



# BAYVIEW INDUSTRIAL TRIANGLE ZONING UPDATE

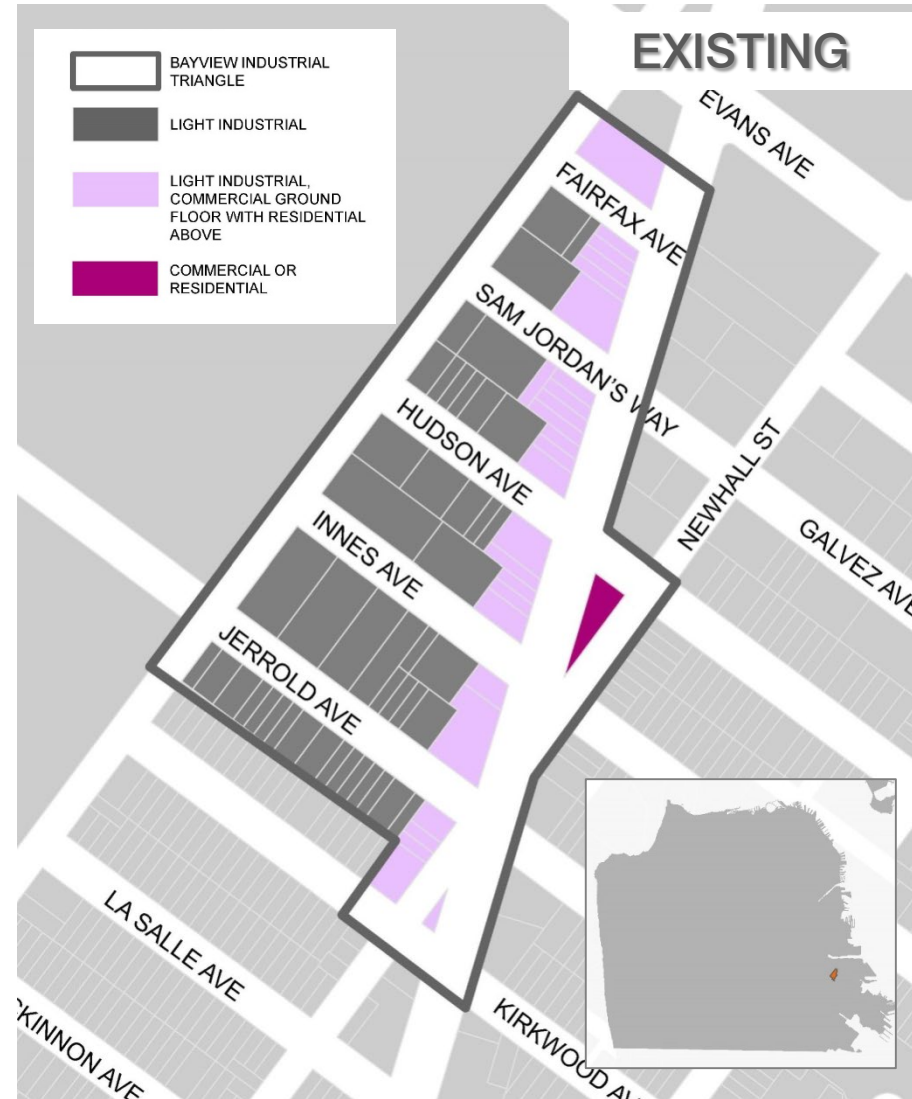
SAN FRANCISCO PLANNING DEPARTMENT | JANUARY 2020



**San Francisco**  
**Planning**

# Bayview Industrial Triangle (BIT) Redevelopment Plan

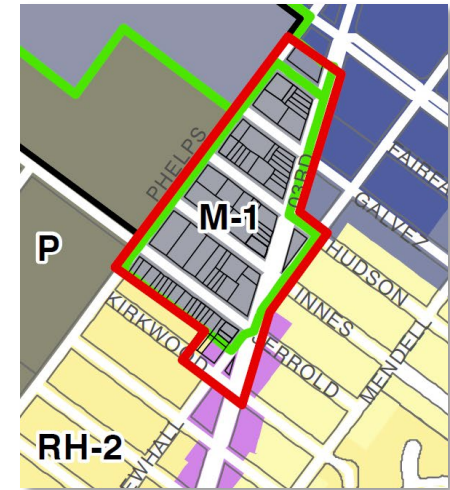
- Goals of BIT Redevelopment Plan (1980-2020):
  - Preserve & expand industrial and commercial development
  - Create buffer between industrial areas and residential/commercial uses on 3<sup>rd</sup> Street
  - Relocate residential structures from industrial areas to nearby residential areas, allowing for new industrial development
  - Address blight & support economic development



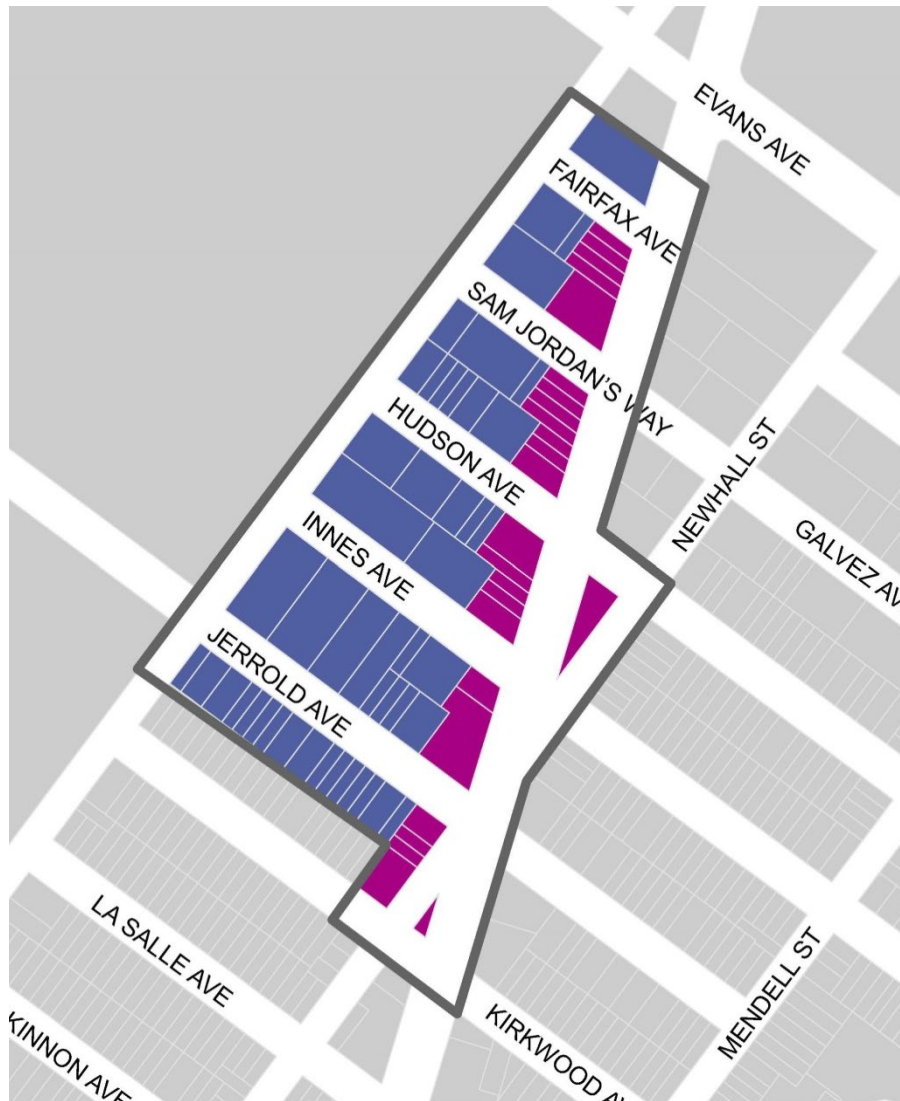
# Bayview Industrial Triangle (BIT) Zoning Update:




## Why Update the Zoning and Why Now?

- Redevelopment Plan expires on June 30, 2020
- Zoning will revert to an outdated district
- **Potential Impacts:**
  - Increased rents
  - Property speculation
  - PDR businesses competing against market rate office and housing leading to business displacement
  - Change of uses without notification
- **Zoning Update goal:**
  - Stabilize community and businesses in the BIT
  - Growth of PDR off Third Street
  - Encourage Housing and Retail on Third Street



# Bayview Industrial Triangle (BIT): Proposed Zoning – PDR-1-G

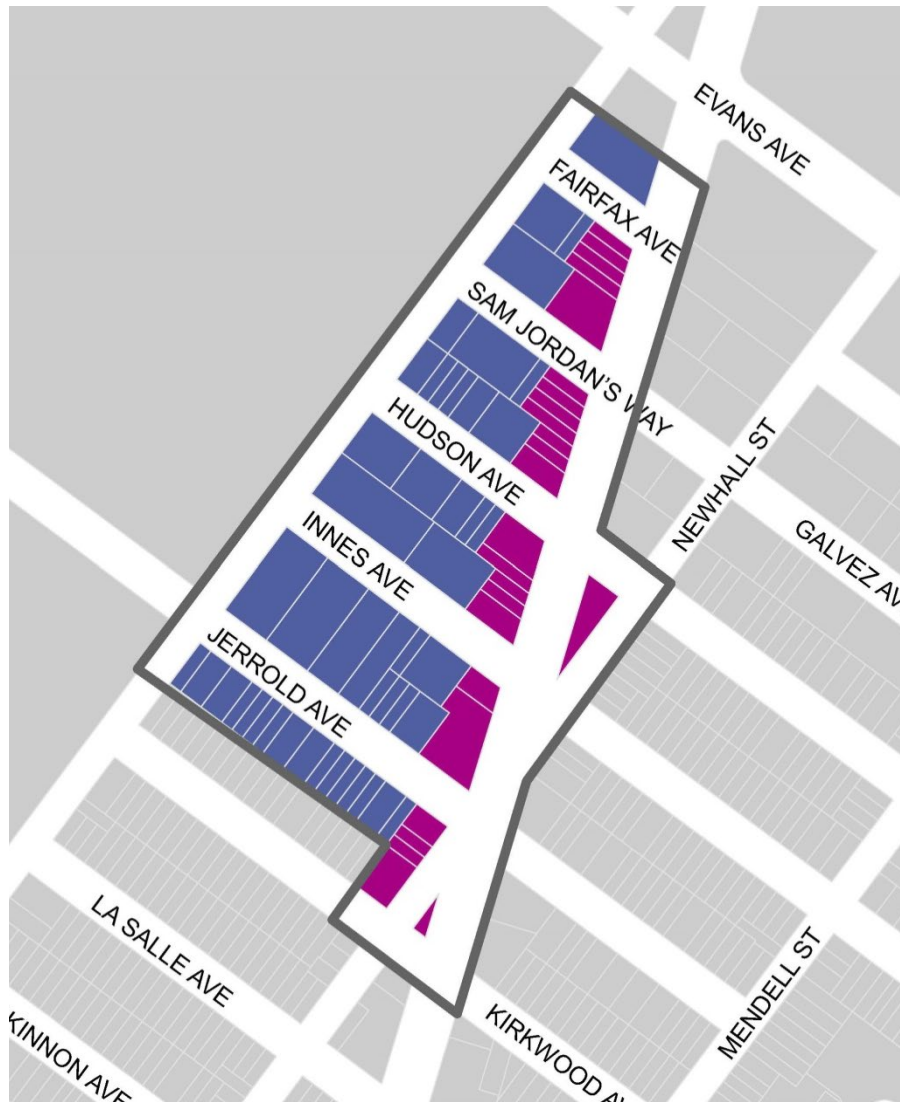





-  BAYVIEW INDUSTRIAL TRIANGLE
-  PDR-1-G: PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL
-  NCT-3: GROUND FLOOR RETAIL WITH RESIDENTIAL ABOVE

## PDR-1-G: Production, Distribution, and Repair – General

- Retain and encourage existing production, distribution, and repair activities
- Encourage new businesses
- Prohibits Residential and Office uses
- Limits Retail and Institutional uses

# Bayview Industrial Triangle (BIT): Proposed Zoning – NCT-3



-  BAYVIEW INDUSTRIAL TRIANGLE
-  PDR-1-G: PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL
-  NCT-3: GROUND FLOOR RETAIL WITH RESIDENTIAL ABOVE

## NCT-3: Neighborhood Commercial Transit – Moderate-Scale

- Supports neighborhood-serving commercial uses on lower floors and housing above
- Maximizes residential and commercial opportunities near major transit
- Housing density is not limited by lot area
- Emphasis on neighborhood-serving businesses



# What is PDR?



**Production**



**Distribution**



**Repair**



Manufacturing  
Construction  
Printing & Publishing  
Audio, Film, & Video  
Media  
Arts



Wholesale  
Transportation  
Utilities  
Distribution



Contractors  
Auto  
Repair

# What are modern PDR uses?



**Roam Robotics**  
Robotic exoskeletons  
and orthoses

**Cosmo**  
Design, prototyping, and  
manufacturing

**Tempo**  
Circuit-board maker



# Other uses allowed in PDR districts



**SF Design Center**  
Trade Shop & Arts



**Danzhaus Dance Center**  
Dance School



**1275 Minnesota**  
Art Gallery, Retail, & Event Space



**Gus' Community Market**  
Grocery Store



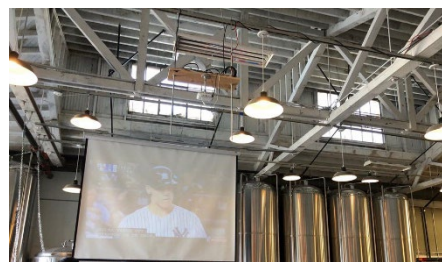
**Meals on Wheels**  
Catering for Elderly



**Veritable Vegetable**  
Produce Distribution



**Craftsman and Wolves**  
Cafe



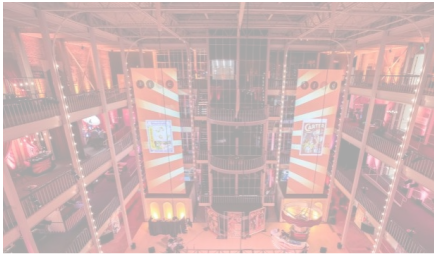
**Seven Stills/Laughing Monk**  
Brewery/Distillery



**Pump It Up**  
General Entertainment



# Other uses allowed in PDR districts



**SF Design Center**  
Trade Shop & Arts



**Danzhaus Dance Center**  
Dance School



**1275 Minnesota**  
Art Gallery, Retail, & Event Space



**Gus' Community Market**  
Grocery Store

**PDR districts also allow up to 33% of accessory Office space**

**Meals on Wheels**  
Catering for Elderly



**Veritable Vegetable**  
Produce Distribution



**Craftsman and Wolves**  
Cafe



**Seven Stills/Laughing Monk**  
Brewery/Distillery



**Pump It Up**  
General Entertainment

# Why should we retain PDR?

## Good pay relative to education

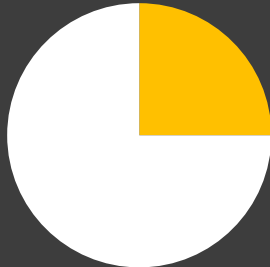
**70%**

of SFMade's employees are from low- to moderate-income households

**Jobs for people without 4-year degrees**

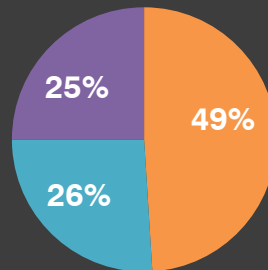


**PDR**



**Office**

**2012-2016 Educational Attainment in Bayview**



- High School or Less
- Some College/Associated Degree
- College and/or Professional Degree

Sources: SFMade; 2012-2016 American Community Survey

## 2018 Median wages

**PDR**

**\$78,500**

**Retail**


**\$49,800**

Source: EmSI Labor Market Analytics, Quarterly Census of Employment and Wages (QCEW)

**Bayview Industrial Triangle Zoning Update**

# Why should we retain PDR?

	2008	2017
PDR Businesses	4,812	4,878
Employees in PDR Businesses	84,710	98,000
Employees in PDR Businesses (Bayview)		12,400



**Industries include:** Construction, Transportation and Warehousing, Utilities, Information, Wholesale, Food Manufacturing, Apparel Manufacturing, Printing and Publishing, Repair Services, Transportation Equipment, Building Supplies, Film & Sound Recording

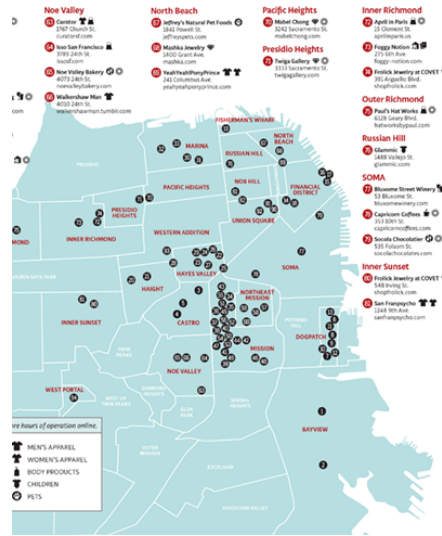


# Why should we retain PDR?

## Demand for Manufacturing Space



**15**  
manufacturers  
placed in over 75,000  
square feet in 2019



**30**  
production  
manufacturers  
currently looking for  
space



**5+**  
calls per month from  
small and large  
production  
manufacturers looks  
for space



High demand for  
well-priced  
( $< \$2/\text{SF}$ ), flexible,  
and smaller ( $< 5,000$   
SF) PDR spaces in  
multi-tenant  
buildings

# Why should we retain PDR?



Source: Todd Johnson, SF Business Times

## Vacancy

2.2%  
industrial space vacancy  
in San Francisco

Source: CoStar, 2019



## Employment

28,100  
Industrial jobs added  
between 2007 and 2016

Source: BAE Piers 90-94 Backlands Market  
Assessment, CoStar Research

# PDR Businesses: Good Eggs

## SPACE NEEDS

- In search of more space
- Will begin leasing a space in Oakland that is more affordable and four times the size of current space

## WORKFORCE

- ~550 employees, 20% from District 10
- Team growing in hourly and salary positions
- **\$21/hour** base salary with an emphasis on providing a living wage
- Benefits:
  - Medical subsidies
  - Medical subsidy for dependents
  - Free meals
  - Stock options
  - On-the-job training





# PDR Businesses: Recology Recycling Plant

## WORKFORCE

- Of 210 employees, over **90%** of entry level positions hired from the Bayview 94124 zip code
- Tend to advance and hire from within
- Everyone participates in employee stock ownership program
- Positions: mechanics, equipment operators, forklift drivers, maintenance, weigh masters, sorters (most entry level position)
- Salaries
  - **\$58k** for entry level sorters
  - **\$85k-95k** for maintenance and weighmaster



# PDR Businesses: Tenant Improvements

## Examples

- Azalina's
- Laughing Monk Brewery
- Charles Chocolates
- Pet Camp





# What do PDR businesses need?

- Specific industrial space requirements:
  - Parking and loading
  - Affordable rent
  - Large space
  - Ability to access and use space at all hours of the day





# Unintended Consequences: Office and Housing out-compete PDR

## AVERAGE LEASE RATES

SPACE USE	PER SF / YEAR
Office	\$80 to \$100
PDR	\$12 to \$20+
Housing	\$59

Sources: Zillow, Loopnet, RENTCafe

Speculation and rising rents...

# Citywide PDR Strategy (in progress)

- Compile all of the city's policies into one place
- Analyze current trends
- Identify potential strategies to enhance the viability of PDR businesses and space throughout San Francisco
- Issues under consideration:
  - Update design standards for PDR uses
  - Allowing businesses related to PDR, like “open air sales”
  - Encourage PDR on sites currently without PDR uses
  - Update lab definitions in the Planning Code
  - Minimizing conflicts with lab, office, residential uses
  - Reducing challenges to PDR in neighborhood commercial districts, where possible

# Bayview Industrial Triangle (BIT) Zoning Update: Outreach and Engagement to Date

- Bayview CAC (June, July, September, October 2019)
- Southeast Community Facility Advisory Committee (June 2019)
- Hunters Point Shipyard CAC (August 2019)
- Bayview Industrial Triangle Businesses Focus Group (August 2019)
- Bayview Merchants Association (August 2019)
- Community meeting with BIT property and business owners (August 2019)
- Friday office hours in the BIT (September 20<sup>th</sup> and 27<sup>th</sup>, 2019)
- Community workshop (November 2019)





# Bayview Industrial Triangle (BIT) Zoning Update:

## What We've Heard



### PDR

- Support to retain PDR businesses off Third Street
- Desire for flexible PDR uses in the BIT
- Concern about viability and longevity of PDR businesses and demand for PDR space



### HOUSING

- General consensus of support for residential along Third Street
- Limited requests to provide housing in the proposed PDR area



### OFFICE

- Support for office type uses in the industrial areas of the BIT

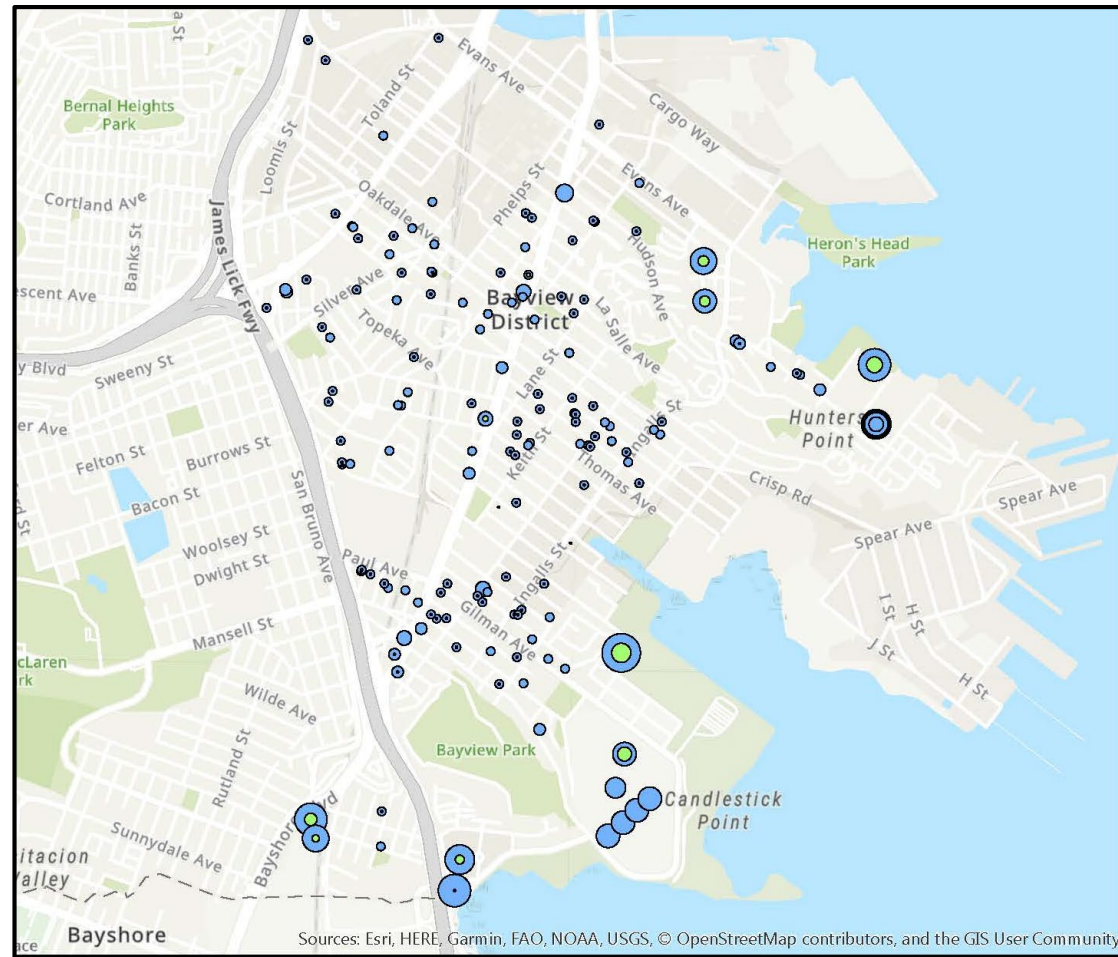
### OVERALL COMMENTS

- Take a comprehensive look at Bayview (not just BIT)
- The BIT needs activation to address homeless and RV problem
- The BIT is the gateway to the Bayview

# What We've Heard: Need for Housing and Office

Housing pipeline  
17,429 units

Office pipeline  
~2.7 million  
square feet



## What we've Heard:

### Upzone the Bayview Industrial Triangle

**Upzonings** are an increase in allowed density, height or allowable uses for an area. Recent upzonings have included:

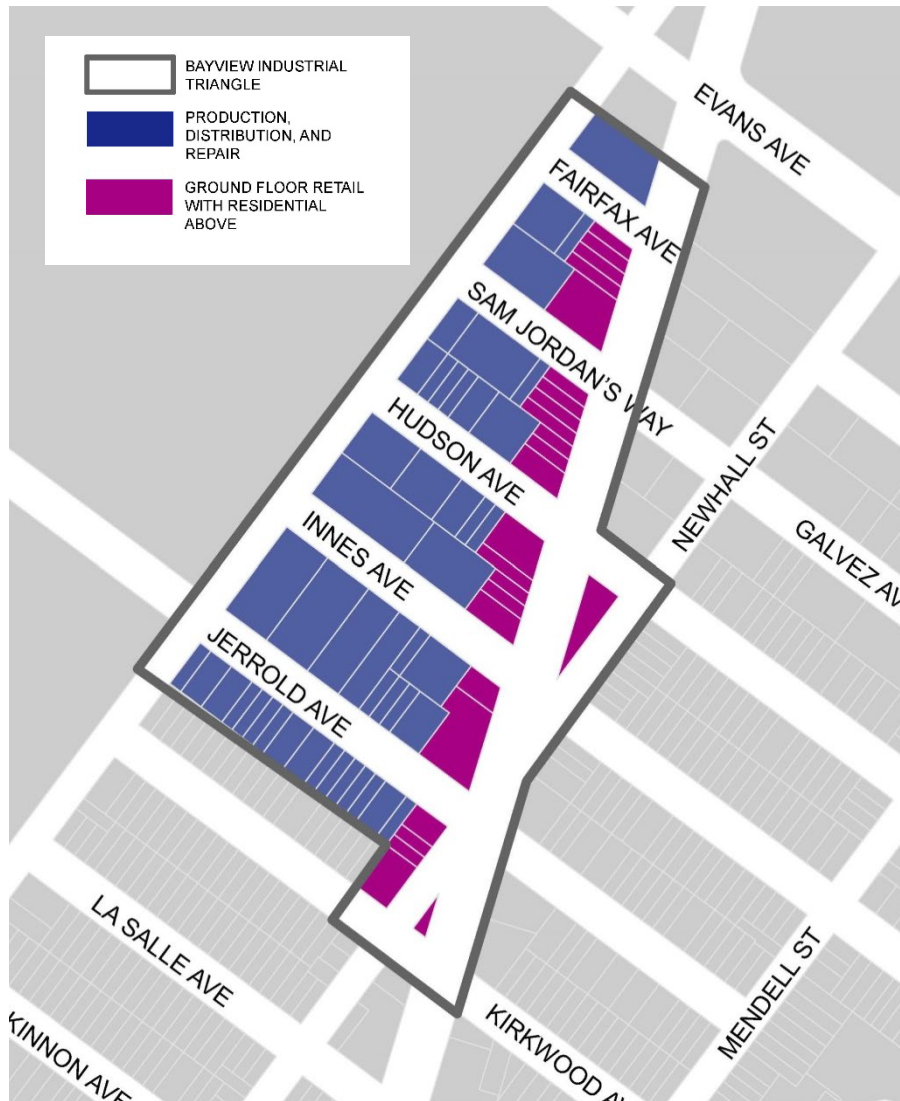
- Financial feasibility of impact fees
- Public benefits
- Assessing the ability of surrounding facilities and community to accommodate increased density
- Environmental review under the California Environmental Quality Act (CEQA)

# Changes we've made in response to feedback

- Removed PDR buffer zone to allow for more flexibility
- Adjusted from NC-3 to NCT on Third Street to allow for greater density of housing
- Considering a cannabis overlay to restrict cannabis retail and growth in the BIT

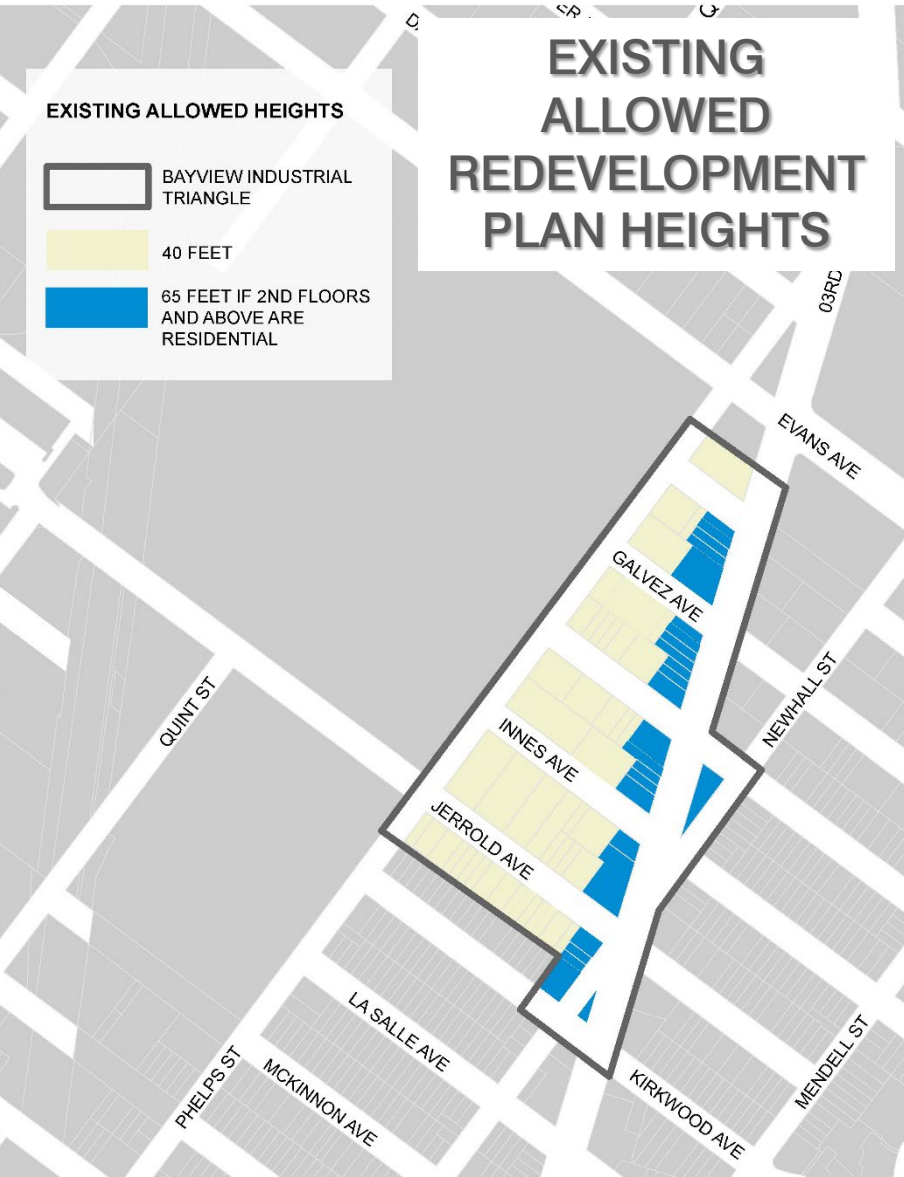


# Bayview Industrial Triangle (BIT): Proposed Zoning



- Stabilize community and businesses in the BIT
- Growth of PDR off Third Street
- Encourage Housing and Retail on Third Street

# Bayview Industrial Triangle (BIT) Zoning Update: Existing and Proposed Height Limits



# Bayview Industrial Triangle (BIT) Zoning Update: Environmental Review

- Planning Department has initiated the environmental review process for the BIT legislation
- Notices were mailed to all property owners and tenants and interested stakeholders on our mailing lists



# Bayview Industrial Triangle (BIT) Zoning Update:

## Future Conversations

### Cultural District Strategic Plan

- Describes the District's landscape
  - demographic and economic profile
  - elements of the District's cultural heritage
  - identifies areas of concern that inhibit preservation of District's unique culture
  - Proposed legislative, economic, and other solutions and strategies to support the Cultural District
- Documents the Community's Legacy

### CULTURAL DISTRICT FOCUS AREAS

- Historic Preservation
- Tenant Protections
- Arts & Culture
- Economic & Workforce Development
- Land Use
- Cultural Competency

# Bayview Industrial Triangle (BIT) Zoning Update:

## Next Steps

- February 6, 2020: Bayview CAC Presentation
- February 2020: Planning Commission hearing (tentative)
- Spring 2020: Legislation adoption
- Post-June 2020: African American Arts and Cultural District Process

# THANK YOU!

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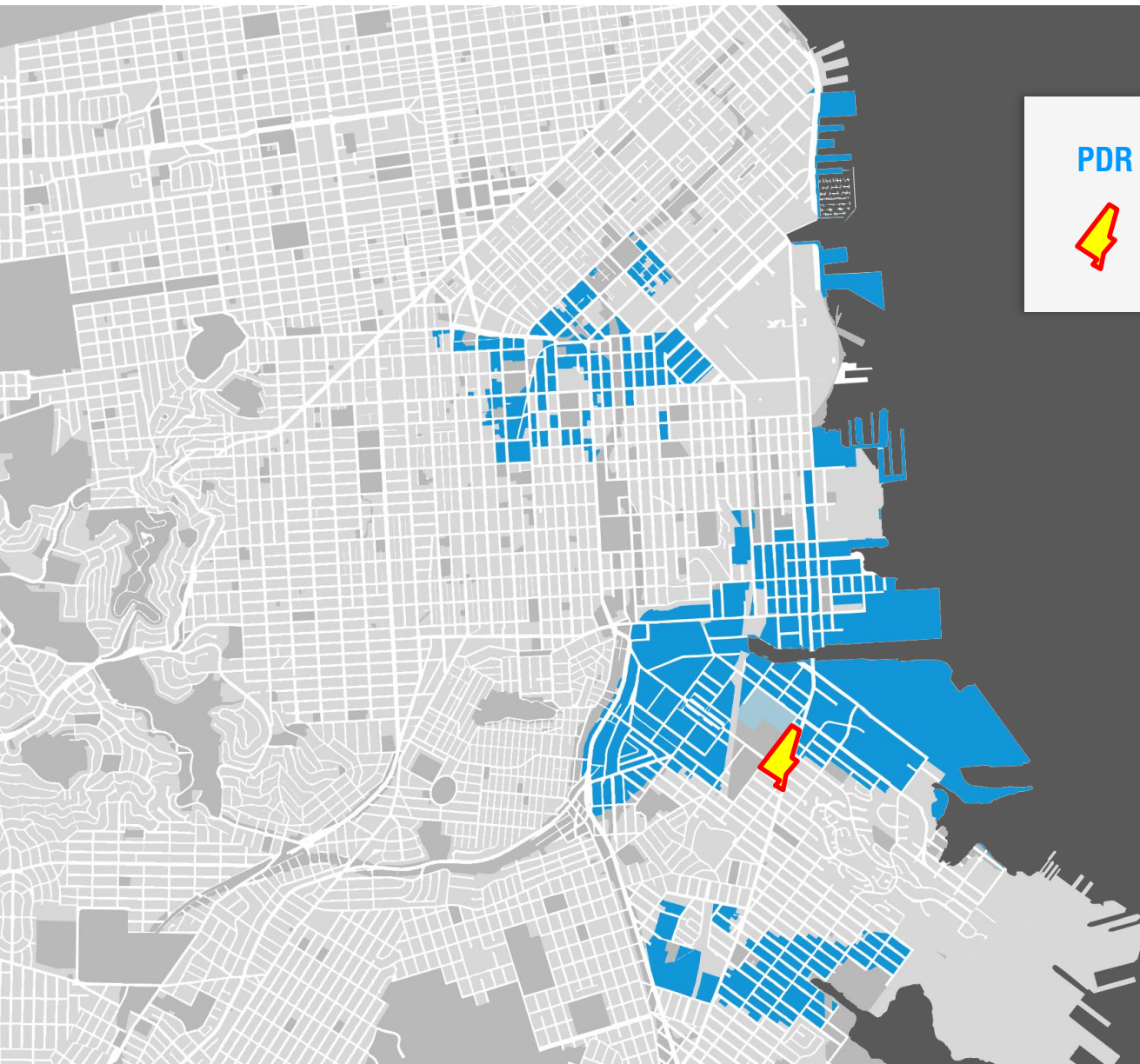
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<https://sfplanning.org/bayview-industrial-triangle-zoning-update>



# PDR Zoning Today



**PDR in San Francisco**



= Bayview Industrial Triangle