,

WHEREAS, These controls are intended and designed to deal with and ameliorate the problems and conditions associated with the rapid development of a large amount of square footage devoted to internet services exchanges in a concentrated area of the City by defining a use category for an internet services exchange, and requiring a conditional use authorization for internet services exchanges during the next six months; now, therefore, be it

RESOLVED, That by this resolution the Board of Supervisors hereby prohibits any City agency, board, commission, officer or employee from approving any site permit, building permit or any other permit or license authorizing the construction or establishment of an internet services exchange in San Francisco unless the action would conform both to the existing provisions of the Planning Code and this resolution imposing interim controls on internet services exchanges; and, be it

FURTHER RESOLVED, That for purposes of these interim controls "internet services exchange" is hereby included within the "utility installation" use category as that term is defined in Planning Code Section 209.6(b); and, be it

FURTHER RESOLVED, That for purposes of these interim controls "internet services exchange" shall mean:

A location that contains any of the following uses (excluding any commercial wireless transmitting, receiving or relay facility described in Planning Code Sections 227(h) and 227(i)):

- (1) switching equipment (whether wireline or wireless) that joins or connects occupants, customers or subscribers to enable customers or subscribers to transmit data, voice or video signals to each other;
- (2) one or more computer systems and related equipment used to build, maintain or process data, voice or video signals and provide other data processing services; or,
  - (3) a group of network servers; and, be it

FURTHER RESOLVED, That a conditional use authorization is hereby required to locate an internet services exchange in the commercial and industrial zones, including without limitation, the C-1, C-2, C-3-G, C-3-S, C-M, M-1, M-2, SLI and SSO zoning districts exclusive of lots under the jurisdiction of the San Francisco Port Commission or in a redevelopment project area with an adopted redevelopment plan under the jurisdiction of the San Francisco Redevelopment Agency Commission; and, be it

FURTHER RESOLVED, That the requirement for conditional use authorization as set forth in these interim controls shall not apply to an internet services exchange that is an accessory use, as set forth in the Planning Code, provided that the accessory use does not exceed 35,000 gross square feet of floor area or use more than two megawatts of back-up power generators; and, be it

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FURTHER RESOLVED, That for purposes of these interim controls "conditional use" shall have the meaning given that term in Planning Code Section 303, provided, however, that in addition to the criteria set forth in Section 303(c), the Planning Commission shall consider the extent to which these criteria are met:

- (1) The intensity of the use at this location and in the surrounding neighborhood is not such that allowing the use will likely foreclose the location of other needed neighborhood-serving uses in the area.
- (2) The building in which the use is located is designed in discrete elements, which respect the scale of development in adjacent blocks, particularly any existing residential uses.
- (3) Rooftop equipment on the building in which the use is located is screened appropriately.
- (4) The back-up power system for the proposed use is designed to minimize air pollutant emissions at the location, such as through the use of best available control technology, use of low-emission fuels and minimization of use of the back-up power system;
- (5) For proposed uses designed to draw in excess of 25 watts of power per square foot of occupied floor area, as defined by Planning Code Section 102.10, the proposed use:
- (a) is designed to minimize energy consumption, such as through the use of best available energy efficiency technology, including without limitation, heating, ventilating and air conditioning systems, lighting controls, natural ventilation, and best commercially available recapturing technology to recapture waste heat, and as such commercially available technology
- (b) has examined the feasibility of supplying and, to the extent feasible, will supply all or a portion of its power needs through on-site power generation, such as through the use of fuel cells or co-generation.

The Planning Commission shall require as a condition of approval that the use submit an annual report of total energy consumption;

Fixed-source equipment noise does not exceed the decibel levels specified in (6) the San Francisco Noise Control Ordinance; and, be it

FURTHER RESOLVED, That in adopting these interim controls, it is not the intent of the Board of Supervisors to prohibit the provision of telecommunication services and no action in furtherance of this resolution, including, but not limited to, the development of permanent controls, shall prohibit or have the effect of prohibiting the provision of telecommunication services; and, be it

FURTHER RESOLVED, That these interim controls shall remain in effect for six months or until the adoption of permanent legislation regulating internet services exchanges, whichever first occurs; and, be it

FURTHER RESOLVED, That these interim controls advance and are consistent with numbers 1, 2, and 5 of the priority policies of the Planning Code section 101.1 in that they attempt to conserve a diverse economic base, existing neighborhood-serving retail and neighborhood character, and assure enhanced employment opportunities for residents. With respect to Priority Policies numbered 3, 4, 6, 7 and 8, the Board finds that the interim zoning controls will have no effect upon these policies, and thus, will not conflict with said policies.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By:

AINF C. WARREN Deputy City Attorney

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## City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

## Resolution

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Date Passed:

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April 9, 2001 Board of Supervisors — SUBSTITUTED

May 14, 2001 Board of Supervisors — AMENDED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

May 14, 2001 Board of Supervisors — CONTINUED AS AMENDED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

May 21, 2001 Board of Supervisors — ADOPTED

Ayes: 9 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin,

Sandoval

Absent: 2 - Newsom, Yee

File No. 010456

I hereby certify that the foregoing Resolution was ADOPTED on May 21, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Yo

Clerk of the Board

JUN O 1 2001

**Date Approved** 

Mayor Willie L. Brown Jr.