



MEMORANDUM

May 8, 2020

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Michael Martin DocuSigned by:
Michael Martin
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Acting Executive Director

SUBJECT: Informational Presentation on an amendment to the Pier 70 Special Use District Design for Development to allow residential buildings with a 90-foot height limit to contain up to 9 stories, as approved by the Planning Commission on February 6, 2020

DIRECTOR'S RECOMMENDATION: Information Only – No Action Required

Executive Summary

The Port's development partner, Brookfield, has requested an amendment to the Pier 70 Special Use District (SUD) Design for Development (D4D) to facilitate additional residential development within the SUD. Specifically, the amendment seeks to allow residential buildings with a 90-foot height limit to contain up to 9-stories where currently limited to 8-stories (per Standard 6.4.2 of the D4D). This amendment would not change: (1) overall building heights, (2) the minimum 15-foot ground floor ceiling heights required by Standard 6.8.3 of the D4D, (3) the overall development capacity authorized in the SUD and analyzed in the Pier 70 Final Environmental Impact Report (Final EIR), or (4) the development capacity of Parcels E2 and A which were acted upon by the Port Commission during the February 25, 2020 meeting. Moreover, the amendment would give Brookfield flexibility to add an additional floor of residential capacity, within the

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same building envelope, which will help improve the financial feasibility of residential projects in the SUD and provide additional housing units. Staff presented the amendment as part of a Pier 70 update to the Central Waterfront Advisory Group and Southern Waterfront Advisory Committee on December 5, 2019. The amendment was approved by the Planning Commission on February 6, 2020.

Strategic Objective

The proposed amendment to the D4D meets the following Port Strategic Objective:

Productivity:

- Further the Pier 70 development.

The proposed amendment would help advance implementation of residential development within the Pier 70 SUD.

Project Background

In September 2017, the Port Commission adopted a series of resolutions authorizing the Pier 70 Mixed-Use District Project and SUD (Project) on a 28-Acre Site within Pier 70, the Illinois/20th Street parcels known as Parcel K North and Parcel K South, and the “Hoedown Yard” located directly to the south. Subsequently, in October 2017, the San Francisco Board of Supervisors approved the Project, and on November 15th, 2017, Mayor Lee signed all Project-related legislation. These approvals included adoption of the D4D.

The Port’s development partner for development of the 28-Acre Site is FC Pier 70, LLC (Developer or Brookfield), now an affiliate of Brookfield Properties. The 28-Acre Site project is governed by a Disposition and Development Agreement dated as of May 2, 2018 (DDA) and related agreements between the Port and the Developer.

Phase 1 horizontal construction is underway and includes the development of 3 acres of parks and backbone infrastructure to support an anticipated 665 residential units and more than 100,000 square feet of maker/PDR/retail space. The rehabilitation of historic Building 12 is currently underway, and the Developer has received design review and administrative approval for two other vertical projects, neither of which would be affected by this memorandum’s D4D amendment:

1. Parcel E-2, containing 275 rental dwelling units within a 70-foot building (consistent with maximum height limit); and
2. Parcel A, a 353,459 square foot office building.

Local Business Enterprise (LBE) Status

The Pier 70 project led by Brookfield has a 17% LBE participation goal. Contracts awarded through the Q4-2019 (end of December) were comprised primarily of Phase 1 horizontal improvement construction work, site preparation and abatement work on

Historic Building 12 and design consultants for upcoming vertical projects. Brookfield hired RDJ Enterprises, an LBE-MBE firm, to tailor LBE engagement efforts in order to maximize LBE participation on trade packages. Through Q4-2019, Pier 70 has awarded \$107 million in contracts, of which \$39.7 million or 37.0% have been awarded to LBE firms, including SBA-LBEs. \$35.5 million or 33.1% has been awarded to small and micro-LBE firms. \$17.1M or 16.0% of total contract dollars have been awarded to small and micro-LBE firms located in the three zip codes (94107, 94124 & 94134) located next to the project area.

Brookfield has been proactively working to increase the diversity of its team. In Q4-2019, five micro sized LBE-MBE firms were awarded a total \$1.1M of contracts (15% of all contracts awarded in Q4-2019). In Q1-2020 (with the commencement of work on the historic Building 12 rehabilitation project), 17 LBEs were awarded a total of \$6.2M in contracts, of these awards, \$5.2M were awarded to LBE-MBEs. An additional \$10.5M was awarded to a non-LBE MBE to perform work on the structural steel component of the Building 12 project. Contractors that have commenced work on Building 12 include Eagle Environmental (LBE-MBE) performing abatement work, Hercules Builders (LBE-MBE) performing carpentry work on the building's new roof, and Ground Control (LBE-MBE) and On-the-Level Concrete (LBE-MBE) performing concrete demolition and foundation work, respectively.

Proposed D4D Amendment

The D4D establishes controls, standards, and guidelines specific to the SUD, thus providing development requirements for both infrastructure and community facilities as well as private development of buildings. The Developer has requested an amendment to Standard 6.4.2 of the D4D to allow residential buildings with a 90-foot height maximum to contain up to "9-stories" where currently they are limited to "8-stories" (see Attachment 1, Amended D4D Page). No changes are being requested to overall building heights, the minimum 15-foot ground floor ceiling heights required by Standard 6.8.3 of the D4D, or the overall development capacity authorized for the Project.

Analysis

Increasing the residential story maximum to 9-stories in buildings with a 90-foot height maximum would be appropriate and consistent with the Project approvals and the intent of the D4D. An additional residential story would allow the Project to maximize the residential development capacity of the site within the limits analyzed as part of the Pier 70 Final EIR and increase the financial performance of the Project. The additional units would remain at/under the entitled maximum number of units, and maintain consistency with the DDA, Planning Code SUD controls, and San Francisco General Plan policies for Pier 70. The design intent of the project will remain intact due to established controls around ground floor and building height, which would remain unchanged. The proposed D4D amendment would only affect residential parcels that have a maximum height limit of 90-feet. In Phase 1, these parcels are Parcel D, Parcel C2A and C2B. Parcels A and E2 which were discussed during the Port Commission's February 25, 2020 meeting are not affected by this amendment. In later phases, these parcels could include Parcel E1,

Parcels C1A-C1C, Parcel F, Parcel G, and Parcels H1-H2. (See Attachment 2, Pier 70 SUD Height Map).

Staff presented the amendment as part of a Pier 70 update to the Central Waterfront Advisory Group and Southern Waterfront Advisory Committee on December 5, 2019. On February 6, 2020, the Planning Commission approved the amendment to the D4D.

In summary, Port staff supports the proposed Pier 70 D4D amendment based on the following:

- The amendment to the D4D would help implement the Pier 70 Mixed-Use Project by providing flexibility in the design and development of residential parcels at the site; and
- The amendment to the D4D is consistent with all requirements of Section 249.79 of the Planning Code, the San Francisco General Plan, and the DDA; and
- The amendment to the D4D does not alter the maximum development capacity of the site or alter the Project from what was previously analyzed in the FEIR and thus is consistent with the adopted FEIR; and
- The amendment to the D4D would improve the financial feasibility of residential buildings within the Project by increasing the number of units that can be built.

Next Steps

Port staff intends to incorporate any Port Commission feedback on this item and return with a request for approval of the amendment described above at the May 26, 2020 Port Commission hearing.

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Attachment

1. Amended D4D Page
2. Pier 70 SUD Height Map

6.4 MAXIMUM BUILDING HEIGHT

In addition to the varied heights of the existing historic buildings, the following controls for new construction create complementary juxtapositions of scale to relate to the historic character of the site.

Standards

S6.4.1 BUILDING HEIGHT MAXIMUM. Building height per parcel shall not exceed the maximum height set forth in Planning Code as amended by the Pier 70 SUD, and shall be further limited by the heights shown in Figure 6.4.2. See S6.4.4 for a list of building features that may be exempted from measurement of building height.

S6.4.2 MAXIMUM STORIES. Residential buildings shall be no more than **eight nine** stories above grade and commercial buildings shall be no more than six stories above grade, measured from the base point described in S6.4.3.

Given maximum height permitted on parcels E2, E3, PKN, PKS, HDY1/2, HDY3, and the north leg of E1 (Figure 6.4.2), residential buildings on these parcels, or portions of parcels, shall be no more than six residential stories or five commercial stories above grade.

E4 shall be no more than five stories above grade.

Measurement of stories shall exclude accessory parking floors and mezzanine levels.

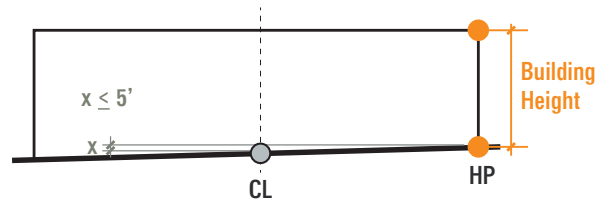
S6.4.3 METHOD OF HEIGHT MEASUREMENT. For the purposes of the height limits herein, measurement at grade shall be taken from:

- The highest point of grade at the finished street edge adjacent to the building or five feet above the grade at the centerline of subject building façade, whichever is less. The measurement at grade shall not exceed a five-foot deviation from the height of the subject façade centerline. Where deemed appropriate to reflect physical conditions of a particular parcel, the Planning Director may approve an alternate maximum deviation from the centerline by up to 10 percent. See Figure 6.4.1.
- Where the lot has frontage on two or more streets, the owner may choose the street from which the measurement of

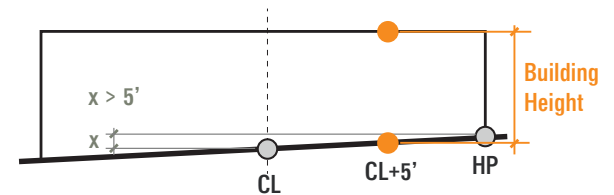
height is to be taken, within the scope of the rules stated above. Mid-block passages shall not be considered as streets for this purpose.

At the building roofline, measurement of height shall be as described below:

- The highest point on the finished roof in the case of a flat roof.
- The average height of the rise in the case of a pitched or stepped roof, or similarly sculptured roof form.
- The highest point of any feature not exempted from the height measurement by S6.4.4.



If the difference between High Point (HP) and Center Line (CL) is equal to or less than five feet



If the difference between High Point (HP) and Center Line (CL) is more than five feet

FIGURE 6.4.1: Height Measurement

Attachment 2: PIER 70 SUD HEIGHT MAP



FIGURE 6.4.2: Building Height Maximum

Residential and Flex Parcels Impacted by D4D Amendment

- 90' Max.
- 70' Max.
- 65' Max.
- 50' Max.
- Public Open Space within the site
- Historic Buildings
- Approximate Location of Mid-Block Passage