History of PDR

- Bayview grew as an industrial area in the late 1800’s to mid-1900’s
- Development of area sustained by industrial jobs
- Increased in residential uses later
- Housing was built to accommodate workers

Butchertown, 1929
Bayview Industrial Triangle Zoning Update

PDR in San Francisco

= Bayview Industrial Triangle
What is PDR?

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

Distribution
Wholesale
Transportation
Utilities
Distribution

Repair
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
101 Henry Adams St

**Danzhaus Dance Center**
Dance School
1275 Connecticut St

**1275 Minnesota**
Art Gallery, Retail, & Event Space
Other uses allowed in PDR districts

Gus’s Community Market
Grocery store
2111 Harrison St

Meals on Wheels
Catering for Elderly
2230 Jerrold Ave

Veritable Vegetable
Produce Distribution
1100 Cesar Chavez
Other uses allowed in PDR districts

Craftsman and Wolves
Cafe
1598 Yosemite Ave

Seven Stills / Laughing Monk
Distillery / Brewery
1439 Egbert Ave

Pump It Up
General Entertainment
201 Mendell St
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 look for space

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

Source: SFMade
## Why should we retain PDR?

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDR Businesses</td>
<td>4,812</td>
<td>4,878</td>
</tr>
<tr>
<td>Employees in PDR Businesses</td>
<td>84,710</td>
<td>98,000</td>
</tr>
<tr>
<td>Employees in PDR Businesses (Bayview)</td>
<td>12,400</td>
<td></td>
</tr>
</tbody>
</table>

*Source: 2017 Commerce and Industry Inventory*
Why should we retain PDR?
Good pay relative to education

70% of PDR employees are from low- to moderate-income households

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDR</td>
<td>49%</td>
</tr>
<tr>
<td>Office</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Average annual wages by sector (2017)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>$163,000</td>
</tr>
<tr>
<td>PDR</td>
<td>$114,000</td>
</tr>
<tr>
<td>Retail</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

**2012-2016 Educational Attainment in Bayview**

- High School or Less: 25%
- Some College/Associated Degree: 49%
- College and/or Professional Degree: 26%

Sources: SFMade, OEWD, SF Commerce and Industry Inventory 2017
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

Sources: Recology.com, interview with Maurice Quillen, general manager, Pier 96 facility
What do PDR businesses need?

- Specific industrial space requirements:
  - Separation from residents
  - Loading
  - Affordable rent
Unintended Consequences:
Office and Housing out-compete PDR

**AVERAGE LEASE RATES**

<table>
<thead>
<tr>
<th>SPACE USE</th>
<th>PER SF / YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>$80 to $100</td>
</tr>
<tr>
<td>PDR</td>
<td>$12 to $20+</td>
</tr>
<tr>
<td>Housing</td>
<td>$59</td>
</tr>
</tbody>
</table>

Sources: Zillow, Loopnet, RENTCafe

Speculation and rising rents…
Bayview Industrial Triangle (BIT): **Zoning Context**

- **Goals of BIT Redevelopment Plan (1980-2020):**
  - Preserve & expand industrial and commercial development
  - Create buffer between industrial areas and residential/commercial uses on 3rd 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) Zoning Update: Outreach and Engagement to Date

- Bayview CAC (June, July, September 2019)
- Southeast Community Facility Commission (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 20th and 27th, 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**
- Support for residential on Third Street
- Support to both restrict and allow residential uses in industrial areas

**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

Housing pipeline
17,429 units
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 Heights

**EXISTING ALLOWED HEIGHTS**

- BAYVIEW INDUSTRIAL TRIANGLE
- 40 FEET
- 65 FEET IF 2ND FLOORS AND ABOVE ARE RESIDENTIAL

**PROPOSED ALLOWED HEIGHTS**

- BAYVIEW INDUSTRIAL TRIANGLE
- 65 FEET
Bayview Industrial Triangle (BIT) Zoning Update:

Next Steps

- Fall 2019 – Environmental review
- Fall/Winter 2019/2020 – Legislation initiation and adoption
- Spring 2020 – Scope Bayview-wide planning process and holistic zoning analysis
THANK YOU!

Susan Exline
susan.exline@sfgov.org

Reanna Tong
reanna.tong@sfgov.org

Aaron Yen
aaron.yen@sfgov.org