MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
        Executive Director

SUBJECT: Adopting environmental review findings pursuant to the California Environmental Quality Act and conditionally approving a Combined Basic Concept and Schematic Design for a new commercial project on Block 40 in Mission Bay South, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC, an amendment to the Block 40 Major Phase, and four variances to the Mission Bay South Design for Development; Mission Bay South Redevelopment Project Area.

EXECUTIVE SUMMARY

Block 40 is a triangular shaped parcel in the Mission Bay South Project that is owned by the Mission Bay master developer FOCIL-MB, LLC (“FOCIL” or “Developer”), which is developing the site as commercial development. In accordance with the Owner Participation Agreement (“OPA”) for Mission Bay South, FOCIL has submitted a Combined Basic Concept and Schematic Design (“Schematic Design”) application for approval by the Office of Community Investment and Infrastructure (“OCII”). Block 40 is located next to Interstate-280 (“I-280”) and the Caltrain tracks to the west, with 16th Street to the north, the future Owens Street to the east, and a small landscaped open space area, Park P27, to the south. A Major Phase application for Block 40 was approved by the San Francisco Redevelopment Commission on November 18, 2008 (Resolution No. 135-2008). The Schematic Design would amend the Major Phase, as allowed by the OPA.

Block 40 is approximately 3.24 acres in size and has a land use designation of Commercial/Industrial in the Mission Bay South Redevelopment Plan (“Redevelopment Plan”). The Commercial/Industrial land use district allows for a mix of office and industrial uses, including life science and biotechnology laboratory space, as well as neighborhood-serving retail. The proposed project contains approximately 664,039 gross square feet of office and potential biotech uses, with a space identified for a potential childcare center. The project is comprised of four building components that alternate between 90-foot tall lower rise buildings and 167 to 169 feet towers. The project architect is Perkins & Will. FOCIL has requested four variances related to tower heights, size, and spacing, as well as streetwall setbacks at corners.

The Mission Bay Citizens Advisory Committee reviewed the proposed project at its November and December 2012 meetings and expressed support for the project design, with a unanimous vote of support for the requested variances. On February 14, 2013, the Planning Commission reviewed the Schematic Design and confirmed a Planning Code Section 321 “Prop M” design approval providing authorization for the office component of the development. The
Redevelopment Plan provides that the Planning Commission’s finding regarding the consistency of the design with its Proposition M findings is binding on the Redevelopment Commission.

Staff has reviewed the proposed Schematic Design in conjunction with staff from the Planning Department, and finds that it is consistent with the Mission Bay South Redevelopment Plan (the “Plan”) and the Mission Bay South Design For Development, and other Plan documents. Staff has evaluated the proposed variances and finds that they are appropriate for the site and improve the overall design of the building. Staff is recommending that some design details be resolved in subsequent design stages, which is typical for projects of this type, and therefore is recommending a conditional approval.

As part of its actions on September 17, 1998, establishing the Mission Bay Redevelopment Project Areas, the Redevelopment Commission certified the FSEIR (Resolution No. 182-98) and adopted findings under the California Environmental Quality Act (“CEQA”) (Resolution No. 183-98). This FSEIR includes by reference a number of addenda. Agency staff has reviewed the Combined Basic Concept and Schematic Design submitted by FOCIL and finds it to be within the scope of the Project analyzed in the FSEIR and addenda and no additional environmental review is needed. As required by CEQA, the Commission must adopt environmental findings when approving the Schematic Design.

*Staff recommends adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the Combined Basic Concept and Schematic Design for a commercial building on Block 40 in Mission Bay South.*

**BACKGROUND**

**Enforceable Obligation: Mission Bay South Owner Participation Agreement**

The Mission Bay South OPA between the Redevelopment Agency and now, the Successor Agency (known as OCII), and FOCIL establishes the protocols for development approvals in Mission Bay South, including the approvals of Basic Concept and Schematic Designs for vertical development. The OPA is an enforceable obligation consistent with Assembly Bills No. 1X 26 and 1484 (together, the “Dissolution Law”).

Subsequent to the adoption of AB 1484, the Board of Supervisors, as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 to create the Commission for Community Investment and Infrastructure (the “Commission”) and delegated to it certain authority, including, without limitation, the authority to act as the former commission of the Redevelopment Agency. Specifically, Ordinance No. 215-12 allows the Commission to exercise land use, development and design approval under enforceable obligations, which include the Mission Bay South Redevelopment Project.
Block 40 Approved Major Phase Application

Pursuant to the OPA, the Master Developer is required to submit its overall plans for development in “Major Phases” of one or more land use blocks, with each Major Phase consisting of the private development projects, related public infrastructure and park improvements on these blocks. Schematic designs for individual building projects can be submitted following the Major Phase approval and must be generally consistent with the Major Phase. The OPA allows schematic designs to amend Major Phases as part of the schematic design approval process, as long as the amendments are still consistent with the overall Mission Bay plan.

The Major Phase that applies to Block 40 is the Block 40 Major Phase application, approved by the San Francisco Redevelopment Commission on November 18, 2008 (Resolution No. 135-2008). The approved Major Phase authorizes the development of the entire Block 40 for commercial uses and the development of two new parks, Parks P26 and P27. In addition, the Major Phase identifies the infrastructure, including the extension of Owens Street along the eastern border of Block 40, to support the new development.

DISCUSSION

The Block 40 parcel is approximately 3.24 acres in size and is located in the southern part of the Mission Bay South Redevelopment Project Area (“Mission Bay South”), as shown on Exhibits A and B. The parcel has a land use designation of Commercial/Industrial in the Mission Bay South Redevelopment Plan. The Commercial/Industrial land use district allows for a mix of office and industrial uses, including life science and biotechnology laboratory space, as well as neighborhood-serving retail.

The parcel is unique in that it is triangular in shape and is tucked up against I-280 and the Caltrain tracks to the west, with 16th Street to the north, the future Owens Street to the east, and a small landscaped open space area, Park P27, to the south. Directly across the street from Block 40 is a parking garage that serves the first phase of the University of California, San Francisco (“UCSF”) medical center. During the second phase of the medical center, the garage will be expanded in size. Access to Block 40 is only available from the northern and eastern sides of the parcel, which are major arterials for Mission Bay. As a result, Block 40 is one of the most challenging development sites in Mission Bay.

Parcel 40 is being designed pursuant to the requirements of the OPA by FOCIL. The building architect is Perkins and Will. The building may ultimately be constructed by FOCIL, or FOCIL may sell off a portion or all of the site to be developed by another third party developer.

The design process has included multiple meetings between OCII and Planning Department staff and the Developer over the last year. The building design was also reviewed by the Mission Bay Citizens Advisory Committee (“CAC”) at two meetings, as described in more detail below. As a result of the comments received from staff and the public, the design was modified over the
months to address concerns. The Planning Commission approved the design at its February 14, 2013 meeting.

Block 40 Schematic Design

The project is a 664,039 gross square foot office building that may also include biotechnology/life science research uses. Exhibits C through H depict the proposed development. Space has been allocated at the ground floor for a potential childcare facility. The overall design concept is based on a pattern of two shorter 90-foot tall buildings alternating with two 167 to 169-foot tall towers. A similar palette of design features, such as landscaped balconies, carry through the entire project to ensure an overall cohesiveness, but the use of colors is applied to differentiate between the northern and southern segments of the project and break up the overall scale of the building. The two main entrances to the building are located on Owens Street, with generous entry plazas at each entrance. A secondary entrance may also be provided at the north-west corner of the building along 16th Street with another plaza. There is a loading area at the rear of the building, adjacent to the freeway and access to the vehicle and bicycle parking is from Owens Street.

The Block 40 design is modern in nature. The two towers have a glassy, transparent character, with the lower 90-foot buildings having a more solid appearance. A “folding plane” of composite cement panel material winds its way along the southern half of each tower, providing an element that reinforces the vertical nature of the towers and creates opportunities for workers to access the outdoors via a stack of balconies along Owens Street. The folding plane also provides sun protection on the southern façade and wraps over the top of each tower to screen the mechanical equipment from the adjacent neighbors on Potrero Hill. Two glassy elevator towers connect the towers to the lower, 90-foot buildings. These lower buildings have windows punched through the same composite cement panel material used on the folding planes. The two northern and southern sets of low and tower buildings are differentiated from each other through the use of colors. Specifically, the southern buildings use a warm red-brown color for the cement panel system, while the northern buildings utilize a cooler color combination of white and gray.

Parking is provided in five to six floors of podium parking. Due to the triangular nature of the property, the required on-site parking could not be fully screened by the office buildings. However, to minimize the visual impact of the parking where it is exposed along Owens Street and I-280, the same palette of building materials is used to screen the parking and blend it into the overall design. The bicycle parking is located along the Owens Street façade at the ground floor, which also helps screen the parking, while activating that stretch of the building by providing a more visually interesting experience for pedestrians walking along Owens Street.

Open Space

The landscaping plan for the project includes a series of privately-owned, public open spaces, with the primary entrances on Owens Street marked with significant entry plazas, as well as a
“pocket park” at the western end of the building on 16th Street. Exhibits I and J depicts the public open space amenities of the project. The 16th and Owens Street plaza provides an activity node at the northern entrance, with space available for a coffee cart, moveable seating, and a public art project. The southern entrance plaza is set back into the break between buildings, and a mid-block inset of the same width is designed to allow a portion of it to be privatized for use by a future childcare center. The pocket park is located on 16th Street and is adjacent to I-280, and the Developer anticipates that it is expected to be less active than other plazas due to its location next to the freeway. Therefore, the pocket park design includes more landscaping and less hardscape than the other plaza areas. One possible use of the pocket park would provide for the location of a bike share pod to help activate the space.

Each of these open spaces include hardscaping with bands pavers to provide visual interest, dotted with wooden benches, and landscaping accented by groves of lemon-scented Gum trees at the 16th Street plaza and pocket park. Landscaping is also used along the Owens Street and western freeway façades to help “green” the building and break up the massing, as well as provide stormwater treatment opportunities. Private open spaces opportunities are provided within the building on private balconies, the top of the north garage, and potentially on the rooftops of the 90-foot tall buildings.

Parking and Transit

The Design for Development requires one parking space for every gross square foot of commercial space; however, the Design for Development allows that additional parking may be provided if there is biotech uses developed onsite, at a ratio of an additional one parking space per 1,000 square feet of biotech uses, up to a maximum of 1,734 biotech spaces project-wide. Consistent with the Design for Development, the project will be served by 664 to 680 parking spaces in podium parking provided onsite, depending on whether biotech is included in the building. The Schematic Design allows Agency staff to increase the overall parking number if it is shown that the building will include the equivalent ratio of biotech uses and there is a remaining availability of biotech parking allocation available.

The Design for Development also requires one bicycle parking space for every 20 vehicular parking spaces. The project will also have a minimum of 34 bicycle parking spaces inside the garage, which would increase if additional bio-tech parking spaces were provided. However, there will likely be a greater number than the minimum number of bike spaces provided on site.

Finally, the project will be well-served by transit; it is located about four blocks from the Muni Third Street Mission Rock Light Rail station and the 22-Muni bus line will be extended to pass directly in front of the building along 16th Street.

Variance

The Mission Bay South Redevelopment Plan and the Design for Development allow the Commission to approve variances where it is found that unusual and special conditions exist.
Approved variances must meet the intent and purpose of the Redevelopment Plan and Design for Development.

Due to the significant constraints of the site, with its triangular layout, the adjacency of I-280, and limited access, the developer has requested the following four variances from the Design for Development (Exhibit K depicts each of the variances in detail):

- **Height Limit** – The Developer is requesting an additional nine feet of in tower height. The maximum tower height allowed in Mission Bay is 160-feet with an additional 20-feet for mechanical penthouses and screening. The variance allows an additional nine feet in tower height, for a total of 169 feet for the towers. However, the height of the mechanical penthouse and screening would not exceed the maximum 180-feet in height. Due to its location on the southern side of the building, the penthouse/screening height would block the residents on Potrero Hill from seeing the additional nine feet of tower height. This variance would allow for more space to be placed in the towers and less on the pinched corners of the triangular site, resulting in more visual relief and interest, and greater open space at the ground level.

- **Streetwall at Corner** – The Developer is requesting a variance in order to set back the building and not build out to the streetwall (i.e., the edge of the property line), as is currently required. Under the Plan documents, the development is required to build to the streetwall for 50 feet from each corner. The variance would allow the building to be setback from the 16th and Owens Streets corner to provide for improved pedestrian vehicular visibility and safety at this very irregular intersection.

- **Space between Towers** – The Developer is requesting a variance to allow for the glass elevator/lobby tower to encroach on the required 200 foot space between towers. Along the freeway, towers are required to maintain a break of at least 200 feet between each tower to allow for views from the freeway, though for the majority of the rest of Mission Bay minimum tower separation is only 100 feet. This variance would keep a distance of 200 feet between each tower, but allow a 40-foot glass elevator/lobby tower on the northern building to encroach into the 200-foot space between towers. There would still be an unobstructed 160-foot distance maintained, which would be significantly more than the 100-foot space required for the majority of Mission Bay and allow for a more interesting massing.

- **Maximum Tower Footprint and Length** – The Developer is requesting a variance to increase the maximum tower footprint and length. The maximum tower footprint is limited to 20,000 square feet, and the length of a tower is only allowed to be 200 feet long. The variance would enable the northern tower to have a footprint of approximately 25,200 square feet and the southern tower to have a footprint of about 23,000 square feet, allowing for more space to be placed in the towers and less on the pinched corners of the triangular site, resulting in more visual relief and interest and greater open space at the ground level. The northern tower would also be allowed to have a length of about 250 feet along 16th Street, resulting in a stronger streetwall along that façade and more pedestrian interest for people walking along 16th Street.
OCII staff has reviewed the requested variances and found that they are appropriate for the site and achieve the intent and purposes of the Mission Bay Redevelopment Plan and Design for Development. In addition, staff consulted with the Mission Bay Citizens Advisory Committee, who unanimously supported the variances and felt that the variances improved the overall massing and design of the building.

**Amendment to the Major Phase**

The OPA allows for the modification of a Major Phase as part of a schematic design approval since the Major Phase is more conceptual in nature and schematic designs provide for a more details study of individual sites. As with many Mission Bay schematic designs, the proposed Block 40 Schematic Design application includes modifications from the Major Phase, such as incorporating the variances, as well as correcting a few errors in the Major Phase, such as how the required parking was calculated. Since the Block 40 Major Phase application only included the Block 40 development, the Schematic Design approval for the building design will fully amend the portions of the Major Phase that address the building massing and design to ensure consistency between the two documents.

**Citizens Advisory Committee Review Process**

The Mission Bay Citizens Advisory Committee reviewed the proposed design for Block 40 on November 8, 2012 and December 12, 2012. The CAC members responded very positively to the design. In particular, the CAC commended the way that the design broke up the massing of the building and felt that the requested variances resulted in a much better design than would have occurred under the Design for Development without the variances. One CAC member encouraged additional height, and others were very supportive of the 16th Street plaza. At the November 6th meeting, the CAC unanimously voted to support the requested variances. There was a request to add additional color to the design, which was done on the southern building to help differentiate the northern and southern buildings.

**Planning Commission Review**

Pursuant to the provisions of Section 304.11 of the Mission Bay South Redevelopment Plan, the San Francisco Planning Commission ("Planning Commission") also has schematic design review purview for Mission Bay commercial buildings because they are office development projects. On February 14, 2013, the Planning Commission reviewed the schematic design and confirmed a Planning Code Section 321 "Prop M" design approval providing authorization for up to 700,000 square feet of office allocation for the Block 40 project. Prop M was approved by the voters to control the rate new office development in the City. The Redevelopment Plan provides that the Planning Commission’s finding regarding the consistency of the design with its Proposition M findings is binding on the Commission.
Mission Bay Program in Diversity

Pursuant to the OPA, the developer of Block 40 must comply with the Mission Bay Program in Diversity ("Program"). Working closely with OCII staff while selecting the remaining members of the design team, the Block 40 team will work to meet or exceed the Agency’s goal to include 38% Minority/Women-Owned Business Enterprises ("M/WBEs") professional services subcontractors (20% for MBEs and 18% for WBEs). During construction, the developer will be bound by the Program’s goals and requirements for 41% M/WBE subcontractor participation (31% MBE and 10% WBE), 50% local resident participation in construction workforce, and the payment of prevailing wages. Mission Bay continues to do well in its local hiring efforts for construction; as of 2012, the Mission Bay project as a whole achieved more than 40 percent local hires for construction hours.

CEQA Environmental Review

As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the San Francisco Redevelopment Commission certified the FSEIR, adopted CEQA findings, adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors, the Planning Commission, and various City departments adopted similar findings and mitigation monitoring plans. This FSEIR includes by reference a number of addenda.

Copies of the full four-volume FSEIR were distributed to the San Francisco Redevelopment Commission prior to the 1998 certification and adoption of the environmental findings, and have subsequently been made available to members of the Redevelopment Commission. The addenda were also made available to the members of the Redevelopment Commission. Copies of the FSEIR have been delivered to the members of the Successor Agency Commission (Exhibit L), and are also available for review at the OCII’s offices.

Staff has reviewed the Combined Basic Concept and Schematic Design submitted for the commercial building on Block 40 and has considered and reviewed the FSEIR and addenda. Staff finds the Combined Basic Concept and Schematic Design to be within the scope of the project analyzed in the FSEIR and subsequent addenda and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, and 15163.

STAFF RECOMMENDATION

Staff spent the last year reviewing drafts of the proposed Schematic Design for Block 40 in conjunction with staff from the Planning Department, providing feedback to ensure that the design and the requested variances are consistent with both the overall design goals for Mission Bay and the specific development standards contained in the Mission Bay South Design for Development.
Based on the review process described above, staff finds that the proposed Combined Basic Concept and Schematic Design for the commercial building on Block 40 in Mission Bay South, as described in above, is consistent with the Redevelopment Plan, the Design for Development and other Plan documents. The proposed design will be an attractive addition to Mission Bay South.

As is typical, there remains a number of detailed issues that must be resolved in subsequent design stages. Therefore, staff recommends the following conditions of approval:

1. The building materials, colors, finishes, architectural detailing (including window details) shall be subject to further review and approval by OCII staff during the Design Development phase, with special attention given to the use of materials and colors to differentiate the northern and southern towers. Material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for OCII staff review and approval to ensure consistency with this Schematic Design.

2. The landscape design and public art projects shall be subject to further review and approval by OCII staff during the Design Development phase. In particular, the ground floor open space areas require further refinement to ensure that each area is activated to the maximum extent feasible, and designed to take into consideration safety concerns related to site conditions resulting from the location of the railroad along the western border of the property.

3. The design of the parking shall be subject to further review and approval by OCII staff during the Design Development phase. Areas of focus will include the treatment of the screening of the upper levels of parking, the treatment and screening of the exterior expression of the partially submerged parking level of the southern building, and methods to avoid or diminish the light spillover from the upper levels of the garage.

4. The design of the trash and recycling areas shall be subject to further review and approval by OCII staff during the Design Development phase to ensure that they allow for direct pick-up by the solid waste collector from the service areas on the western façade of the building to avoid trash and recycling bins on-street.

5. The loading docks, generator, transformer rooms and other utility space shall be minimized and located along the western façade to the extent feasible. The design of the loading docks in relation to the service elevators shall be further developed to ensure adequate connections between the two.

6. Any service yards required by future tenants of the building shall be subject to review and approval by OCII staff to ensure appropriate screening and preserve opportunities for landscaping.
7. All building signage shall be subject to further OCII staff review and approval. A signage plan shall be prepared prior to or concurrent with Design Development for OCII staff approval, pursuant to the Mission Bay South Signage Master Plan.

8. The Developer shall comply with the process outlined in the Mission Bay Program in Diversity/Economic Development Program ("Program") for the remaining consultants. The Developer will comply with the Minority/Women-Owned Business Enterprises (M/WBE) professional services subcontracting goal of meeting or exceeding 38% (20 percent for MBEs and 18 percent for WBEs) on all soft costs associated with the project. During construction, the developer shall be bound by the Program's construction subcontracting goals of 31 percent for MBEs and 10 percent for WBEs. The Mission Bay Construction Workforce Program shall also apply to this project with a local San Francisco resident goal of 50% of total workforce hours and the requirement for the payment of prevailing wages.

Staff recommends the approval of the Combined Basic Concept and Schematic Design, with the requested variances and Major Phase amendment, for the residential building on Block 40 subject to the conditions above.

(Originated by Catherine Reilly, Acting Project Manager)

Exhibit A: Mission Bay Location Map
Exhibit B: Site Photos
Exhibit C: Site Plan
Exhibit D: Rendering – East Façade/Northern View
Exhibit E: Rendering – East Façade/Southern View
Exhibit F: Rendering – West Façade/Freeway View
Exhibit G: Rendering – West Façade/16th Street View
Exhibit H: Architectural Materials
Exhibit I: Landscape Plan
Exhibit J: Planting Palette
Exhibit K(a) and (b): Variance Diagrams
Exhibit L: Mission Bay FSEIR – provided on a separate CD