

BOARD of SUPERVISORS



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June 19, 2019

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On June 11, 2019, Supervisor Haney submitted the following proposed legislation:

**File No. 190681**

**Ordinance amending the Planning Code to reference the Polk/Pacific Special Area Design Guidelines; affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

**File No. 190682**

**Ordinance approving a Development Agreement between the City and County of San Francisco and KR Flower Mart, LLC, a Delaware limited liability company, for the development of an approximately 6.5-acre site located at 5th Street and Brannan Street, with various public benefits including a new on-site or off-site wholesale flower market; making findings under the California Environmental Quality Act, findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the receipt and expenditure of funds for an off-site new wholesale flower market as set forth in the Development Agreement, as applicable; approving the development impact fees for the project and waiving certain Planning Code fees and requirements for a temporary flower market; confirming compliance with or waiving certain provisions of Administrative Code, Chapter 56; and ratifying certain actions taken in connection therewith, as defined herein.**

The proposed ordinances are being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinances are pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

c: John Rahaim, Director  
Scott Sanchez, Acting Deputy Zoning Administrator  
Corey Teague, Zoning Administrator  
Lisa Gibson, Environmental Review Officer  
Devyani Jain, Deputy Environmental Review Officer  
AnMarie Rodgers, Director of Citywide Planning  
Dan Sider, Director of Executive Programs  
Aaron Starr, Manager of Legislative Affairs  
Joy Navarrete, Environmental Planning  
Laura Lynch, Environmental Planning

1 [Planning Code, Zoning Map - Flower Mart - 2000 Marin Street Special Use District]

2  
3 **Ordinance amending the Planning Code and Zoning Map to establish the 2000 Marin**  
4 **Street Special Use District (Assessor's Parcel Block No. 4346, Lot No. 003), and to**  
5 **create additional Key Site exceptions for the Flower Mart site, located on the southern**  
6 **half of the block north of Brannan Street between 5th Street and 6th Street (Assessor's**  
7 **Parcel Block No. 3778, Lot Nos. 001B, 002B, 004, 005, 047, and 048); affirming the**  
8 **Planning Department's determination under the California Environmental Quality Act;**  
9 **and making findings of consistency with the General Plan, and the eight priority**  
10 **policies of Planning Code, Section 101.1.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. CEQA and General Plan Findings.

20 (a) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. \_\_\_\_ and is incorporated herein by reference. The Board affirms this  
24 determination.

25 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
adopted findings that the actions contemplated in this ordinance are consistent, on balance,

1 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The  
2 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
3 the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

4  
5 Section 2. Articles 2 and 3 of the Planning Code are hereby amended by adding  
6 Section 249.86 and revising Section 329, to read as follows:

7 **SEC. 249.86. 2000 MARIN STREET SPECIAL USE DISTRICT.**

8 (a) A Special Use District entitled the 2000 Marin Street Special Use District ("2000 Marin  
9 SUD"), consisting of Assessor's Parcel Block 4346, Lot 003 and shown on Special Use District Map  
10 SU08 of the Zoning Map of the City and County of San Francisco, is hereby established for the purpose  
11 set forth in subsection (b).

12 (b) Purpose. The purpose of the 2000 Marin SUD is to provide a feasible temporary location  
13 for the San Francisco Wholesale Flower Market due to the development of the existing Flower Mart  
14 site, located on the southern half of the block north of Brannan Street between 5th Street and 6th Street  
15 (Assessor's Parcel Block 3778, Lots 001B, 002B, 004, 005, 047, and 048).

16 (c) Controls. In the 2000 Marin SUD, exceptions from otherwise applicable requirements of  
17 this Code are appropriate to further the purpose set forth in subsection (b). Except as otherwise  
18 provided in this Section 249.86, applicable provisions of the Planning Code shall apply to the 2000  
19 Marin SUD. In the event of a conflict between other provisions of the Planning Code and this Section  
20 249.86, this Section 249.86 shall control.

21 **(1) Demolition of Industrial Buildings in PDR Districts; Replacement Requirement.**

22 The replacement requirement of Section 202.7 shall not apply in the 2000 Marin SUD.

23 **(2) Streetscape and Pedestrian Improvements. The streetscape and pedestrian**

24 improvement requirements set forth in Section 138.1 shall not apply in the 2000 Marin SUD.

1                   (3) **Screening, Interior Landscaping, and Street Trees.** The screening, interior  
2 landscaping, and street tree requirements set forth in Sections 142, 156(c), and 156(g) shall not apply  
3 in the 2000 Marin SUD.

4                   (4) **Ground Floor Height.** The ground floor height requirements set forth in Sections  
5 145.5 and 210.3 shall not apply in the 2000 Marin SUD.

6                   (5) **Better Roofs.** The better roof requirements set forth in Section 149 shall not apply  
7 in the 2000 Marin SUD.

8                   (6) **Off-Street Parking.** The maximum off-street parking limits set forth in Section 151  
9 shall not apply in the 2000 Marin SUD.

10                   (7) **Bicycle Parking.** The bicycle parking requirements set forth in Section 155.2 shall  
11 not apply in the 2000 Marin SUD.

12                   (8) **Shower Facilities and Lockers.** The requirements for shower facilities and lockers  
13 set forth in Section 155.4 shall not apply in the 2000 Marin SUD.

14                   (9) **Car Sharing.** The car sharing requirements set forth in Section 166 shall not apply  
15 in the 2000 Marin SUD.

16                   (10) **Transportation Demand Management Program.** The Transportation Demand  
17 Management Program requirements set forth in Sections 169-169.6 shall not apply in the 2000 Marin  
18 SUD.

19                   (11) **Development Impact Fees.** The development impact fees required by Article 4 of  
20 the Planning Code shall not apply in the 2000 Marin SUD.

21                   (d) **Sunset.** Unless readopted, this Section 249.86 shall sunset six years after its effective date.

22  
23                   **SEC. 329. LARGE PROJECT AUTHORIZATION IN EASTERN NEIGHBORHOODS**  
24 **MIXED USE DISTRICTS.**

25                   \* \* \* \*

1 (e) **Exceptions for Key Sites in Central SoMa.**

2 (1) **Purpose.** The Central SoMa Plan Area contains a number of large,  
3 underutilized development sites. By providing greater flexibility in the development of these  
4 sites, the City has an opportunity to achieve key objectives of the Central SoMa Plan and to  
5 locate important public assets that would otherwise be difficult to locate in a highly developed  
6 neighborhood like SoMa.

7 (2) **Applicability.** The controls discussed below apply to the following lots, as  
8 identified in the Key Site Guidelines adopted by the Central SoMa Area Plan (Ordinance No.  
9 296-18, on file with the Clerk of the Board of Supervisors in File No. 180184):

10 \* \* \* \*

11 (F) The southern half of the block north of Brannan Street between 5th  
12 Street and 6th Street, consisting of Block 3778, Lots 001B, 002B, 004, 005, 047, and 048;

13 \* \* \* \*

14 (3) **Controls.** Pursuant to this Section 329(e) and the Key Site Guidelines  
15 adopted as part of the Central SoMa Area Plan, the Planning Commission may grant  
16 exceptions to the provisions of this Code as set forth in subsection (d) above and may also  
17 grant the exceptions listed below for projects that provide qualified amenities in excess of  
18 what is required by the Code.

19 \* \* \* \*

20 (B) **Exceptions.** Upon consideration of qualified amenities in excess of  
21 what is required by the Code, the Planning Commission may grant one or more exceptions to  
22 the following requirements: the streetwall and setback controls in Section 132.4; the building  
23 separation controls in Section 132.4, including but not limited to the controls in subsection  
24 132.4(d)(3)(B); the setback requirements in Section 261.1; bulk controls in Section 270(h);  
25 and the lot merger restrictions in Section 249.78(d)(7).

1                   In addition to these exceptions, the Planning Commission may grant one  
2 or more of the following exceptions:

3                   \* \* \* \*

4                   (vii) On the Key Site identified in Section 329(e)(2)(F), the  
5 Planning Commission may grant one or more of the following exceptions, ~~if an agreement to~~  
6 ~~such an exception is contained in any development agreement approved by the City pursuant to~~  
7 ~~California Government Code Section 65864 et seq., and subject to any requirements contained in said~~  
8 ~~development agreement.~~

9                   a. Exception to the off-street parking controls of Section  
10 151.1 to allow additional accessory PDR parking solely to serve the tenants and customers of  
11 the site.

12                   b. Exception to the requirement that POPOS be open to the  
13 sky in Section 138(d)(2)(E)(i), to allow a cumulative maximum of 20% of the POPOS to be  
14 covered by any combination of (a) an inhabitable portion of a building, which portion of the  
15 POPOS shall have a minimum clearance height of 20' and maximum depth from face of  
16 overhead building of 15', or (b) an inhabitable portion of a building, which portion of the  
17 POPOS shall have a minimum clearance height of 50' and minimum horizontal dimension in  
18 all directions of 20'.

19                   c. Exception to the transparency and fenestration  
20 requirements of Section 249.78(c)(1)(F) on 5th Street between Brannan and Bryant Streets,  
21 and along Morris Street.

22                   d. Exception to the protected street frontage requirements  
23 of Section 155(r) on 5th Street between Brannan and Bryant Streets.

1 e. Exception to the PDR floor-to-floor height requirements set  
2 forth in Section 249.78(d)(10), such that up to a maximum of 10% of the ground floor gross floor area  
3 may have less than a 17-foot floor-to-floor height.

4 f. Exceptions to the overhead horizontal projection requirements  
5 set forth in Section 136(c)(5) and to the design and performance standards related to required mid-  
6 block alleys set forth in Section 270.2(e)(6); to allow for a maximum of three pedestrian bridges over a  
7 required mid-block alley, provided that the pedestrian bridges leave at least 70 feet of headroom, are  
8 no greater than 12 feet in width, are single story, and are situated no less than 50 feet apart.  
9 Notwithstanding subsection (vii)(b), pedestrian bridges provided pursuant to this subsection (vii)(f)  
10 shall be deemed obstructions permitted pursuant to Section 136, and POPOS area situated under any  
11 such pedestrian bridges shall count toward the total on-site POPOS area open to the sky.

12 g. Exception to the POPOS requirements set forth in Section 138,  
13 such that if any required off-site POPOS cannot reasonably be developed and open for use prior to  
14 issuance of a first certificate of occupancy for the phase of construction that triggers the off-site  
15 POPOS requirement, the project sponsor may either (1) post a performance bond in form and content  
16 acceptable to the Director of Planning so as to ensure completion of the off-site POPOS at a later  
17 date; or (2) satisfy the requirement for off-site POPOS by paying the in-lieu fee established in Section  
18 426 for each square foot of required open space not provided on- or off-site, up to a maximum of 5,300  
19 square feet.

20 h. Exception to the parking pricing requirements set forth in  
21 Section 155(g), such that the otherwise applicable parking rate structure shall not apply to Flower  
22 Mart tenants or Flower Mart customers.

23 i. Exception to the requirement to provide three square feet of  
24 Gross Floor Area for Residential Use for every square foot of Non-Residential Use on the portion of  
25 this Key Site zoned MUR, set forth in Sections 803.9(a) and 841, if there is a dedication and acceptance

1 of land for affordable housing or other appropriate public use, as determined by the City.

2 Notwithstanding Section 413.7, the land so dedicated shall be:

3 1. at least 14,000 square feet,

4 2. zoned to allow Residential Use,

5 3. approved by the Mayor's Office of Housing and  
6 Community Development as an acceptable site for the development of affordable housing.

7 4. dedicated and accepted prior to issuance of the first  
8 Temporary Certificate of Occupancy for any building on the Key Site, and

9 5. located within the boundaries of either the Central  
10 SoMa, Eastern SoMa, or Western SoMa Area Plans.

11 j. Exception to the child-care facility requirements set forth in  
12 Section 249.78(e)(4) and Sections 414-414.15, if the project at the Key Site allows for at least 97,000  
13 square feet of Wholesale Sales Use, and the project sponsor pays the in-lieu fee set forth in Section  
14 414.8.

15 k. If the Board of Supervisors has approved a development  
16 agreement for the project at this Key Site that provides for the relocation of, or funding for the  
17 relocation of, the existing on-site PDR use, the Planning Commission may grant the following  
18 exceptions:

19 1. Exception to the PDR and Community Building Space  
20 requirements in Section 249.78(c)(5); provided that the project shall be required to dedicate at least  
21 23,000 square feet of on-site Community Building Space or PDR.

22 2. Exception to the PDR replacement requirements set  
23 forth in Section 202.8.



1 3. Exception to the maximum dimensions for lobby  
2 frontages set forth in Section 145.1(b)(2)(C), such that lobbies exceeding such dimensions qualify as  
3 active uses under Section 145.1 and Section 249.78(c)(1)(A).

4 \* \* \* \*

5  
6 Section 3. The Zoning Map of the Planning Code is hereby amended by revising  
7 Special Use Map SU08 to establish the new 2000 Marin Special Use District, as follows:

8 <u>Description of Property</u>	<u>Special Use District Hereby Established</u>
9 Assessor's Block 4346, Lot 003	2000 Marin Special Use District

10  
11 Section 4. Effective Date and Operative Date.

12 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
13 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
14 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
15 Mayor's veto of the ordinance.

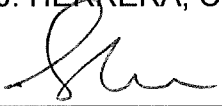
16 (b) This Ordinance shall become operative only on (and no rights or duties are  
17 affected until) the later of (1) this ordinance's effective date, or (2) the date that Ordinance  
18 \_\_\_\_\_, approving the Development Agreement for the Flower Mart Project (File No.  
19 \_\_\_\_\_), becomes effective.

20  
21 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
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additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
\_\_\_\_\_  
ANDREW SHEN  
Deputy City Attorney

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## LEGISLATIVE DIGEST

[Planning Code, Zoning Map - Flower Mart - 2000 Marin Street Special Use District]

**Ordinance amending the Planning Code and Zoning Map to establish the 2000 Marin Street Special Use District (Assessor's Parcel Block No. 4346, Lot No. 003), and to create additional Key Site exceptions for the Flower Mart site, located on the southern half of the block north of Brannan Street between 5th Street and 6th Street (Assessor's Parcel Block No. 3778, Lot Nos. 001B, 002B, 004, 005, 047, and 048); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

### Existing Law

#### 1. 2000 Marin Street

The Planning Code and Zoning Map designate the parcel located at 2000 Marin Street (Assessor's Block 4346, Lot 003) as part of the Production, Distribution, and Repair-2 ("PDR-2") zoning district.

#### 2. Flower Mart Site

In Ordinance 296-18, the City amended the Planning Code to establish the Central South of Market Plan ("Central SoMa Plan"). Part of the Central SoMa Plan identified eight large, underutilized development sites, referred to as Key Sites. One of those Key Sites is the Flower Mart site, located on the southern half of the block north of Brannan Street between 5th Street and 6th Street (Assessor's Parcel Block 3778, Lots 001B, 002B, 004, 005, 047, and 048). Planning Code § 329(e)(2)(F). The San Francisco Wholesale Flower Market currently operates at this site.

For the Flower Mart Key Site, the Central SoMa Plan authorized the Planning Commission to grant the following exceptions, to facilitate the site's development:

- exception to the off-street parking controls of Section 151.1 to allow additional accessory PDR parking solely to serve the tenants and customers of the site;
- exception to the requirement that POPOS be open to the sky in Section 138(d)(2)(E)(i), to allow a cumulative maximum of 20% of the POPOS to be partially covered;
- exception to the transparency and fenestration requirements of Section 249.78(c)(1)(F) on 5th Street between Brannan and Bryant Streets; and
- exception to the protected street frontage requirements of Section 155(r) on 5th Street between Brannan and Bryant Streets.

Planning Code § 329(e)(3)(B)(vii).

In evaluating these exceptions, the Planning Commission would consider whether:

- the amenities and exceptions would, on balance, be in conformity with and support the implementation of the goals, objectives, and Policies of the Central SoMa Plan,
- the amenities would result in an equal or greater benefit to the City than would occur without the exceptions, and
- the exceptions are necessary to facilitate the provision of important public assets that would otherwise be difficult to locate in the South of Market neighborhood.

Planning Code § 329(e)(4).

### Amendments to Current Law

#### 1. 2000 Marin Street

The proposed ordinance would amend Article 2 of the Planning Code and the Zoning Map to create a new 2000 Marin Street Special Use District (“2000 Marin SUD”).

In the 2000 Marin SUD, the following Planning Code provisions would not apply:

- the PDR replacement requirements imposed by Section 202.7;
- the streetscape and pedestrian improvements required by Section 138.1;
- the screening, interior landscaping, and street tree requirements set forth in Sections 142, 156(c), and 156(g);
- the ground floor height requirements set forth in Sections 145.5 and 210.3;
- the better roof requirements set forth in Section 149;
- the maximum off-street parking limits set forth in Section 151;
- the bicycle parking requirements set forth in Section 155.2;
- the requirements for shower facilities and lockers set forth in Section 155.4;
- the car sharing requirements set forth in Section 166;
- the Transportation Demand Management Program requirements set forth in Sections 169-169.6; and
- the development impact fees required by Article 4 of the Planning Code.

The 2000 Marin SUD would sunset in six years after its effective date.

#### 2. Flower Mart Site

The proposed ordinance would establish the following, additional Planning Code exceptions for the Flower Mart Key Site, subject to the Planning Commission’s approval:

- exception to the PDR floor-to-floor height requirements set forth in Section 249.78(d)(10), up to a maximum of 10% of the ground floor gross floor area;
- exceptions to the overhead horizontal projection requirements set forth in Section 136(c)(5) and to the design and performance standards related to required mid-block alleys set forth in Section 270.2(e)(6), to allow for a maximum of three pedestrian bridges;
- exceptions to the off-site Privately-Owned Public Open Space (“POPOS”) requirements set forth in Section 138;
- exception to the parking pricing requirements set forth in Section 155(g);
- if there is a dedication and acceptance of land for affordable housing or other appropriate public use in the South of Market neighborhood, an exception to the requirement to provide three square feet of Gross Floor Area for Residential Use for every square foot of Non-Residential Use on the portion of this Key Site zoned Mixed-Use Residential (“MUR”), set forth in Sections 803.9(a) and 841;
- an exception to the child-care facility requirements set forth in Section 249.78(e)(4) and Sections 414-414.15, if the project at the Key Site allows for at least 97,000 square feet of Wholesale Sales Use and the project sponsor pays the in-lieu fee set forth in Section 414.8; and
- if the development agreement for the project at this Key Site provides for the relocation of, or funding for the relocation of, the San Francisco Wholesale Flower Market, exceptions for PDR and Community Building Space requirements in Sections 202.8 and 249.78(c)(5) and for the maximum dimensions for lobby frontages set forth in Section 145.1(b)(2)(C).

### Background Information

The purpose of establishing the 2000 Marin SUD, and its associated Planning Code exceptions, is to allow for a feasible temporary location for the San Francisco Wholesale Flower Market due to the development of the Flower Mart site.

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1 [Development Agreement - KR Flower Mart, LLC - Flower Mart - Fifth and Brannan Streets]

2 **Ordinance approving a Development Agreement between the City and County of San**  
3 **Francisco and KR Flower Mart, LLC, a Delaware limited liability company, for the**  
4 **development of an approximately 6.5-acre site located at 5th Street and Brannan Street,**  
5 **with various public benefits including a new on-site or off-site wholesale flower market;**  
6 **making findings under the California Environmental Quality Act, findings of conformity**  
7 **with the General Plan, and with the eight priority policies of Planning Code, Section**  
8 **101.1(b); approving the receipt and expenditure of funds for an off-site new wholesale**  
9 **flower market as set forth in the Development Agreement, as applicable; approving the**  
10 **development impact fees for the project and waiving certain Planning Code fees and**  
11 **requirements for a temporary flower market; confirming compliance with or waiving**  
12 **certain provisions of Administrative Code, Chapter 56; and ratifying certain actions**  
13 **taken in connection therewith, as defined herein.**

14  
15 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
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20 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
21 subsections or parts of tables.

22  
23 Be it ordained by the People of the City and County of San Francisco:

24 Section 1. Project Findings.

25 The Board of Supervisors makes the following findings:

(a) California Government Code Section 65864 et seq. authorizes any city, county,  
or city and county to enter into an agreement for the development of real property within the

1 jurisdiction of the city, county, or city and county.

2 (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth  
3 certain procedures for the processing and approval of development agreements in the City  
4 and County of San Francisco (the "City").

5 (c) KR Flower Mart, LLC, a Delaware limited liability company ("Developer") owns  
6 and operates an approximately 6.5-acre site generally along Brannan Street between Fifth  
7 and Sixth Streets currently composed of 141,992 square feet of flower market use, along with  
8 approximately 4,900 square feet of retail use, and 45,549 square feet of vacant PDR spaces,  
9 and surface parking lot areas (the "Project Site").

10 (d) On June \_\_\_\_, 2019, Developer filed an application with the City's Planning  
11 Department for approval of a development agreement relating to the Project Site (the  
12 "Development Agreement") under Chapter 56. A copy of the Development Agreement is on  
13 file with the Clerk of the Board in File No. \_\_\_\_\_. Developer also filed applications with  
14 the Department for certain activities described in Exhibit B.1 (the "Flower Mart On-Site  
15 Project") and Exhibit B.2 (the "Project Variant") to the Development Agreement (collectively,  
16 the "Project").

17 (e) The Flower Mart On-Site Project is a large multi-phase and mixed-use  
18 development that includes office, retail, wholesale, privately-owned public open space,  
19 parking, and related uses. Specifically, the Project includes approximately 2,032,165 gross  
20 square feet of office uses, 83,459 square feet of retail space (including 10,000 rentable  
21 square feet of flower retail space), and a new wholesale flower market consisting of 115,000  
22 rentable square feet of flower vendor space, 769 vehicle parking spaces, 30 loading spaces,  
23 410 Class 1 bicycle parking spaces, 86 Class 2 bicycle parking spaces, and 40,655 square  
24 feet of on-site and off-site privately-owned public open space, all as more particularly  
25 described in the Development Agreement. The Project Variant is generally the same as the

1 Project except that the permanent new wholesale flower market would be built at an  
2 alternative, off site location. Accordingly, the Project Variant includes approximately  
3 2,061,380 gross square feet of office uses, 90,976 square feet of retail space, 22,690 square  
4 feet of child care space (including dedicated outdoor activity area), 632 vehicle parking  
5 spaces, 9 loading spaces, 516 Class 1 bicycle parking spaces, and 92 Class 2 bicycle parking  
6 spaces (together with the off-site new wholesale flower market), all as more particularly  
7 described in the Development Agreement.

8 (f) The Development Agreement includes a process for the selection of the Flower  
9 Mart On-Site Project versus the Project Variant, which begins with an election by the San  
10 Francisco Flower Market Tenants' Association (the "Tenant Association"), with the ultimate  
11 decision made by the City to ensure that any location requested by the Tenant Association is  
12 viable. If the City elects the Flower Mart On-Site Project, Developer will, at no cost to the City  
13 or the flower vendors, relocate the vendors to a temporary off-site location, build the new  
14 flower market on site, and then move vendors back to the Project Site when new flower  
15 market is completed. If the City selects the Project Variant, Developer will pay all of the  
16 predevelopment costs for new off-site flower market, and will subsidize the construction of the  
17 new building off-site in accordance with a payment formula attached to the Development  
18 Agreement. The payment formula will result in a upfront payment amount (the "New Market  
19 Payment"), payable to the City, that is designed to ensure that the new flower market can be  
20 built at the off-site location, based on the actual building design or alternatively on specific  
21 criteria described in the Development Agreement, using only set flower vendor rents, a  
22 Developer rent subsidy, a third party loan, and such additional Developer subsidy as needed  
23 to support the third party loan. As Developer will be required to pay some or all of standard  
24 owner equity at the new location without the benefit of owning the building, this equity portion  
25 of the Developer subsidy will be reimbursed without interest, as a subordinated payment



1 made by the building owner after debt and operating expenses are paid, to the extent funds  
2 are available.

3 (g) The commitments made to the flower vendors, including the significant rent  
4 subsidies through the date of completion of the new flower market and continuing for 15 years  
5 thereafter, are also contained in a tri-party agreement between Developer, the San Francisco  
6 Flower Mart LLC, and the San Francisco Flower Market Tenants' Association, as amended  
7 (the "Tri-Party Agreement").

8 (h) In addition to the flower market commitments and the significant jobs, housing,  
9 urban revitalization, and economic benefits to the City from the Project, the City has  
10 determined that development of the Project under the Development Agreement will provide  
11 additional benefits to the public that could not be obtained through application of existing City  
12 ordinances, regulations, and policies. Additional public benefits include the dedication of a  
13 minimum 14,000-square-foot affordable housing site within the boundaries of the Central  
14 SoMa, Eastern SoMa or Western SoMa Area Plans, with no developer impact fee credit for  
15 such dedication, completion of a subsidized child care center if the Project Variant is built,  
16 open space, community space, and workforce commitments, and transportation and other  
17 public improvements, all as described in the Development Agreement. The Development  
18 Agreement will eliminate uncertainty in the City's land use planning for the Project and secure  
19 orderly development of the Project Site.

20 (i) The Project is anticipated to generate an annual average of approximately 8,050  
21 construction jobs, an approximately \$29.9 million annual increase in general fund revenues to  
22 the City and approximately \$9.3 million annual increase in non-general fund revenues to the  
23 City, and approximately \$175.2 million in direct, one-time, construction-related revenue to the  
24 City, including \$166 million in development impact fees and \$9.2 million in gross receipts and  
25 sales tax revenue.

1 (j) Concurrently with this Ordinance, the Board is taking a number of actions in  
2 furtherance of the Project, as generally described in the Development Agreement, including  
3 Exhibit K to the Development Agreement.

4 Section 2. CEQA Findings.

5 On \_\_\_\_\_, 2019, the Environmental Review Officer ("ERO") issued a Community  
6 Plan Exemption ("CPE") and Addendum for the Project, Project Variant, and the Temporary  
7 Site pursuant to the California Environmental Quality Act (California Public Resources Code  
8 Section 21000 et seq.) ("CEQA"). Copies of the CPE and Addendum are on file with the Clerk  
9 of the Board of Supervisors in File No. \_\_\_\_\_. On \_\_\_\_\_, 2019, by Motion No. \_\_\_\_\_, the  
10 Planning Commission adopted findings pursuant to CEQA and a Mitigation Monitoring and  
11 Reporting Program ("MMRP"). This Motion is on file with the Clerk of the Board of  
12 Supervisors in File No. \_\_\_\_\_. This Board has reviewed the CPE, Addendum, and related  
13 documents, and adopts and incorporates by reference as though fully set forth herein the  
14 CEQA Findings and the MMRP.

15 Section 3. General Plan and Planning Code Section 101.1 (b) Findings.

16 (a) The Board of Supervisors finds that the Development Agreement will serve the  
17 public necessity, convenience, and general welfare for the reasons set forth in Planning  
18 Commission Resolution No. \_\_\_\_\_ and incorporates those reasons herein by reference.

19 (b) The Board of Supervisors finds that the Development Agreement is in conformity  
20 with the General Plan, as proposed to be amended and when effective, and the eight priority  
21 policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission  
22 Resolution No. \_\_\_\_\_. The Board hereby adopts the findings set forth in Planning  
23 Commission Resolution No. \_\_\_\_\_ and incorporates those findings herein by reference.

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25 Section 4. Development Agreement.

1 (a) The Board of Supervisors approves all of the terms and conditions of the  
2 Development Agreement, in substantially the form on file with the Clerk of the Board of  
3 Supervisors in File No. \_\_\_\_\_.

4 (b) The Board of Supervisors approves and authorizes the execution, delivery, and  
5 performance by the City of the Development Agreement as follows: (i) the Director of Planning  
6 and (other City officials listed thereon) are authorized to execute and deliver the Development  
7 Agreement and consents thereto, and (ii) the Director of Planning and other applicable City  
8 officials are authorized to take all actions reasonably necessary or prudent to perform the  
9 City's obligations under the Development Agreement in accordance with the terms of the  
10 Development Agreement. The Director of Planning, at his or her discretion and in consultation  
11 with the City Attorney, is authorized to enter into any additions, amendments, or other  
12 modifications to the Development Agreement that the Director of Planning determines are in  
13 the best interests of the City and that do not materially increase the obligations or liabilities of  
14 the City or materially decrease the benefits to the City as provided in the Development  
15 Agreement.

16 (c) The Board of Supervisors authorizes the Controller to accept the New Market  
17 Payment and any other payments made by the Developer under the Development  
18 Agreement. The City shall hold the New Market Payment for costs relating to the construction  
19 of the new flower market under the Project Variant. Any payments may be commingled with  
20 other funds of the City for purposes of investment and safekeeping, but the City's Controller  
21 shall maintain records as part of the City's accounting system to account for all the  
22 expenditures and the remaining balance.

23 (d) The Board of Supervisors authorizes the City's Controller to make payments,  
24 using the funds received from Developer, to the Tenant Association or the Alternative  
25 Landlord or their contractors and agents, consistent with the Development Agreement. The

1 City waives or overrides any ordinances or processes that would otherwise prevent the City  
2 from making the payments contemplated by this Agreement.

3 Section 5. Development Impact Fees

4 For the Project, the Board of Supervisors approves the development impacts fees and  
5 the use of the fees as set forth in the Development Agreement, and waives any inconsistent  
6 provision in Planning Code Article 4. For the construction of a temporary flower market, the  
7 Board of Supervisors waives all development impact fee requirements under Planning Code  
8 Article 4.

9 Section 6. City Administrative Code Conformity.

10 The Development Agreement shall prevail in the event of any conflict between the  
11 Development Agreement and Chapter 56, and without limiting the generality of the foregoing  
12 clause, for purposes of the Development Agreement only, the provisions of Chapter 56 are  
13 waived or its provisions deemed satisfied as follows:

14 (a) KR Flower Mart, LLC shall constitute a permitted "Applicant/Developer" for  
15 purposes of Chapter 56, Section 56.3(b).

16 (b) The Project comprises approximately 6.5 acres and is the type of large multi-  
17 phase and/or mixed-use development contemplated by the City Administrative Code and  
18 therefore is satisfies the provisions of Chapter 56, Section 56.3(g).

19 (c) The provisions of the Development Agreement, including the attached  
20 Workforce Agreement, apply and satisfy the requirements of City Administrative Code  
21 Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

22 (d) The provisions of the Development Agreement regarding any amendment or  
23 termination, including those relating to "Material Change," shall apply in lieu of the provisions  
24 of Chapter 56, Section 56.15.

1 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the  
2 Memorandum of Understanding between Developer and the Mayor's Office of Economic and  
3 Workforce Development for the reimbursement of City costs, a copy of which is on file with the  
4 Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

5 Section 7. Chapter 56 Waiver; Ratification.

6 (a) In connection with the Development Agreement, the Board of Supervisors finds  
7 that the requirements of Chapter 56, as modified hereby, have been substantially complied  
8 with and waives any procedural or other requirements of Chapter 56 if and to the extent that  
9 they have not been strictly complied with.

10 (b) All actions taken by City officials in preparing and submitting the Development  
11 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
12 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
13 by City officials consistent with this Ordinance.

14 Section 8. Effective and Operative Date.


15 This ordinance shall become effective 30 days from the date of passage. This  
16 Ordinance shall become operative only on (and no rights or duties are affected until) the later

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of (a) 30 days from the date of its passage, or (b) the date that Ordinance \_\_\_\_\_, Ordinance \_\_\_\_\_, and Ordinance \_\_\_\_\_ have become effective. Copies of said Ordinances are on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
Charles Sullivan  
Deputy City Attorney  
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**LEGISLATIVE DIGEST**

[Development Agreement - KR Flower Mart, LLC - Flower Mart - Fifth and Brannan Streets]

**Ordinance approving a Development Agreement between the City and County of San Francisco and KR Flower Mart, LLC, a Delaware limited liability company, for the development of an approximately 6.5-acre site located at 5th Street and Brannan Street, with various public benefits including a new on-site or off-site wholesale flower market; making findings under the California Environmental Quality Act, findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b); approving the receipt and expenditure of funds for an off-site new wholesale flower market as set forth in the Development Agreement, as applicable; approving the development impact fees for the project and waiving certain Planning Code fees and requirements for a temporary flower market; confirming compliance with or waiving certain provisions of Administrative Code, Chapter 56; and ratifying certain actions taken in connection therewith, as defined herein.**

Existing Law

California Government Code section 65864 *et seq.* (the Development Agreement Statute”) and San Francisco Administrative Code Chapter 56 (“Chapter 56”) authorize the City to enter into a development agreement regarding the development of real property.

Background Information

This ordinance would approve a Development Agreement between the City and KR Flower Mart, LLC for the development of a mixed use development on a 6.5-acre site located at Fifth and Brannan Streets, that will include approximately 2,032,165 gross square feet of office uses, 83,459 square feet of retail space (including 10,000 rentable square feet of flower retail space), and a new wholesale flower market consisting of 115,000 rentable square feet of flower vendor space. The project variant is generally the same, except that the permanent new wholesale flower market would be built at an alternative, off site location. The process for determining whether the flower market will be built on site or off site is described in the Development Agreement. This Ordinance also would also authorize the acceptance and expenditure of funds as set forth in the Development Agreement, and adopt environmental findings.