

# Industrial Land in San Francisco: Understanding Production, Distribution, and Repair

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# 1

## introduction

San Francisco's limited land area leads to competition over space for homes, businesses, and other uses. The Eastern Neighborhoods of San Francisco, including the land where industrial uses are permitted and are concentrated, have experienced the brunt of this competition as a result of economic growth in the recent past. Production, distribution, and repair (PDR) are the traditional users of the industrial space in these neighborhoods<sup>1</sup>. In particular, the recent "dot-com" explosion and the City's need for new housing have greatly affected PDR firms and led to a debate about the appropriate land use policies in the Eastern Neighborhoods and their role in San Francisco's future. As San Francisco has recently lost a majority of its industrially zoned land to other uses including housing, this debate is all the more critical. The purpose of this report is to inform this debate and to help make decisions about the future use of the remaining industrial land in the Eastern Neighborhoods of San Francisco.

A healthy and vibrant city has a variety of economic activities. Such diversity allows a city to adapt to new circumstances created by shifting economic trends and cycles. A diverse economy provides businesses and residents with the goods and services

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<sup>1</sup>The term PDR is used instead of "industrial" to avoid conjuring images of heavy, "smoke-stack" industry, such as large manufacturing plants, smelting operations, and refineries.

they need to thrive. PDR businesses contribute to that diversity and are a fundamental part of what makes San Francisco work. While PDR businesses do not generate the same recognition and attention as downtown offices or the high-tech enclaves in the South of Market, what happens to them matters to the City. Now, as a number of San Francisco neighborhoods embark on planning processes to promote neighborhood improvement in the context of recent economic and social trends, PDR activities are put squarely in the limelight. This report will help readers better understand what PDR is, why it is important, and what needs to be done to done about this modest but critical part of San Francisco's economy. Should these activities disappear, the City could lose economic resiliency. Thus, a thoughtful appreciation of PDR is necessary to making rational decisions about our vision of San Francisco's future.

This report consists of six sections. Following this Introduction is an overview of *The City as a Land Use System*. This section includes a brief account of San Francisco's land uses over time and outlines the role of the Planning Department and its long-range Citywide Action Plan. The third chapter, *Production, Distribution, and Repair Activities: Definition and Changes over Time* defines these activities, giving an historical context of industrial activities in San Francisco. The fourth chapter is *The Role of PDR in the San Francisco Economy*. It addresses the role of PDR jobs, the wages PDR businesses pay, and the services they provide to this city. Chapter five, *What PDR Requires to Function in the San Francisco Economy*, identifies land, buildings, and labor force needed for PDR activities in San Francisco. Section six, *Evaluating PDR: Competiveness, Compatibility, and Linkages*, takes into account the information presented in this document, assesses it via these three measuring tools, and concludes with key issues and guidelines for policy decisions.

# 2

## the city as a land use system

A city's land use system is composed of various activities. These activities take up space in the City. Because activities are interrelated, where they occur is important. At a general level, San Francisco's land use system is characterized by a downtown core of mainly office-based activities, a ring of dense mixed-use neighborhoods that encircle the downtown, a collection of residential neighborhoods throughout the rest of the City, and a largely industrial east side. A network of streets and an extensive transit system connects all these parts to become a whole.

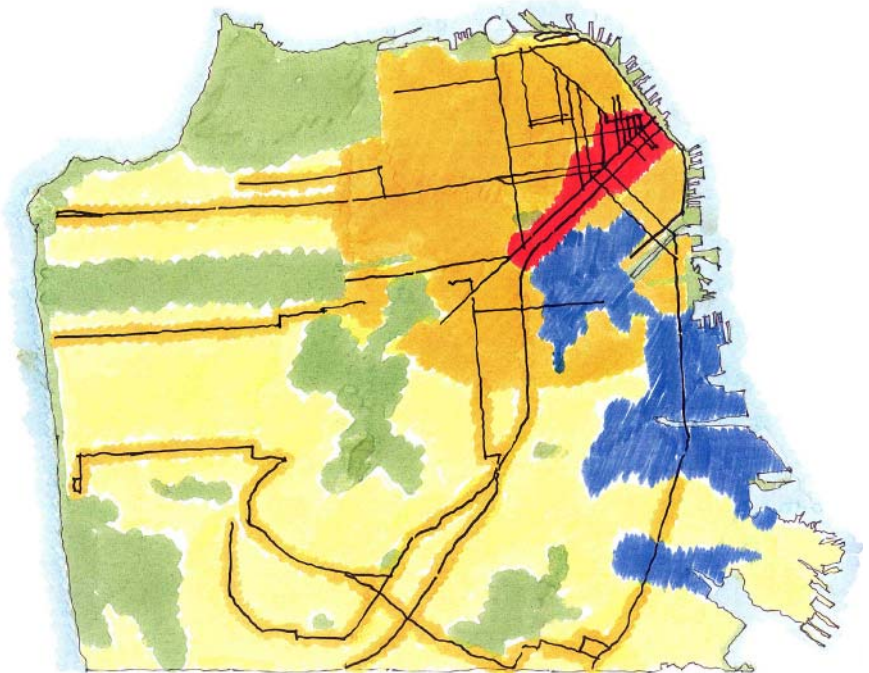
To function properly, different activities not only need appropriate locations but appropriate types of buildings as well. Location and building type are often closely related. Office towers are clustered in San Francisco's downtown and single-family residences characterize the Sunset. Financial, real estate, or law firms need the kinds of facilities found in downtown office buildings; they also enjoy proximity to one another and the various services that they engage. Manufacturing and wholesale trade firms require facilities and operating conditions different from retail trade and therefore these firms choose to locate in industrial areas where larger floor plate buildings are available, where trucks can easily load and unload goods, and where the land values allow lower rents. Not all activities are compatible with one another. While most people like to live near shops, few want to live next to a factory. Over

time, different activities collect together or remain separated in response to economic, social, and cultural conditions.

## San Francisco Land Use Over Time

The focus of San Francisco's economic activities has changed over time, especially since World War II. As San Francisco's economy changes, so does its land use pattern. Changes in technology had a dramatic impact on the early post-war economy. With new methods of manufacturing, large, typically one-story structures replaced more compact multi-storied factories. These new building forms required large tracts of land that were abundant and much more affordable outside of City. The rapid growth of suburbs helped enable the process of industrial relocation. By the 1960s, containerization became the new standard for shipping goods. Land constraints, the City's location at the head of a peninsula, and a range of other factors made it extremely difficult for San Francisco to adopt the new technology and compete with Oakland for cargo. Subsequently, many of the City's distribution and warehousing jobs disappeared.

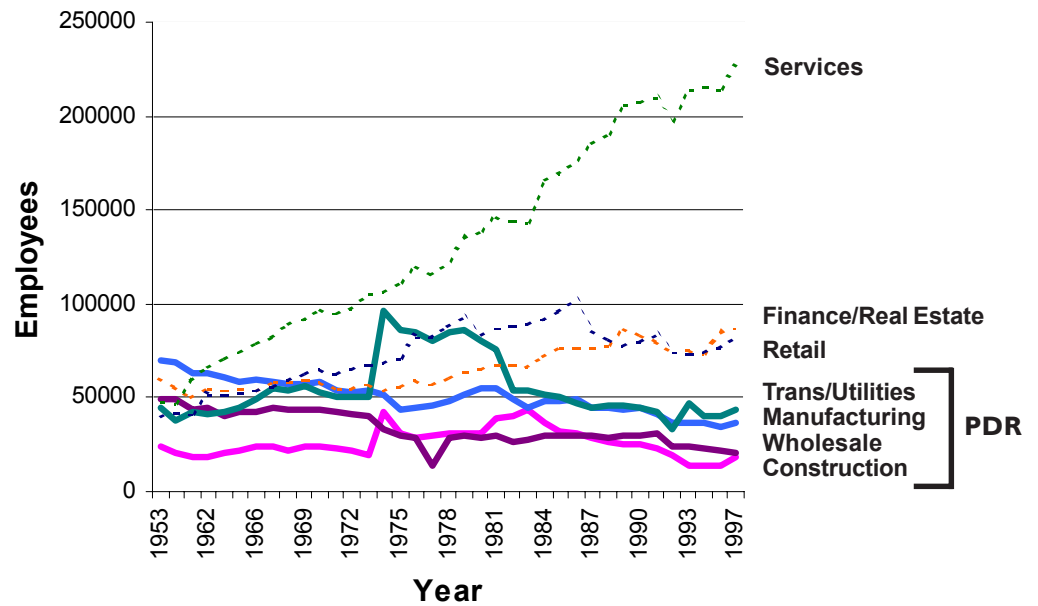
Generalized Land Use Pattern in San Francisco



At the same time that San Francisco's manufacturing and distribution functions were waning, the City was fast transitioning to an economy based on tourism and the service sector. The phenomenal growth of downtown signaled this change. New office buildings and the expanding range of businesses that support these offices replaced or re-used many of the older industrial buildings and warehouses near downtown. However, not all of the City's jobs concentrated in the downtown. A smaller but still significant number of manufacturing and distribution jobs remained. These jobs were found in the industrial lands South of Market, parts of the Mission and Potrero, Bayview-Hunters Point, and near the central and southern waterfronts. Businesses unable to compete with the office development boom of the 1960s relocated to these areas. These businesses became the core of the present day PDR.

The chart presents the change over time in employment for seven basic sectors of the economy for the period between 1953 and 1997<sup>2</sup>. It shows the mix of activities that have constituted San Francisco's economy over time. While the balance of jobs has changed, all seven of these sectors have been consistently part of the City's economy for decades. Industrial businesses, now composed mostly of production, distribution and repair firms, clearly have been and remain an integral part of the City's economy. PDR jobs still make up 11% of the City's total employment.

**Major Sector  
Employment Growth**



<sup>2</sup>A different classification system is employed for data from 1998 onwards and has not been included. Please note that data for the years 1954, 1955, 1957, 1958, 1960, 1961, 1963, and 1995 are not available.



## Recent Trends

During peaks of economic cycles that center on one particular activity—the demand for office space generated by the dot-com boom, for example—the balance between land uses is altered and certain activities are temporarily favored. Though such cycles may be short-lived, they can have a permanent effect on other sectors of the economy not favored in the particular cycle. The economic expansion of the late 1990s set San Francisco’s real estate market soaring. Many firms in the new multimedia and “dot-com” industries preferred the excitement of San Francisco’s dense urban environment to the corporate campuses of Silicon Valley. In the City’s industrial land, they found a ready supply of flexible, inexpensive space well suited for conversion to office space. At least 50 office projects have been built or are currently under construction in these areas.

Yet now, with the subsequent dot-com implosion, office vacancies are at record levels while businesses closed or displaced as a result of the initial boom are not likely to return. Just as economic cycles affect business sectors, they can alter the balance of the land use system and ultimately impact the City as a whole. It is not unlikely that another economic upswing would have a similar effect.

At the same time that office development was occurring on traditionally industrial land, these same areas became desirable residential locations for many, including well-paid high-tech workers who commuted to their jobs in the south. Land in the City’s industrial areas is relatively inexpensive and easy to develop, and zoning regulations are more permissive than elsewhere in the City. This led to an increased concentration of housing production, especially live/work lofts, in the eastern part of San Francisco. South of Market saw the highest level of activity. In the last five years, San Francisco’s industrially zoned land saw the construction of over 5,000 residential units (primarily live/work). Many of the traditional occupants of industrial areas—especially PDR businesses—were displaced by rising rents. Recently arrived residential neighbors, who complain about sounds, sights, and smells associated with many PDR activities, have made it difficult for many businesses to operate. While some found space elsewhere in the City; many others left San Francisco altogether; and still others went out of business.

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### **\*What is Important for your Business?**

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Proximity to Customer Base	92%
Proximity to Local Suppliers	82%
Proximity to Similar Businesses	81%

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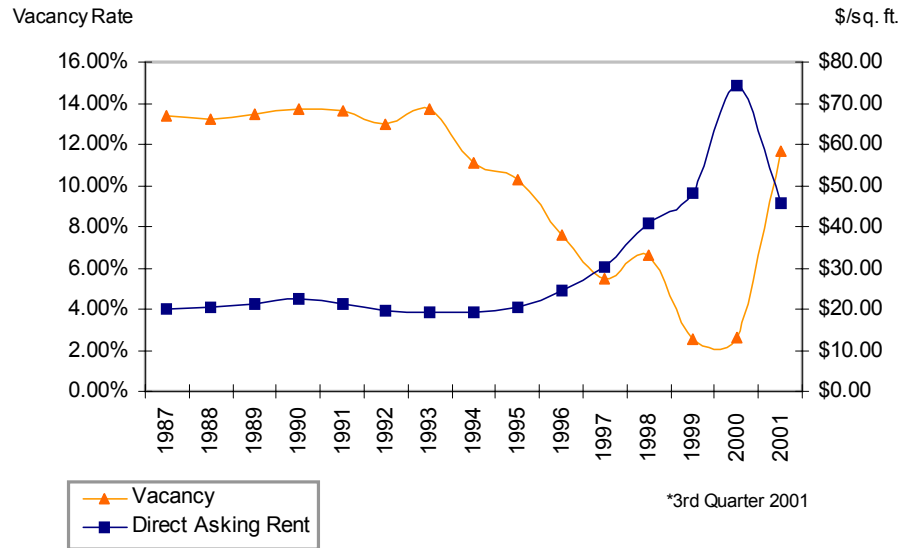
*\* Of surveys responding*

*San Francisco Planning Department PDR survey*

Live/work Projects on Industrial Land



**Total Vacancy vs. Asking Rents  
1987-2001\***



Cushman Wakefield, 2001

However, many PDR businesses remain in San Francisco. Unlike their counterparts who have moved out of the City, these businesses stay because they have compelling reasons to be in San Francisco. They have extensive customer bases, suppliers, labor, networks, and the space required to run their operation successfully.

## Land Use Planning

The City's challenge is to decide how to allocate land resources in a way that balances multiple goals and values. This task is complicated by the fact that there is a dynamic relationship between land use and economic trends. Cities regulate land use to avoid mixing incompatible uses and also to protect uses that are important but may have a hard time competing for land and real estate, especially during the peaks of economic cycles.

San Francisco's land use policy supports, promotes, and protects specific uses. There are zoning districts designed to allocate space for office, retail, and residential uses. There are no equivalent regulations for industrial activities. Because there are no zoning districts designed particularly for their needs, office and residential developers are encouraged to vie for the right to develop the remaining 1,000 acres of land where PDR uses are permitted, in the Eastern Neighborhoods. In San Francisco, for example, limited space and an unfettered market will favor office uses, which over time could replace print shops and warehouses.

The following are some of the key issues that San Francisco must address in its land use decisions:

- *Housing*: How much housing is necessary to meet the City's current and future needs? What kind of housing is necessary and at what densities? Where should it be built? How can we ensure that housing is built where services and amenities for residents can be provided?
- *Jobs*: What kinds of jobs are important to the City? Are some of these vulnerable? How can the City accommodate job growth, and where?
- *Land use compatibility*: Because space in San Francisco is limited and not all activities are compatible, how can a proper land use mix be achieved? This means not only protecting residential areas from "nuisance" uses, but also protecting desired uses that could be displaced by residential or other development.

San Francisco's perennial housing shortage is accentuated with economic growth. New housing construction failed to keep up with the growing population. The Association of Bay Area Governments (ABAG) set an annual housing production target for San Francisco at 2,700 new units annually in order to accommodate household growth and reduce commuting to the City. Meanwhile, housing production in the last ten years averaged just about 1,000 units. A substantial number of these new homes were built in the Eastern Neighborhoods, not only displacing jobs and permanently replacing industrial buildings and spaces, but also leaving new residents bereft of urban amenities.

In order to guide the use of land to meet the long-term needs of the City's residents and workers, the City Planning Department has developed the Citywide Action Plan. Capitalizing upon and enhancing the best qualities of the City, this Plan will direct housing to places with good public transit and urban amenities, new office uses in and around downtown, and appropriate industrial uses to core industrial lands. These initiatives are based upon the land use policies of the General Plan, and will be bolstered by a new Land Use Element, an updated Housing Element, and a revised Urban Design Element.

Although San Francisco is typically seen as built-out, numerous opportunities for new housing construction exist under current zoning regulations. Potentially, more than 23,000 new housing units could be built on vacant or underutilized parcels scattered across the City. An additional 12,500

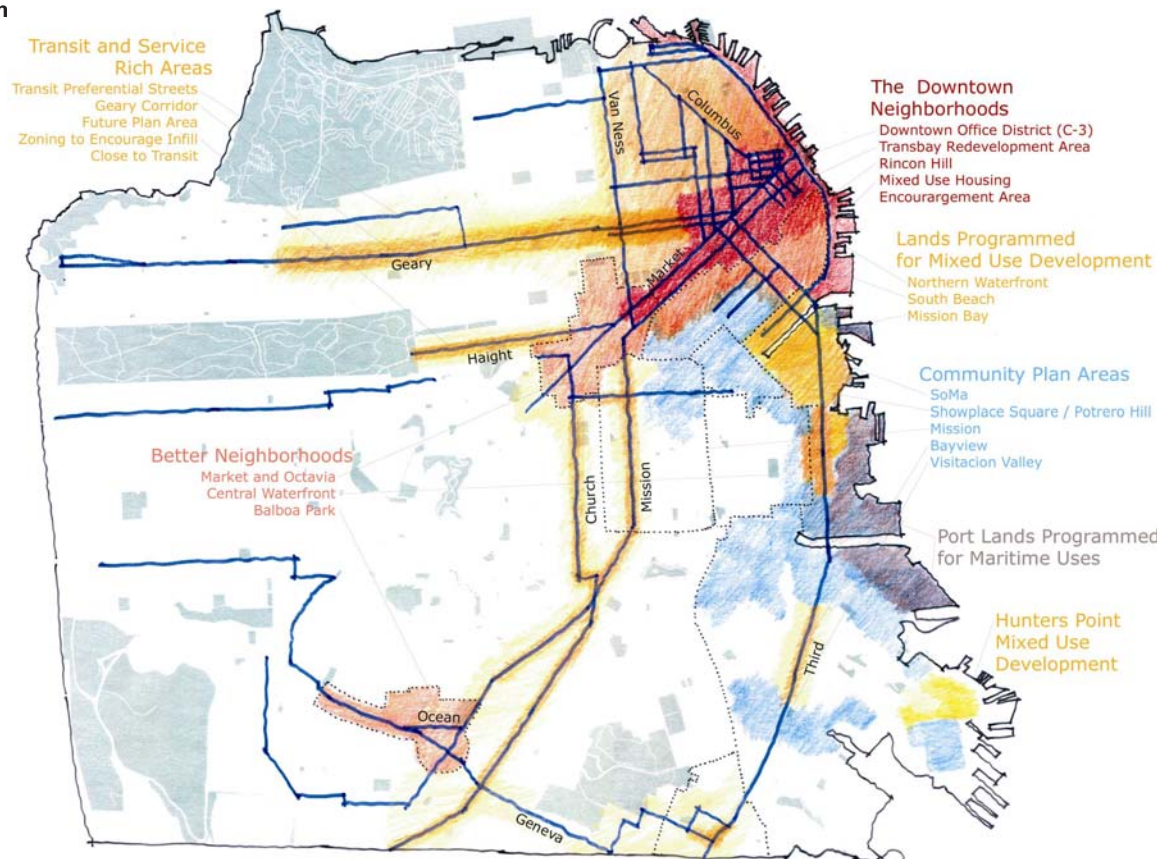
**Legislation Affecting the Eastern Neighborhoods**

- Mission Interim Controls
- Special Use District in northwest Bayview
- NC-3 Interim Zoning Controls on 3rd Street
- Live/Work Moratorium

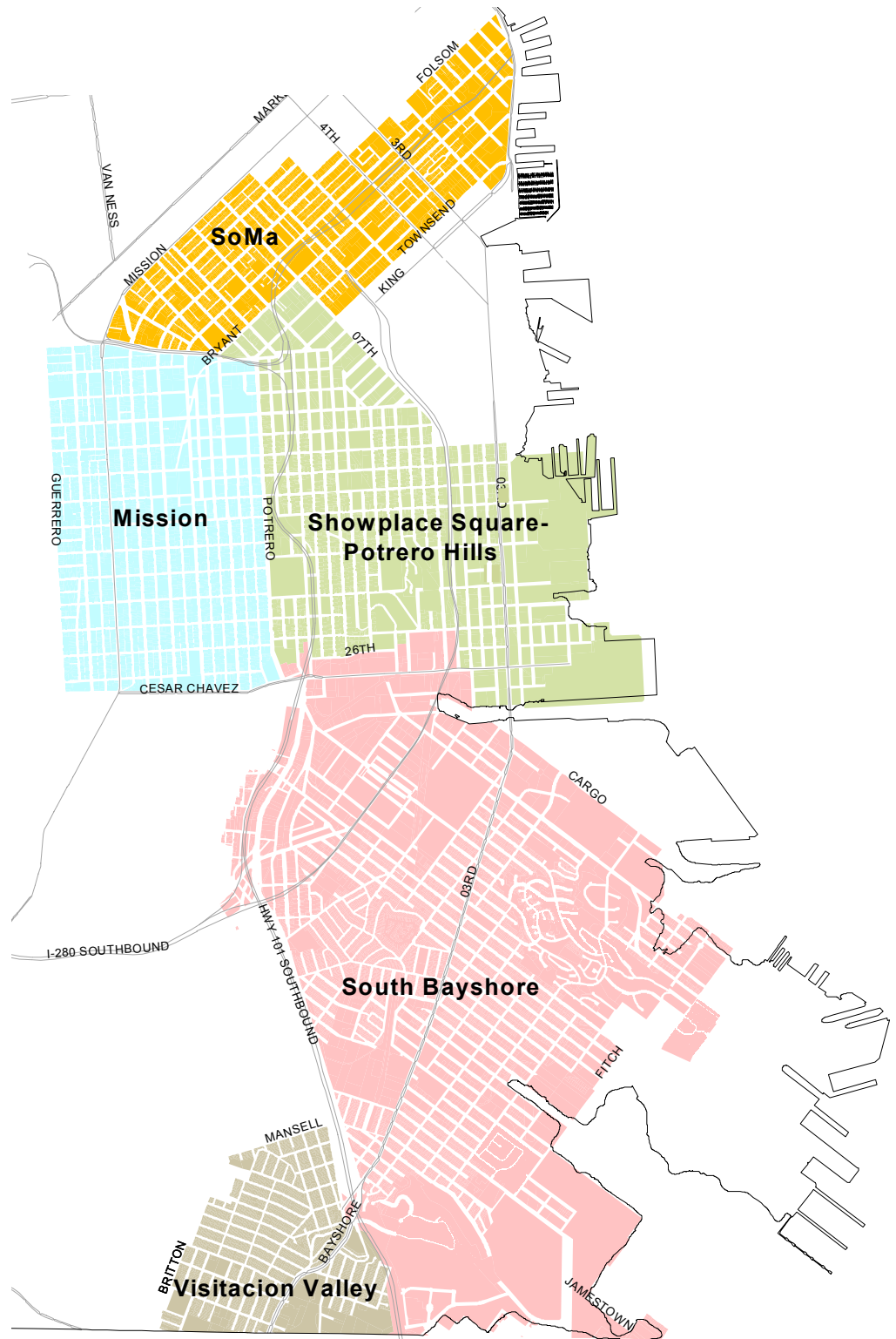
new units have been planned in the redevelopment of Mission Bay, the Hunters Point Naval Shipyard and the Transbay Terminal area. These potential sites for housing are located in residential districts, as well as in or near downtown, in neighborhood commercial districts, and in other transit-rich areas.

Additionally, the Citywide Action Plan initiatives in the Planning Department’s work program will rezone these areas and expand the infrastructure and services in them in order to support additional residents. The Better Neighborhoods Program – with its pilot neighborhoods of Balboa Park, Central Waterfront and Market/Octavia – includes a housing component that will encourage and facilitate thousands of new residential units in these areas well served by transit. Rezoning initiatives, such as those proposed for Rincon Hill and the new Downtown Neighborhood will promote new housing construction in and around Downtown. Another Citywide Action Plan initiative is the community planning process in the largely industrially zoned Eastern Neighborhoods. Vacant or

**Citywide Action Plan**



Community Plan Areas





underutilized industrial land in the right locations is expected to accommodate some amount of housing. Through a series of workshops, the Planning Department has initiated efforts to rezone the City's five Eastern Neighborhoods – Showplace Square/Potrero Hill, Mission, South of Market, Bayview-Hunters Point, and Visitacion Valley. The goal is to resolve land use conflicts that have arisen between residential, industrial, and commercial development. Ideally, the full potential for housing will be realized through the success of the Citywide Action Plan, yielding almost 49,000 housing units without encroaching on the core industrial land necessary for PDR businesses.

**Estimate of Potential for Development by Major Areas in the City  
(based on existing zoning, as well as policies and programs pending approval)**

	<i>Total Non-Res</i>	Square Feet				Units
		Office	Retail	Industrial	CIE*	Housing
Better Neighborhoods	<b>800,000</b>	100,000	290,000	360,000	50,000	7,800
Greater Downtown	<b>10,800,000</b>	9,980,000	830,000			17,800
Programmed Areas**	<b>14,300,000</b>	7,030,000	2,040,000	916,000	4,285,000	8,200
Transit Corridors	<b>2,270,000</b>	390,000	720,000	540,000	610,000	4,200
Eastern Neighborhoods	<b>10,290,000</b>	760,000	7,260,000	4,220,000	910,000	4,500
Rest of City	<b>6,460,000</b>	3,150,000	2,080,000	480,000	750,000	6,100
<b>TOTAL</b>	<b>44,920,000</b>	<b>21,410,000</b>	<b>13,220,000</b>	<b>6,516,000</b>	<b>6,605,000</b>	<b>48,600</b>
<b>ABAG Citywide Projections through 2020</b>						
Net demand for employees	<b>102,750</b>	46,250	16,000	13,000	27,500	16,700
Net demand for total sqft	<b>37,543,000</b>	16,789,000	7,034,000	6,341,000	7,379,000	

\*Cultural/Institutional/Educational  
\*\*Mission Bay, Hunters Point, PORT

# 3

## production, distribution, repair (pdr): definition and changes over time

By the 1980s, the bulk of the larger manufacturing and distribution businesses had left San Francisco as suburban locations proved more attractive and affordable. A core of Production/Distribution and Repair activities, however, has stayed in the City and is projected to remain. These include not just more traditional manufacturing and distribution, but also a variety of new and specialized activities. Production, distribution, and repair (PDR) businesses generate the most jobs on industrially zoned land. PDR activities currently provide about 68,000 jobs citywide, or 11% of San Francisco's total employment. About 45,000 of these PDR jobs are in the Eastern Neighborhoods, subject to the greatest pressures. In broad terms PDR includes the following activities:



Some industry types fall into more than one sector. For a complete description of each classification, please see Appendix A.

<b>PDR Classifications</b>		
	<b>INDUSTRY TYPE</b>	<b>2-digit SIC CODES</b>
<b>PRODUCTION</b>	Printing & Publishing	27
	Other Printing & Binding	27
	Photography Services	72,73,38
	Graphic Design, Int.Design & Signs	35,39
	Radio, T.V. Stations & Comm Svcs	48,73
	Garment Manufacturing	23
	Other Apparel	22
	Utilities	86,48,49
	Sound Recording/Film Prod	36,38,78
	Catering & Food Processing	20,21
	Building Construction & Maintenance	17,15,16,34,33,32,14,28
	Concrete Works	17
	Furniture Mfg & Repair Woodwork	25,24,32
	Landscaping/Horticulture & Animal Svcs	75,78
	Chemicals/Plastics/Leather Goods Mfg	31,30,28,51
<b>DISTRIBUTION</b>	Wholesale Printing & Publishing	51
	Wholesale Apparel	51
	Transportation & Delivery Svcs	47
	Taxi/Limo/Shuttle	41
	Trucking, Freight, & Packing	42,73,47
	Parcel Shipping & Courier Svcs	45,44
	Public Warehousing & Storage	42
	Wholesale Flowers	51
	Food & Beverage Wholesale & Distribution	51
	Wholesale Construction & Distribution	50,51
	Furniture Wholesale & Showrooms	50,73
	Interior, Household & Appliance Wholesale	50,73
	Large & Heavy Equipment Wholesale	35,50
	Wholesale Auto Parts	50
	Export/Import Trading Companies	50,51
	Jewelry Wholesale Mfg	39,38,73,50
	Waste Management	49
<b>REPAIR</b>	Auto Wrecking & Scrap Storage Yards	50,73
	Furniture Mfg & Wood Work Repair	73,76
	Appliance Repair	76
	Auto & Boat Repair, Parking& Renting	75

- Food and beverage wholesale and distribution
- Fashion/garment design and manufacture
- Delivery services (messengers, airport shuttle vans, taxis, limousines)
- Event production and catering
- Construction contractors and building material suppliers
- Wholesale and retail of furniture, equipment, appliances, and furniture manufacture.
- Printers, designers, photographers; film producers, graphic designers, and sound-recording firms
- Repair shops for cars, trucks, equipment, appliances and whole. A discussion of the role of PDR as a sector of the economy is presented in more detail, including a discussion of employment, wages, and linkages in the proceeding section.

In short, PDR represents a range of business types and industries that despite their obvious diversity, share the need for relatively flexible building space, cheap rents, and in most cases, a separation from housing. The PDR classifications table highlights some important roles of production/distribution/repair in the land use system and thus, the City's economy as a whole. The role of PDR as a sector of the economy is presented in more detail in the proceeding section. It includes a discussion of employment, wages, and linkages.

## **Changes in Technology and Organization of Industries**

To understand production, distribution, and repair activities in San Francisco today, it is important to place them in an historical context. Changes in technology, and industrial organization have had and will continue to have, a significant impact on PDR. Methods of production and distribution changed dramatically with the introduction of new factory assembly techniques pioneered by Henry Ford. "Fordism" enabled a dramatic increase in the efficiency of the mass production of goods, but the new techniques could not be applied in most existing, multi-storied buildings. Instead, land-consuming horizontal buildings were needed, and by the early post-World War II years, many industries, especially manufacturing, moved to the suburbs where there was sufficient affordable land to accommodate the new facilities. The tight constraints of San Francisco, and indeed of most older, central cities, could not provide the land necessary.

While employment in manufacturing in San Francisco dropped from 69,000 in 1953 to 36,550 in 1997, not every business and every job in the manufacturing sector left the City<sup>3</sup>. While some of these jobs are really office jobs (workers in corporate headquarters, for instance), many are in small-scale production. The continued presence of production and even small-scale manufacturing activities in San Francisco is largely explained by the following: new technology, new flexible methods of organization, and the increasing importance of information and knowledge in the production process. These improvements have resulted in radically different production techniques. The recently favored distinction between new economy/old economy is to a large degree a misleading dichotomy, since there is a blurring and overlap between the two. It is certainly true that "new economy" industries such as multimedia production and biotechnology could not have existed before the evolution of computers and digital technologies on the one hand and an understanding of the molecular structure and function of DNA on the other hand. However, many classic "old economy" industries use technologies just as sophisticated as those in any "new economy" sector. They apply new technologies to old problems and use new methods to achieve their traditional ends. For example, printing is still the art of putting ink to paper, but today's digital offset printing is vastly different in technique from its earlier counterparts.

## Production

Today, production firms in San Francisco invest in more technology-intensive production and have higher value-added per employee than their counterparts elsewhere in California. They tend to produce short runs of specialized goods with a significant design component rather than standardized, mass-produced items. They are in San Francisco because it allows them access to a specialized market and labor force and they are able to pay a premium to be here. San Francisco-based production firms are often significantly different from production firms elsewhere<sup>4</sup>.

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<sup>3</sup>Data is from US Census, County Business Patterns, 1953, 1997

<sup>4</sup>All the information in the subsequent sections is from Chapple, Karen (1998), "The Transformation of Traditional Industries in San Francisco: the Cases of Printing and Apparel Manufacturing." IURD Working Paper #701. Berkeley, CA: Institute of Urban and Regional Development.

The printing industry is such an example. From the end of World War II until the mid-1970s, San Francisco was considered the printing capital of the western United States. Just as many apparel firms now prefer less expensive locations, so the printing industry has decentralized. However, the firms that have remained in San Francisco have invested heavily in technology and new production processes, such as laser scanners and desktop publishing. Capital expenditures per employee in the printing industry in San Francisco increased by almost 70% from 1987 to 1992 in San Francisco, while they declined in California as a whole. In 1992, value-added per employee in the San Francisco printing industry was \$65,700, while the figure for California as a whole was \$58,200. High-end garment manufacturers have also invested in technology by adapting computer-aided (CAD/CAM) pre-production systems for in-house design, employing automated cutting and spreading systems, and implementing electronic data inventory (EDI). One statistic that highlights San Francisco's focus on investment is the value-added per employee, which was \$72,000 in San Francisco apparel firms in 1992 but only \$41,000 in California as a whole.

Local manufacturers cite quick response as one of the key strengths of a San Francisco location. San Francisco provides proximity to markets, employees, and an established network of experienced contractors able to fulfill orders on short notice, as well as to the high-end retail outlets that sell the final products. Firms that have chosen San Francisco as their location operate differently from their counterparts

**Distribution of PDR Businesses in Eastern Neighborhoods 2001**

	Production	Distribution	Repair	Total PDR	Total Businesses	PDR as % of Total Businesses
<b>SoMa</b>	508	406	130	1,044	2,344	45%
<b>Mission</b>	347	230	142	719	2,283	31%
<b>Showplace</b>						
<b>Sq/Potrero Hill</b>	230	472	57	759	1,446	52%
<b>Bayview</b>	481	559	186	1,213	1,977	61%

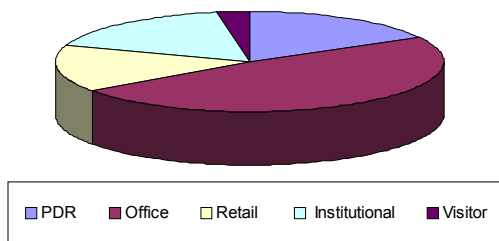
**Distribution of PDR Jobs in Eastern Neighborhoods 2001**

	Production	Distribution	Repair	Total PDR	Total Jobs	PDR as % of Total Jobs
<b>SoMa</b>	7,064	5,899	762	13,725	38,302	36%
<b>Mission</b>	4,478	1,628	772	6,878	18,063	38%
<b>Showplace</b>						
<b>Sq/Potrero Hill</b>	2,053	5,373	699	8,125	17,907	45%
<b>Bayview</b>	5,710	9,764	1,191	16,565	25,794	64%

**PDR Businesses and Jobs Eastern Neighborhoods 2001**

	Production	Distribution	Repair	Total PDR
Businesses	1566	1654	515	3735
Jobs	19305	22564	3424	45293

**Citywide Employment by Sectors**



elsewhere because they rely on a high degree of communication with their customers, use more technology, and focus on production of small numbers of specialized, high-end goods rather than mass production. These are the main reason that high-end firms are willing to pay higher rents than other manufacturing firms to be in San Francisco. Their investment in technology and their focus on high-end markets allows them to do so. However, these firms can not compete with other uses that can afford to pay even higher rents. Metal fabricators, caterers, furniture makers are thriving in the exploding niche market of custom made, locally produced goods. These firms rely heavily on skilled workers, specialized capital equipment, and technology. In short, they have moved away from the model of mass production of price-sensitive commodities towards shorter production runs and specialized high-end goods. As a result, they value proximity to customers in order to facilitate quick turn-around times and continuous feedback.

Because they operate differently, these firms have different criteria for choosing locations and buildings. In some cases, this can mean a shift away from single-story buildings and a return to older, multi-story building types, as well as the blurring of the lines between office and production space. Many find an urban location appealing because of the proximity to customers-whether downtown businesses or clothing stores-and intellectual resources such as UCSF. They are also drawn to San Francisco's reputation for creative labor pools. These companies need employees with experience as well as an artistic bent essential, for instance, to design oriented businesses.

In some ways, then, production industries-or at least certain firms-are coming full circle. They are able to make more efficient use of land and therefore are able to afford to be in the City again. They operate in higher density environments close to academic resources, a specialized labor force, cultural amenities, and customers. For example, the technological evolution of the printing industry has altered its space requirements. In pre-press, laser scanners are replacing bulkier strippers; in production, equipment is rapidly becoming smaller and

*Remodeling a home*

*Day 1: We started at Superior, the furniture-dipping place, to get the mantle piece stripped. One of the last of its kind in San Francisco, it is a BIG space with lots of old wood stuff around. There is an unpaved street out front, where the metal fabricator next door was working on some long metal thing. The guy has been in business for years, and does good work. He had several employees on site.*

*Next, onto the plumbing supply place where we bought toilets, sinks, and faucets. We had lots of choices. We needed to get sinks and faucets so that the marble counter could be cut. For marble, we started out on at T&L. It turns out they have only granite, so we drove down Bayshore to G&G, which they recommended, and on the way passed Clervi—the Cadillac of marble places. We were tempted by the potential luxury of it and went in. Their office has big pictures of marble quarries. There are lots of guys slicing marble, and a huge room with long bins of marble slabs. I spent time going through them and choosing one.*

*The last stop was Paige Glass, on Mission Street, to talk about shower doors. They have an enormous variety of glass, and can do a lot with it—a lot more than the shower-door man who came out to our house. They also have a big framing operation for glass and mirrors. The guy is a combination glass technician/antique dealer/art collector. You won't find that at Home Depot, only in San Francisco.*

*Day 2: We are extending the stairway railing (banister, baluster, spindles, whatever), so we need to buy the components. We spent lots of time on the Internet looking at specialty stair makers, but did not find the right thing. Then we found an even better research tool: the yellow pages. There are many listings under "wood turner" in San Francisco. We went to the first one that caught our eye, Gail Redman Woodturning on 14th St., across from Rainbow. It is a small shop with about 3 guys making round things on lathes. Sawdust all around. The*

more efficient, reducing the space needed for the shop floor. As a result of these and other changes, many printing firms can now locate in smaller industrial structures or even office buildings. However, other firms say they continue to need traditional industrial buildings because of their ongoing investment in new types of presses, scanners, image-setters, and other equipment. It should be noted that changes in how an industry functions (adaptation of technology by printers etc. mentioned earlier) does not mean that these industries are now necessarily compatible with residential neighborhoods. Many still receive deliveries or distribute goods themselves, which generate truck traffic and noise.

## Distribution

Distribution industries-wholesale, trucking, warehousing, transportation, and the like—followed a pattern of decentralization similar to manufacturing after World War II. As firms sought cheaper land to build large, single-story facilities they naturally looked to the suburbs. This trend was exacerbated by the decline of the Port of San Francisco. With significantly less cargo moving across San Francisco piers, fewer trucks and distribution facilities were needed. Nevertheless, the Port still maintains cargo operations, and so a number of related businesses remain in San Francisco.<sup>5</sup>

Today, large-scale warehousing and distribution facilities have not only left the central city, they have for the most part abandoned the core of the metropolitan area: Tracy and other parts of the Central Valley are now the locations of choice for the largest distribution centers. However, a significant number of smaller distribution businesses remain in San Francisco. In general, these are local-serving enterprises that value proximity to their customers. Not surprisingly due to the nature of the industry, wholesale trade businesses in San Francisco have strong linkages to other sectors of the City's economy.<sup>6</sup>

Distribution businesses provide important support services to other sectors of the City's economy. Printing firms need paper, auto repair shops need a ready supply of parts, and metal fabricators/designers

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<sup>5</sup>A recent consultant report estimates a modest increase in cargo throughput as of 2010. *Maritime Cargo and Industrial Land Use Study* prepared for Port of San Francisco by Martin Associates and Jordan Woodman Dobson.

<sup>6</sup>According to the San Francisco input-output model and interviews conducted with business owners, these businesses are located in San Francisco to serve the local, rather than the regional economy.



wall is full of balusters, one of them quite like ours. We ordered 20 of them. Next step, pick of the bathroom sinks & faucets at Floorcraft on Bayshore, so that we can draw a template for the marble counter. The marble will also be very nice, made by a local firm, and it will probably be ready when we want it. Then to Victoriana, where they have lots of great wood & plaster things for old houses: brackets, moldings, etc. We are looking to match the bannister that runs above the balusters. They do not have it, but they have lots of catalogues from other places that they share with us. Then we go to a plywood yard to get a sheet of thin plywood for the template. In their office they have a framed photo of the Bay Bridge under construction. Several of these places have had the same photo on their wall. Local pride. We tie the plywood to the top of the car. L says that it will be OK as long as we "keep below 80" mph. The salesman says that that is his line.

On to Beronio, the classiest and most expensive local lumber yard. Acres of neatly stacked wood of all types. Also trims, moldings, baseboards, etc. They have a bannister much like the one we want. Then around the corner to Robert Yick restaurant supply on Bayshore to talk about the stove and its installation. We go to his office and talk about stoves and stainless steel, which is his medium. This is actually a manufacturing firm. They make custom kitchen stuff for restaurants and homes. They have the kind of rating that allows them to do commercial kitchen stuff, which is a big advantage, code-wise. There was lots of stuff for Chinese restaurants, counters/stoves with holes for woks. They are doing the new kitchen for Fleur de Lys, which had a fire a while back. He said that business from restaurants is down, but that he is still getting residential work. Lots of guys working slowly and carefully with big machines and lots of stainless steel. (measuring twice and cutting once.) --As recounted by a SF resident

need sheet metal and other supplies. One wholesale supplier of auto body parts maintains a number of distribution centers throughout the region, including one in the Central Waterfront. Interviews explained this dispersed distribution system as ideal for maintaining proximity to customers. The business had no interest in relocating and feared that displacement would result in a serious disruption to the business as well as a loss of customers. Not only PDR businesses need efficient, reliable, and timely delivery of physical goods, which close proximity to distribution centers helps provide; hotels need linens and laundry service, restaurants require access to food wholesalers and equipment suppliers, and offices need paper and other supplies. A general discussion of these kinds of linkages is found in the section on PDR's role in the San Francisco economy.

If forced to pay more for real estate to remain in the City, most distribution businesses would be able to pass on some increased costs to their customers. However, it is very unlikely that they could ever compete for space with other uses. Thus, if forced to move, the daily activities of many enterprises would be complicated; many sectors-including San Francisco's economic mainstays such as tourism-related businesses and downtown office firms-would experience more frequent disruptions in their supply chains.

## Repair

Repair represents a sector of activities that work intimately with both production and distribution businesses. In some instances, such as is the case of a woodworker or cabinetmaker, the repair of old or broken items is part of the production services onsite. Repair businesses often require larger spaces with open yards for storage. The machinery used for operation of the business is often noisy and therefore such businesses prefer to be removed from residential uses.

Furniture repair, car repair, truck repair, the repair of heavy machinery, and the repair of small products from watches to bicycles, all occur in San Francisco. Firms that provide these services support the needs of local and regional residents as well as perpetuate the operation of local and regional production and distribution firms. Repair firms are an obvious example of the synergy and symbiotic nature of the industrial sector in San Francisco. Specialized repair shops often contribute to the functioning of a cluster of businesses in one geographic area. Multiple industrial firms depend on the proximity of a repair business in order to function and thrive in their respective trades.

## **Non-Industrial Uses in the Industrial Lands**

### **Research and Development-Biotech**

San Francisco's economy has become increasingly tied to certain "new economy" sectors that have grown out of new technologies, such as multimedia. Although some of these industries share many of the features of PDR, there are compelling reasons not to include them in this classification. The increasing importance of knowledge-based industries in San Francisco's economy, and the differences between those industries and existing land use categories, suggests that the City should consider treating research and development (R&D) space as a separate category.

Most R&D firms occupy an intermediate place between PDR and office use. The need for special features (such as high ceilings) and incompatibility with housing give them a resemblance to PDR uses. The attraction to an urban location, relatively high employment densities, a concentration of high-end jobs, and a greater ability to pay link them to office uses. Some industries, like multimedia, quickly evolve to a point where they resemble office uses more than PDR, but many R&D industries are characterized by a need for flexible space that cannot be provided by office buildings. Some, such as biotech, include a continuum of activities that range from firms closely resembling office uses to manufacturing facilities and many combinations in between.

There is currently little or no commercial biotech in San Francisco, despite the prominence of the University of California at San Francisco. The firms such as Genentech that have been "spun off" from UCSF are located elsewhere in the region, notably in South San Francisco. San Francisco currently has some existing building stock that may be suited for certain biotech users, and a number of property owners in the South of Market are currently attempting to lure such users. However, real estate brokers who work with biotech firms claim that in general these firms want new space, and it remains to be seen whether or not existing spaces will be viable in the marketplace. The long-range plans for Mission Bay and Hunters Point Shipyard include a significant allocation of space for R&D uses.



# 4

## production, distribution, repair's role in san francisco's economy

Production/Distribution/Repair is an important part of the City's modern, post-industrial economy for a number of reasons. PDR activities contribute to the economic diversity and stability of San Francisco. PDR businesses are significant for the above average wages they offer and for the support they provide to the City's tourist industry and downtown financial core. Given the integral role of PDR firms in San Francisco's economy, these businesses can be expected to continue to constitute an important part of the City's job base and therefore space must be made available for them; they are part of a balanced land use system. The question is not whether PDR activities are important for the City, but rather what kind and how much is important; where and how these businesses are accommodated; and to what extent they require exclusively industrially zoned land to function.

### **Support for Other Economic Sectors-Linkages**

Activities in one sector of the economy rely upon a network of other businesses in order to work efficiently and effectively. The connections between sectors are part of what makes a place dynamic. Many PDR industries provide support for downtown businesses and other key economic sectors of San

**PDR Linkages to Key Sectors**

<b>INDUSTRY TYPE</b>	<b>Financial Sector</b>	<b>Residential Sector</b>	<b>Tourist/ Restaurant Sector</b>	<b>PDR Sector</b>
Printing & Publishing	■		■	■
Other Printing & Binding	■		■	
Wholesale Printing & Pub	■		■	
Photography Services	■	■	■	
Graphic Design, Int.Design & Signs	■	■		
Radio, T.V. Stations & Comm Svcs	■			
Garment Manufacturing		■	■	
Other Apparel			■	
Wholesale Apparel				
Transportation & Delivery Svcs	■	■	■	
Taxi/Limo/Shuttle	■	■	■	
Trucking, Freight, &Packing	■			
Parcel Shipping &Courier Svcs		■	■	
Utilities				
Small Scale Manufacturing & Wholesale				
Public Warehousing & Storage		■		
Sound Recording/Film Prod			■	
Wholesale Flowers			■	
Catering & Food Processing		■	■	
Food & Beverage Wholesale & Distribution		■	■	
Building Construction & Maintenance		■		
Auto Wrecking &Scrap Storage Yards				
Concrete Works		■		
Wholesale Construction & Distribution		■		
Furniture Mfg & Rpr.Wood Work			■	
Furniture Wholesale & Showrooms		■	■	
Appliance Repair		■		
Interior, Household & Appliance Wholeseller			■	
Large Scale Manufacturing & Wholesale			■	
Parking, Rental & Towing	■		■	
Theaters, Art Spaces	■	■	■	
Wholesale Auto Parts		■		
Auto Repair			■	
Export/Import Trading Companies	■		■	
Jewelry Wholesale Mfg		■	■	
Landscaping/Horticulture & Animal Svcs		■		
Chemicals/Plastics/Leather Goods mfg				
Waste Management				

Francisco. Restaurant and hotel suppliers, printers, and construction firms have strong linkages to other city industries and value proximity to their customers. The growth in PDR employment from 1997 to 2001—precisely the period when the City's economy was expanding most rapidly—is in part a reflection of these linkages.

A study in Boston found that nine separate businesses collectively employing over 200 workers are involved in moving a lobster from the seabed to its final destination over a bed of rice in a restaurant. All of these businesses would be classified as PDR in San Francisco and exist in San Francisco: maritime activities, including the fishing company itself, boat storage, and boat maintenance; wholesalers of bait, ice, fuel, and seafood; truck repair services; and companies involved in sales and service of refrigeration equipment.<sup>7</sup>

Some PDR industries provide essential or desirable services, such as auto repair. Auto repair shops in turn rely on suppliers and wholesalers that value proximity to their customers. If City residents value services such as auto repair within the City limits, space must be provided both for those services and for some of their suppliers. Designers that fabricate products on site provide an incomparable service to the interior design, architecture, and product design industries of San Francisco. The proximity of services that are part of the network required to manufacture a product facilitates a cohesive and streamlined economic system.

Linkages can include the purchase of goods or services produced within one industry by other industries. Such linkages are quantified for a given year and geography in input-output tables. The relationships between different sectors vary due to differences in production techniques within a given time period, from place to place (e.g., more capital-intensive or technology-intensive production), and in the scale of the input-output table. Naturally, a given industry at the national scale can purchase a greater percentage of its inputs from "local" industries (i.e. within the United States) than the same industry at the state, regional, or local scale, which must "import" inputs from outside its geography.

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<sup>7</sup>Boston's Backstreet Program, Boston, Massachusetts. 2002

**Input/Output Table**

**Business Linkages in San Francisco: Percentage of Total Inputs Purchased from Selected PDR Industries**

Selling Industry	Purchasing Industry			
	Visitor Services		FIRE	
	Eating/ Drinking	Hotels	Finance	Real Estate
TOTAL PDR	45%	30%	11%	31%
<i>Wholesale Trade</i>	10%	2%	--	--
<i>Food Processing</i>	18.50%	1%	--	--
<i>Transportation</i>	2.50%	1%	3%	--
<i>Printing/Publishing</i>	--	2%	1.50%	2%
<i>Construction, Maintenance, Repair</i>	7%	19%	3%	Most of the 31% above
<i>Other PDR</i>	7%	5%	3.50%	--

Source: 1993 IMPLAN San Francisco Input-Output Table and Strategic Economics

Note: The input-output table consists of categories not comparable to employment or wage data given elsewhere in this report.

The input/output table describes existing inter-industry relationships without a consideration of whether those relationships must be local. That is, the fact that the eating/drinking sector purchases 10 percent of its inputs from wholesale trade firms in San Francisco does not necessarily mean that there is a need for proximity or that the industry would suffer if those suppliers were not located in San Francisco. However, the significant relationship between a number of PDR industries in San Francisco and key City sectors suggests that proximity is an important consideration for such support industries. Even a white collar, office-based sector such as finance purchases 11 percent of its inputs from PDR industries in San Francisco. Other sectors, particularly those connected to entertainment and visitor services such as eating and drinking and hotels, exhibit an even stronger purchasing relationship to the PDR sectors. These connections clearly illustrate the importance of small and mid-sized PDR businesses to the health and functionality of San Francisco.

## Wages

With changes in the national, regional, and local economy, there has been increasing bifurcation of the labor market into highly paid jobs requiring high skill levels and poorly paid jobs with low skill requirements. This has an impact on the population diversity of the City, since many workers in the latter job categories find it increasingly difficult to afford to live in San Francisco. PDR jobs on the whole pay better than jobs in such service businesses as restaurants and hotels.

### Average Wages in Selected Industries in San Francisco<sup>8</sup>

Industries	Employment	Hourly
All Industries	507,355	\$22.10
PDR Industries	110,289	\$21.19
<i>Production</i>	49,668	\$21.22
<i>Distribution</i>	36,475	\$20.63
<i>Repair</i>	6,159	\$16.79
<i>OTHER PDR</i>	17,988	\$23.72
SIC Divisions and Selected 2-digit Industries		
Construction (Division C)	18,203	\$24.12
Manufacturing (Division D)	31,464	\$19.54
<i>Food and Kindred Products (SIC 20)</i>	2,915	\$17.21
<i>Textile Mill Products (SIC 22)</i>	895	\$11.07
<i>Apparel (SIC 23)</i>	10,289	\$14.91
<i>Printing &amp; Publishing (SIC 27)</i>	8,792	\$25.51
Transportation and Public Utilities (Division E)	29,415	\$21.74
Wholesale Trade (Division F)	20,257	\$21.94
Retail Trade (Division G)	92,822	\$13.92
<i>Furniture and Home Furnishings (SIC 57)</i>	5,272	\$11.50
<i>Eating and Drinking (SIC 58)</i>	42,802	\$11.50
Finance, Insurance, and Real Estate (Division H)	75,526	\$28.25
Services (Division I)	237,968	\$23.60
<i>Hotels, etc.</i>	19,031	\$13.99
Selected 3-Digit PDR Industries:		
Auto Repair (SIC 753)	2,043	\$19.82
Film and Video Production (SIC 781)	1,470	\$26.14
Graphic Design/Commercial Photography (Included in SIC 733)	4,962	\$21.33

See Sources next page

In 2001, PDR jobs paid over \$21.00 per hour, on average, \$1.00 per hour below the citywide average but significantly higher than hotels (\$14.00 per hour) and eating and drinking establishments (\$11.50 per hour). Some PDR industries, such as construction and printing, pay more than the citywide average.

The California Budget Project defined a living wage for families in the San Francisco Bay Area in 1999 as follows :

- Single-parent family: \$21.24 per hour.
- Two-parent family (one working): \$17.56 per hour.
- Two working parent family: \$12.92 per hour.

This means that the average wage in PDR industries constitutes a living wage for a single-parent family, whereas the average wage in many other industries does not. Providing a living wage for families or single residents in San Francisco is a significant asset to a job base and

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<sup>8</sup>Source: California Employment Development Department, Strategic Economics.  
Note: Data do not include public administration (SIC Division J).

Wages are based on the following data sets:

- 2001 wage data for SOC (standard occupational categories) in the San Francisco MSA (San Francisco, San Mateo, and Marin counties)
- 2001 San Francisco employment data at the 3-digit SIC classification by OES occupational category
- 2000 employment data for San Francisco.

These three data sets were used to assess total employment at the 3-digit SIC classification by occupation/wage category and to calculate average wages in each 3-digit SIC classification as a weighted average based on employment and wages.

Average wages

The following changes, estimates, and assumptions were made:

- Since the base data contained two different types of occupational codes, SOC and OES, a correspondence was created. There is not always a one-to-one match between the two codes.
- For certain SOC categories—primarily the teaching professions, EDD provides only annual wage data because hourly data are difficult to calculate. In these cases, hourly wages were estimated by dividing the annual wages by the same number of hours used
- A small number of occupations have a substantial portion of workers earning more than \$70.01 per hour (the top step in the 2000 OES survey). In these cases, EDD does not provide mean hourly and annual wages because they cannot be reliably calculated.
- After matching OES codes to SOC codes, there were some OES categories that had no wage information. Wages for these categories were estimated on the basis of similar job categories. Most of these jobs (e.g., nuclear engineers, oil pumpers, millwrights)
- For a variety of reasons, it was not possible to calculate average wages for SIC classification 9—public employment. Therefore, the overall citywide average wage does not include public sector employees.

The wage figures reported herein are based on citywide employment numbers. Businesses falling into PDR categories but located downtown were not excluded from this analysis. In theory, this could lead to an overstatement of wages.

**Wages for Low Skill Workers in Selected Industries**

Training Required	Percent of Jobs			Hourly Wage		
	Hospitality	Printing	Trucking/ Warehousing	Hospitality	Printing	Trucking/ Warehousing
Work Experience	6.20%	2.80%	3.00%	\$21.53	\$23.85	\$24.90
Long-Term On-The-Job Training	10.30%	7.50%	2.70%	\$13.84	\$22.31	\$19.80
Moderate-Term On-The-Job Training	2.80%	24.40%	9.10%	\$16.62	\$21.46	\$18.70
Short-Term On-The-Job Training	75.50%	25.70%	72.70%	\$9.49	\$13.57	\$14.03

Source: California Economic Development Department, Strategic Economics.

the City overall. Protecting entry-level jobs as well as specialized blue-collar jobs therefore provides stability for the City.

Since 1970, income disparities have increased, a fact well documented. One study has found that in California these increases have been even greater.<sup>9</sup> In 1969, the 75th percentile of the population in California had 2.3 times the income of the 25th percentile. In 1989 the ratio had increased to almost 3.0, and in 1997, the ratio was 3.3. In 1969, households at the 90th percentile in California had 5.3 times the income of households at the 10th percentile. In 1989 the ratio was 8.7 and in 1997 it had increased to 10.1. It is important, therefore, to

**\*PDR Wages by Educational Level**

Wages	Education					Total
	High School	Vocational Training	2 Year College	4 Year College	Beyond College	
\$6.75 or less	0.3%	0.3%	0.0%	0.0%	0.0%	1%
\$6.76 - 10	9.3%	1.5%	0.8%	1.5%	0.0%	13%
\$11 - 15	21.7%	2.8%	5.5%	4.3%	1.3%	36%
\$16 - 20	16.6%	3.3%	5.5%	4.3%	1.5%	31%
\$21 - 25	5.8%	2.3%	2.3%	1.0%	0.5%	12%
\$26 +	3.3%	1.5%	1.8%	0.8%	0.5%	8%
<b>Total</b>	<b>56.9%</b>	<b>11.6%</b>	<b>15.9%</b>	<b>11.8%</b>	<b>3.8%</b>	<b>100%</b>

\* Of surveys responding

San Francisco Planning Department PDR survey

<sup>9</sup>California Rising Income Inequality: Causes and Concerns. Deborah Reed. Public Policy Institute California. 1999.

retain an employment base that provides decent wages; PDR jobs help to create such a base.

## **Job Skill Levels**

PDR industries do not just pay higher overall wages than jobs in other sectors, particularly the services sector; they pay higher wages for workers with the lowest levels of skills and education, as shown in the table below. For the lowest skill level defined by the California Employment Development Department (short-term on the job training) PDR jobs pay \$13.00 per hour, compared to less than \$12.00 in the economy overall. A similar difference is visible in all the lower skill categories in these industries.

The differences are more visible when specific industries are compared, as shown in Table 2. Most of the jobs in San Francisco's hospitality industry (hotels and restaurants) are in the lowest skill category and pay \$9.49 per hour, near the bottom of the City's wage scale. In contrast, jobs in that skill category in the printing and trucking/warehousing industries pay roughly \$14.00 per hour. Although the printing industry has a much higher percentage of its jobs in higher skill categories (and therefore more highly paid but requiring more training), the trucking and warehousing industry is comparable to hospitality in its overall skill requirements yet pays higher wages in all.

PDR industries therefore provide relatively well-paid jobs for workers with low levels of skills and training and therefore help to mitigate rising income inequality. They also provide jobs that require valuable skill sets often learned on the jobsite. The skills learned in the production and repair sectors are very valuable and travel with that employee over the course of employment. With experience comes an increase in salary and advancement. Craft, dexterity, and knowledge converge to yield proficient artisans much sought after in the workplace. If these jobs are lost, it is reasonable to assume that the bifurcation of San Francisco's job market—and therefore income disparities—will increase. Production/Distribution/Repair jobs, as mentioned earlier, provide about 67,000 citywide. Most of these are found on land zoned for industrial uses. Providing jobs for a variety of skill sets at a competitive wage is an invaluable asset to the population and the diversity of the City's economy.



*According to the Planning Department business database, PDR businesses that remained in the Eastern Neighborhoods between 1998 and 2002 grew by 2100 jobs.*

## **Economic Diversity and Stability**

PDR activities contribute to the stability of the City's economic base, partly because they increase the diversity of economic activities here. In fact, many observers attribute the health of the Bay Area's regional economy, as compared to Silicon Valley's over the past year and a half, to our economy's greater diversity.

A comparison of vacancy rates provides an example of PDR's relative stability. PDR properties have shown greater stability than office with smaller increases in rent and sales prices. The vacancy rates remained extremely low (under 3%) at a time when other uses were desperate for tenants. The office market in San Francisco now has 6 million square feet of sublease space available, a 21 percent vacancy rate (as of the end of the first quarter of 2002), and rents at 57 percent below their peak. This represents a much more severe downturn than during the recession a decade ago, and a much worse situation than in the City's PDR real estate market. (Silicon Valley Business Journal, Grubb and Ellis, broker interviews). A wide variety of economic activities helps to ensure that in downturns not all of them will suffer. As the next sections will discuss, the availability of land and buildings to support PDR jobs is what allows San Francisco to adapt to changing economic conditions. This flexibility and adaptability is closely tied to preserving distinct industrial building types and is an important issue for the City to consider when making land use policy decisions.

# 5

## what production, distribution, repair requires to function in the san francisco economy

At the very base level, Production/Distribution/Repair needs land, space, and a labor force to survive.

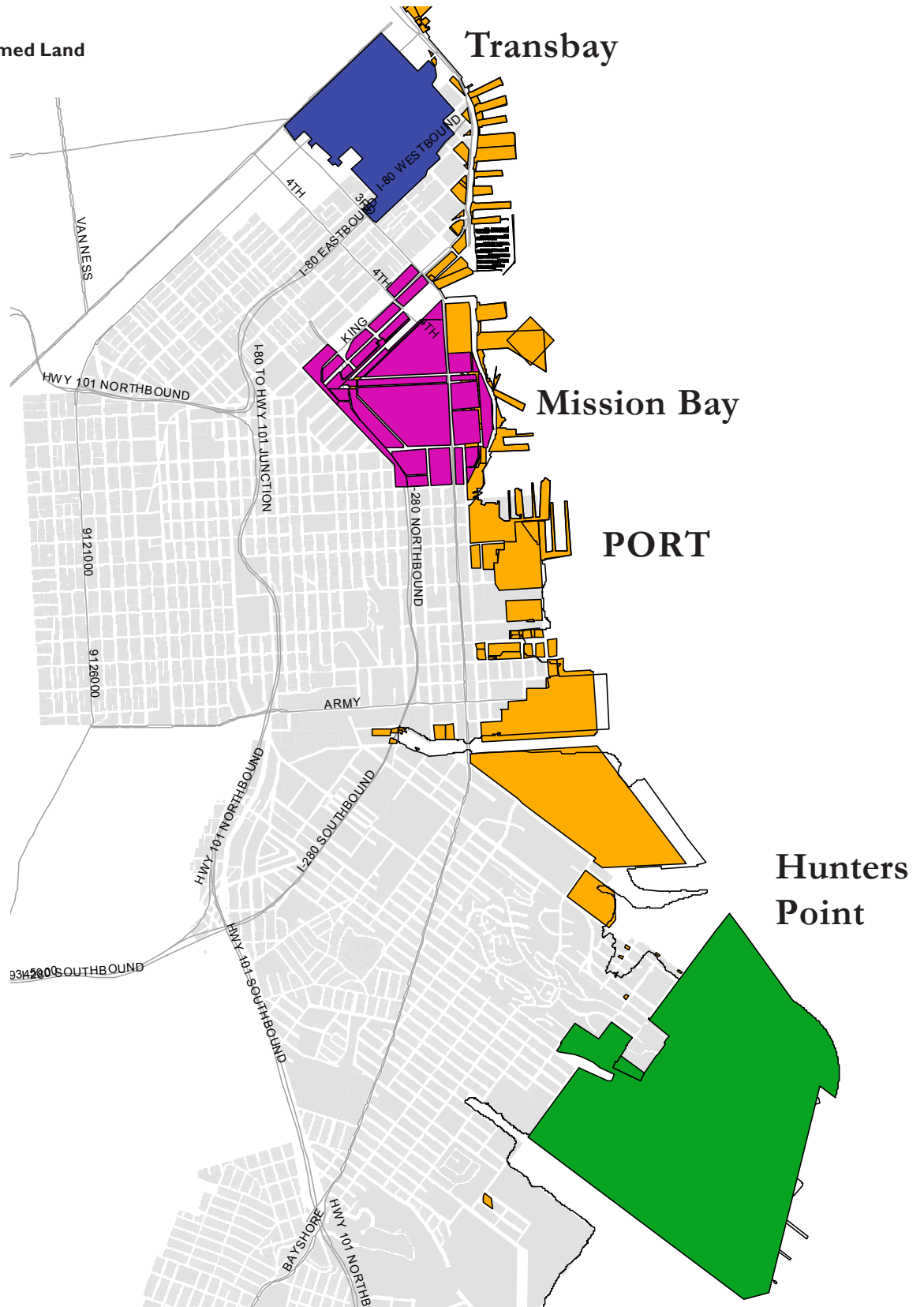
### **Land**

Increasingly, San Francisco has been adapting its industrial land to other uses, especially housing. Currently, only 14 percent of San Francisco's industrial land, about 3254 acres, is zoned industrial. Of this land, half has been either programmed for major redevelopment as part of Transbay, Mission Bay, and Hunters Point projects, or is owned by the PORT. Of the remaining half--1654 acres--650 acres has been set aside as part of a mixed-use housing encouragement area. More industrial land will be re-appropriated as part of Central Waterfront, Market/Octavia, and Schlage Lock Visitacion Valley plans.

### **Port of San Francisco**

In its 1997 Waterfront Land Use Plan, the Port identified three locations in the Southern Waterfront subarea as "Mixed Use Opportunity Areas" available for non-maritime development. Two of those sites are subject to public trust use restrictions under the Burton Act: 1) the 14 acre Pier 70 Opportunity Site at 20th and Illinois Streets; and 2) the 10 acre Cargo Way

Location of Programmed Land



Opportunity Site located upland and south of Pier 90 and 92, between Third Street and Heron's Head Park. The mix of long-term uses developed on either of these two sites must, as a whole, be determined to be consistent with the Public Trust Doctrine, but may include incidental amounts of non-trust uses, such as PDR. Unfortunately, there is no clear definition provided by the State Lands Commission for what constitutes "incidental"; this has been determined on a case-by-case basis because individual projects differ quite dramatically. However, for planning purposes, 10% of land area for non-trust uses may provide an order of magnitude sense as to what scale of non-trust use could be considered acceptable.

In the case of the Pier 70 opportunity area, the Port requires new development to include rehabilitation of historic structures and creation of a substantial amount of public access and open space, in addition to remediating the site. The cost of these requirements would likely be prohibitive for PDR uses.

The third Southern Waterfront Opportunity Area identified in the Port's Waterfront Plan, the 27 acre Western Pacific Opportunity Area immediately north of the Pier 80 cargo terminal, is one of the few parcels owned by the Port that is not subject to the public trust use restrictions. Seventeen acres has been approved for development of the MUNI Metro East light rail repair and storage facility. In addition, MUNI has first right of refusal to use the remaining 10 acres.

Although not identified as an Opportunity Area in its Plan, the Port has identified a 31 acre "Pier 90-94 Backlands" site bounded by Pier 92 and Pier 94-96 cargo terminal, Islais Creek to the north, and Cargo Way to the south. This site is subject to the trust and, given its strategic location adjacent to the Port's cargo facilities is the most important area within which to provide expansion options for maritime and maritime support uses. This backlands area will be the subject of further community planning to determine how future development can also address community desires to expand public access, environmental improvements and to beautify the area.

## Hunters Point Shipyard

Numerous obstacles make the relocation of PDR uses to the Hunters Point Shipyard infeasible or undesirable:

- o Location-geographic isolation and lack of transit and regional road access. First and foremost, the Shipyard is relatively isolated from both freeway access and mass transit services. This isolation is a problem for efficient distribution of goods, access to workers, and the clustering necessary for many PDR activities.

- o 10 to 20 year time frame and phasing of Shipyard build-out. The Preliminary Development Concept (1999) for the Shipyard, prepared by Lennar/BVHP, the developer, reveals that the type of flexible industrial spaces required by PDR uses will be scant throughout the first two phases, projected through the year 2010. Phase I (through 2005) anticipates about 27,000 new square feet of new R&D space available for occupancy. This space will target small film and video firms new to San Francisco. Phase II (through 2010) projects the completion of 213,000 square feet of new R&D space, and 175,000 square feet of industrial space. The R&D space is intended for high-end multi-media and film companies compatible in a mixed-use environment.

- o Availability of industrial land is contingent upon the Navy completing the first phase of its environmental clean-up on schedule and no sooner than 2006. The Industrial/R&D space coming on-line in Phases I & II will support just under 2,000 jobs. Most of these Shipyard jobs are slated for higher-end production/MIPS uses compatible with residential mixed-use environments. Lennar/BVHP has stated that they intend to change the perception and reputation of Hunter's Point, distancing it from its industrial past. Absorbing displaced PDR businesses would likely conflict with this goal. Ultimately, by 2025, the Shipyard is projected to contain about 680,000 square feet of space devoted to "Industrial Use," including a full spectrum of PDR; and about 995,000 square feet of R&D-tailored primarily to higher-end office and biotech uses.

- o Lack of Infrastructure-The Shipyard currently lacks the infrastructure (e.g. roads, telecommunications, waste disposal, buildings) to support PDR businesses. According to the long-range plan for the area, such preparation will ensue no earlier than 2010.

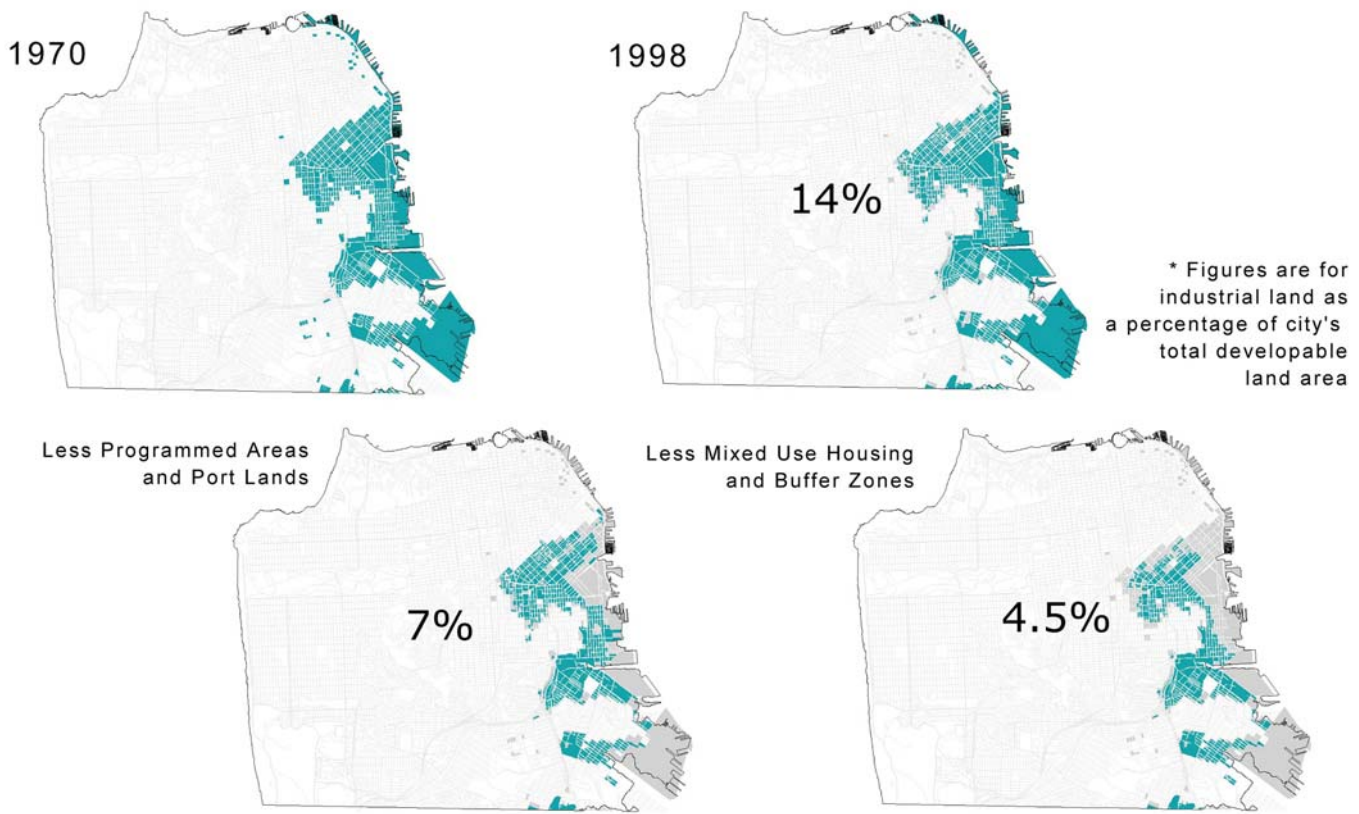
## Mission Bay

The Mission Bay project includes more than 300 acres of land surrounding China Basin Channel. Programmed as a mixed-use development, the project will include the new UCSF campus, up to 6,000 units of market-rate and affordable housing, 850,000 square feet of retail space, public open space, a hotel, and 6 million square feet of commercial space (including office, retail, R&D/Biotech). Given the cost of this research space, it is unlikely that most PDR firms will show much interest. The R&D/flex buildings will most likely serve medical-biotechnology research oriented firms that can afford to pay more for space.

## The Remaining Industrial Land

Some of the remaining 1654 acres of industrially zoned land is earmarked as suitable for mixed-use development in the Central Waterfront Better Neighborhood and Market/Octavia Better Neighborhood Specific Plans, and the Schlage Lock-Visitation Valley draft concept

### Industrial Lands Shrinkage, 1970-1999



Land for Industrial Use In San Francisco  
1970 - 1999

San Francisco Planning Department  
October 2001

**PDR Industries Requiring More Space**

Type of Industry	# of Business	Total Employment
Building Construction & Maintenance	16	79
Food & Beverage Wholesale & Distribution	7	36
Parking, Rental & Towing	5	19
Large Scale Manufacturing & Wholesale	7	38
Taxi/Limo/Shuttle	2	58
Trucking, Freight, & Packing	4	14
Wholesale Construction & Distribution	1	3
Transportation & Delivery Svcs	3	27
Export/Import Trading Companies	1	3
Auto Wrecking & Scrap Storage Yards	1	3
<b>TOTAL</b>	<b>47</b>	<b>280</b>

*San Francisco Planning Department PDR survey*

plan. Current policies and procedures established under the 1999 interim zoning controls guiding development on industrially zoned land set aside about 650 acres as a mixed-use housing development encouragement zone. About 1000 acres of existing industrially zoned land remains, then, somewhat prioritized for industrial uses. Contingent upon clean-ups of surplus Port land as well as of land in the former Hunters Point Naval Shipyard, additional land for industrial use may become available within the next 25 years.

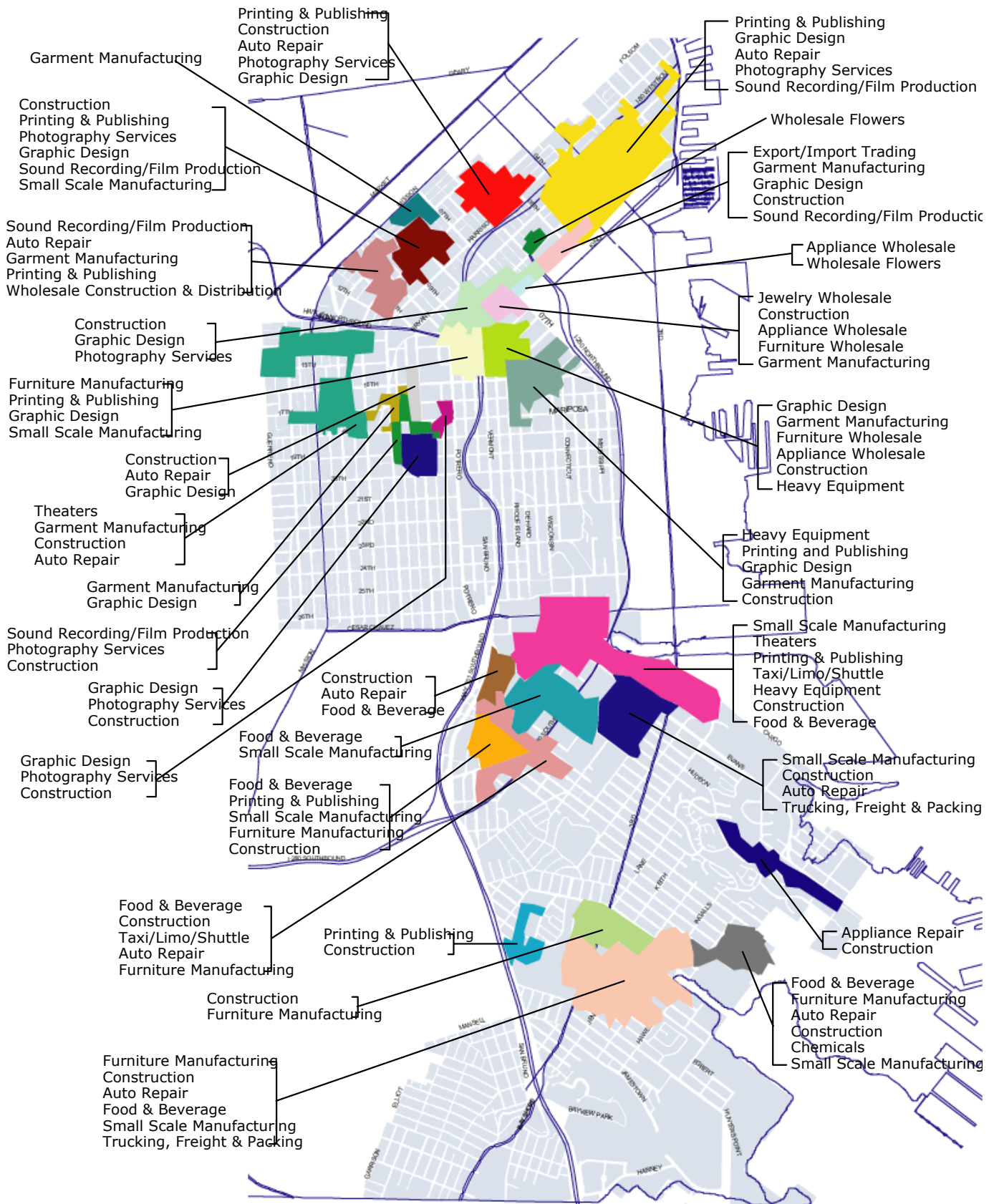
*PDR Survey Fact: Approximately 52% (237 of 454) of respondents stated that freeway access was important to their business; 41% (188 of 454) of respondents indicated that BART was important for their employees.*

In addition to serving the space needs of PDR businesses, this land currently also serves a number of existing residential and mixed uses including office and retail. Ideally these lands should be set aside to serve PDR businesses interested in locating away from residential uses or at least to locate some of the more compatible industrial uses. There is not a great deal of flexibility of movement within the industrially zoned lands, and PDR businesses cannot easily or realistically relocate from one industrially zoned area of San Francisco to another. Vacancy rates are low on industrially zoned Land.

Different PDR activities need different amounts of open land. Based on the needs of various PDR sectors, it appears that almost half of these PDR businesses require the open space or flexible space available on such an underdeveloped lot. These include activities such as trucking companies, or construction supply companies that require space for



**PDR Clusters on Industrially Zoned Land**





*A woman-owned mechanical contracting company located in the Mission was looking for a building in San Francisco to purchase for its expanding business. The company eventually found a former warehouse in SoMa that had been used for two years prior as a dot-com office space. Fortunately, the tenant improvements were minor, and the roll-up door and loading area were left relatively intact. The company relocated to the SoMa and the owner is now confident that her business can remain in San Francisco. It will to sustain the pressures within its own industry but at least not the threat of rent increases beyond its scale of affordability.*

parking trucks, loading and unloading materials, and storage. These businesses, then, take advantage of the layout of their parcel, making use of the extra open space to function efficiently and to stay in business. Based on the Planning Department's Soft Site Analysis study, 125 lots on industrially zoned land (excluding Central Waterfront and pre-programmed land) are built at 5 percent or less of their maximum square foot buildout. About 375 businesses (D&B business database 2001) operate on these underdeveloped parcels, of which about 109 businesses are classified as PDR.

The remainder of the PDR businesses found on underdeveloped parcels include activities such as printing, graphic design, photography, furniture showrooms, and sound recording and film producing. These sites have the potential for a greater intensity of buildings and uses. In addition, there are about 270 non-PDR businesses located on underdeveloped lots on this industrially zoned land. These businesses fall mostly under the categories of retail and small office.

PDR businesses often locate in close proximity to one another, creating clusters of related activities. They find that clustering facilitates the exchange of information, eases access to workers with specialized skills, and generally encourages stronger ties among businesses. Clustering also makes it easier to share resources, technology, and services. Clusters can result in lower operational costs and more efficient production. Displacement of one or more firms in a cluster can disrupt and break up long-standing and successful PDR districts.

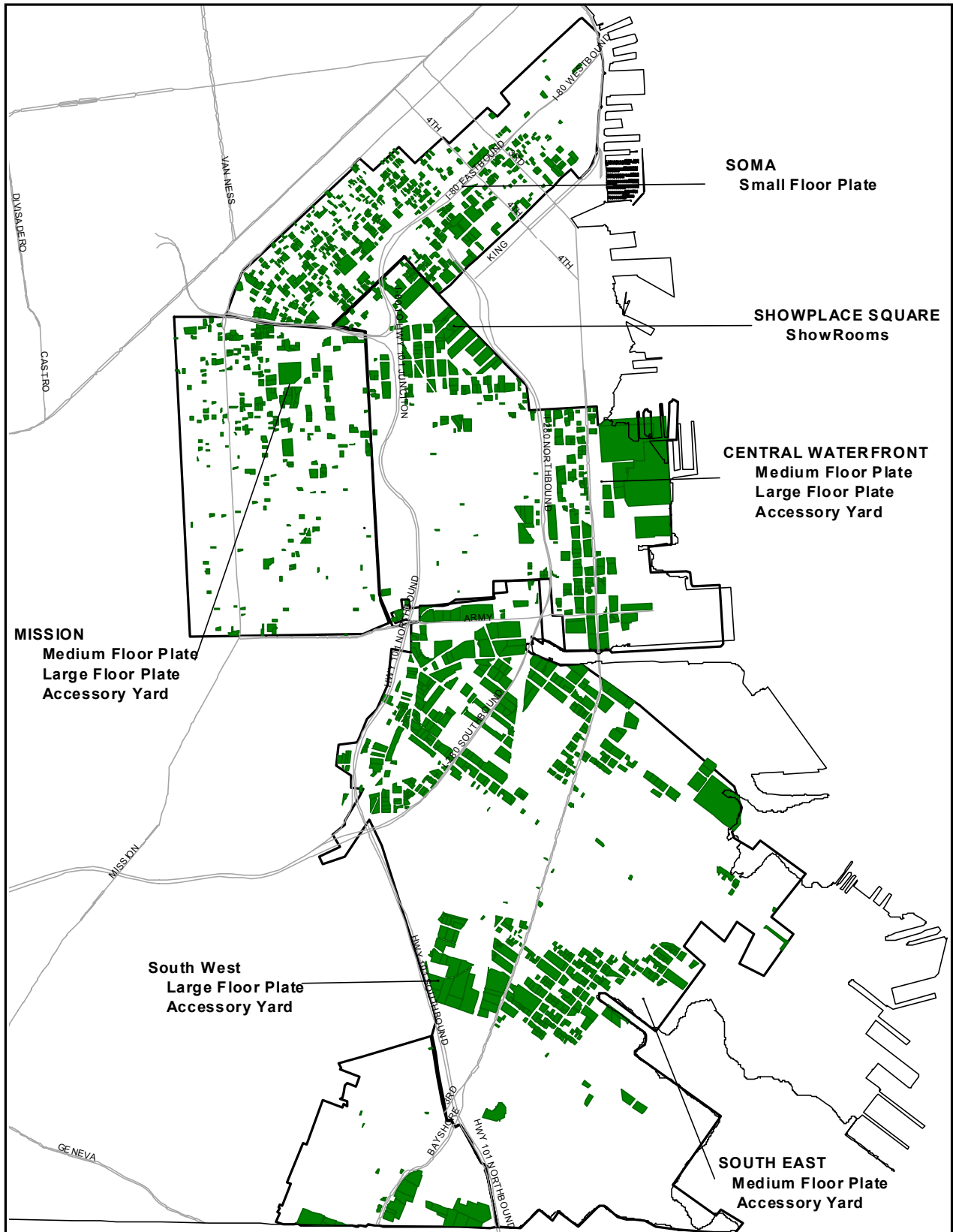
In addition to serving the space needs of PDR businesses, this land currently also contains a number of residential and mixed uses, including office and retail. Furthermore, there is not a great deal of room to move within the industrially zoned lands, and PDR businesses cannot easily or realistically relocate from one industrially zoned area of San Francisco to another. Vacancy rates are low on industrially zoned land. Thus, it is important to preserve the bulk of the remaining industrial land for PDR and other industrial uses.

## **Buildings**

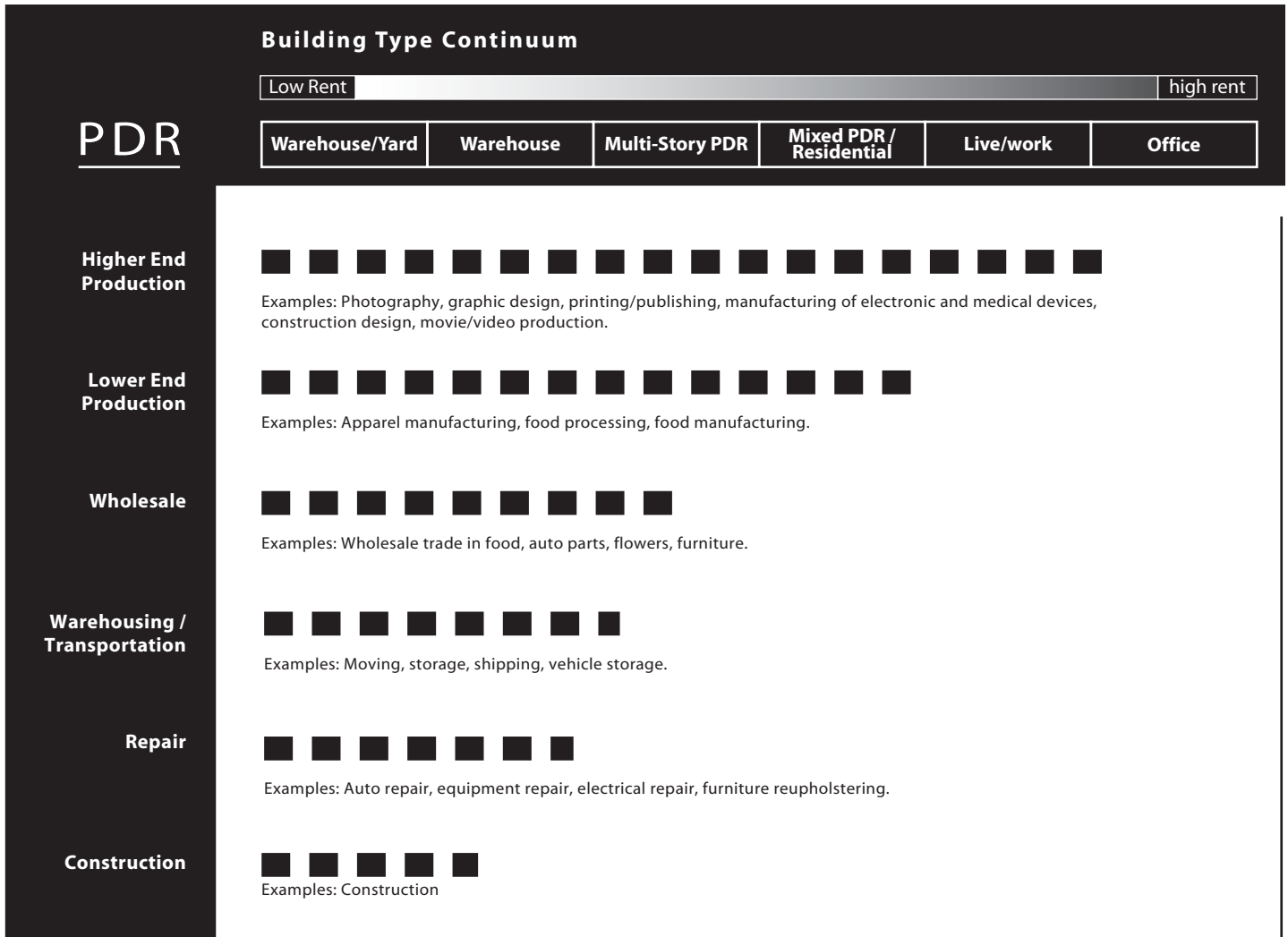
### **Building Types**

Perhaps the most important characteristic of the buildings in which most PDR industries are located is their flexibility. Many of these building types can and do accommodate a variety of very different

**Section Five:** What Production, Distribution, Repair Requires to Function in the San Francisco Economy



<b>Building Type Occupied by Industry Type</b>			
<b>Industry Type</b>	<b>Coml Bldgs</b>	<b>Ind Bldg</b>	<b>Office bldg</b>
Printing & Publishing		X	X
Other Printing & Binding		X	X
Wholesale Printing & Pub		X	
Photography Services	X	X	X
Graphic Design, Int.Design & Signs	X	X	X
Radio, T.V. Stations & Comm Svcs			X
Garment Manufacturing		X	
Other Apparel	X	X	
Wholesale Apparel	X	X	X
Transportation & Delivery Svcs		X	X
Taxi/Limo/Shuttle		X	
Trucking, Freight, &Packing		X	X
Parcel Shipping &Courier Svcs		X	
Public Warehousing & Storage		X	
Sound Recording/Film Prod		X	X
Wholesale Flowers	X		
Catering & Food Processing		X	
Food & Beverage Wholesale & Distribution		X	
Building Construction & Maintenance	X	X	X
Wholesale Construction & Distribution		X	
Furniture Mfg & Rpr.Wood Work		X	X
Furniture Wholesale & Showrooms	X	X	X
Appliance Repair		X	
Interior, Household & Appliance Wholeseller		X	
Large & Heavy Equipment Wholesellers		X	X
Auto & Boat Repair, Parking& Renting	X	X	
Wholesale Auto Parts		X	
Theaters/Sports Facilities/Gyms & other Rec		X	X
Export/Import Trading Companies	X	X	X
Jewelry Wholesale Mfg	X	X	X
Landscaping/Horticulture & Animal Svcs		X	
Chemicals/Plastics/Leather Goods mfg		X	
Waste Management		X	



users, either simultaneously or at different points in time. They often serve an incubator role, providing space for small firms and even new industries that may have undefined or rapidly changing needs. Many PDR buildings offer features such as high ceilings, large loading docks, and ground floor access that are not available in office and most commercial buildings.

These buildings are also well-suited for companies whose needs change over time, such as those with shifting requirements for manufacturing, warehouse, R&D, and office space. The large floor plates of many PDR buildings are important for allowing flexibility and dynamism by allowing spaces to be divided up in many different ways. This stands in

**Approximate Rental Rates by Sector  
(Per Square Foot Per Month)**

User Type	Approximate Rent
Office Uses (MIPS)	\$4.00
Higher-end Production Firms	\$1.00-\$1.50
Lower-end Production Firms	\$0.50-\$1.00
Retail	\$1.00-\$2.00
Wholesale	\$0.40-\$0.80
Transportation	\$0.20-\$0.50
Construction	\$0.20-\$0.50

Source: Telephone interviews with brokers and business owners, 2001.

marked contrast to office or residential buildings, which are far less flexible and which are built to serve a narrow range of users.

Distribution firms must be in specific building types. Most warehousing and distribution operations, including for instance wholesaling, can only operate out of single-story buildings with loading docks for the simple reason that the effort involved in moving goods vertically would hamstring their operations. Distribution activities are often incompatible with residential development because trucks play an integral role in their operations. Although some distribution spaces are not modernized, they still serve the needs of small-scale local companies. Real estate brokers and business owners say that remaining in inadequate buildings that are in proximity to customers is preferable to moving into higher quality buildings outside of San Francisco. (PDR focus groups)

**\*PDR Rents by Square Feet of Building Space**

Rent	Square Feet - Built Space				Total
	0 - 500	501 - 2,000	2,001 - 5,000	5,001+	
\$0 - .50	1%	2%	2%	7%	11%
\$.51 - 1.00	1%	6%	15%	18%	40%
\$1.01 - 1.50	1%	6%	8%	8%	21%
\$1.51 - 2.00	1%	5%	3%	5%	14%
\$2.01 - 2.50	1%	2%	1%	1%	5%
\$2.50 +	1%	3%	2%	2%	9%
<b>Total</b>	<b>6%</b>	<b>23%</b>	<b>30%</b>	<b>41%</b>	<b>100%</b>

\* Of surveys responding

San Francisco Planning Department PDR survey

Graphic design and garment manufacturing, can be carried out in relatively small spaces in multi-story buildings. Such businesses tend to have relatively high employment densities—large number of workers compared to volume of goods produced (and therefore more workers in a given amount of space). Still others require flexible space that can be quickly and easily reconfigured to meet changing needs. The chart on the opposite page reveals the relationship between these building types and the PDR categories defined earlier. It also includes live/work and office buildings since some PDR activities can locate in such types.

- Single-story warehousing and distribution buildings with yards.
- Single-story warehousing and distribution buildings without yards.
- Multi-story PDR buildings containing a range of users.
- Mixed PDR/residential buildings with PDR and residential space in the same building but, unlike live/work, not in the same unit. In theory any number of stories, but generally multi-story.

### **Building Costs**

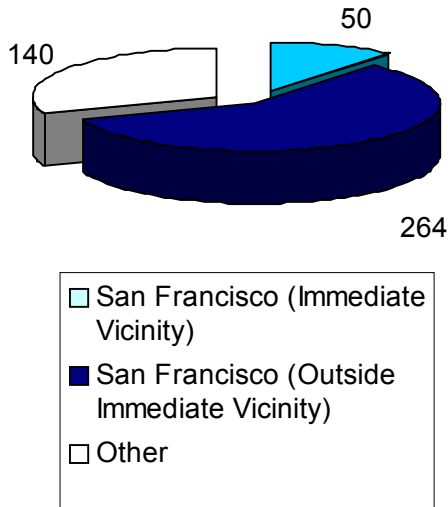
Within the PDR category the ability to pay rent ranges widely. Storage and large-scale distribution businesses, in general, cannot pay as much on a square foot basis as manufacturing, which cannot match the ability of such PDR uses as photographers and graphic designers. Construction firms, transportation firms, wholesale trade and distribution operations all tend to be at the lower end of the PDR rent scale, only able to pay less than \$0.50 per square foot. Graphic design, photography, and other media related activities are often at the higher end, able to afford rents of up to about \$1.50 per square foot. Rents paid reflect both the type of space in question and the characteristics of the firm.

### **Building Availability**

Most industrial-style buildings used by PDR businesses have high occupancy rates. Many PDR business owners, when asked, were not interested in relocating. To move to another location in San Francisco is generally unrealistic, so relocating often means having to leave San Francisco. Once outside of their target customer and supplier area, businesses may be forced to shut down. Some businesses prefer their current location because of the advantages it offers and companies in ideal spaces suited to their business may not be able to find comparable space elsewhere, even if they wanted to move.

Appropriate land and buildings are critical to the future viability of PDR. ABAG projects some growth in the industrial sector and therefore existing space must be retained for these new businesses in San Francisco, especially because it is unrealistic to expect the construction of much new space suitable for, and affordable to, PDR activities. San Francisco's industrially zoned land is where PDR industries not compatible with other types of development should have the option to expand and change without creating conflicts.

**Businesses Reporting a Majority of Employees Living in San Francisco**



## Labor Force

In a survey of PDR businesses, a majority (264 out of 454) reported that most of their employees lived in San Francisco. Fifty respondents indicated that their employees lived in the immediate area.

As mentioned earlier, a San Francisco location is often crucial to the success of a PDR business because of the access to particular segments of the labor force. Many design-oriented firms prefer to locate here not only because of the discerning clientele but also for the employees they hope to attract and retain. To learn trades such as cabinetmaking, metal-smithing, or video-editing takes years of training, as well as talent. Employers are looking for workers with experience and who are craftspeople. They expect an artistic sensibility and the ability to produce high-end, unique products. These kinds of employees want to live and work in San Francisco.

# 6

## evaluating production, distribution, repair: competitiveness, compatibility, linkages

Production/Distribution/Repair activities include a wide range of businesses with various strengths and very diverse requirements. It is possible, however, to examine them using three main criteria: their competitiveness in the market economy; their compatibility with other land uses; and their links to other sectors of the local economy. This approach allows a fine-grained definition of PDR to be developed—taking into account PDR’s role in the San Francisco land use system and economy and what these businesses require to survive.

### **Competitiveness**

PDR businesses able to remain in San Francisco have been doing relatively well within the current economy and in many instances have added employees and expanded their operations over the past few years. It is clear that within the PDR sector, businesses are competitive in terms of pricing of services or goods and in terms of the wages they provide for their employees. PDR sector wages, as detailed in Chapter 4, surpass those, on average of the service sector. Low skilled employees with limited training earn on average \$14.00 per hour in trucking and warehousing industries, while retail or restaurant industries employees, with similar skill levels, earn under \$10.00 per hour. Higher-end production industries, such as finish-woodworking and construction, pay



skilled employees with years of experience about \$28-30 per hour on average. Such positions create great opportunities and maintain a socio-economic balance in San Francisco.

However, most PDR businesses cannot compete in the real estate market with office or residential uses, which can pay higher market prices for land and rent. The average asking rate for PDR uses was \$0.76 per square foot as of the 1st quarter 2002, as indicated in the previous chapter. Office uses, on the other hand, were paying an average of \$2.41 per square foot per month as of the 1st quarter 2002. The PDR businesses survey revealed that 51% of businesses pay less than \$1.00 per square foot. Over half of businesses that responded occupied small spaces of less than 5,000 square feet.

Most PDR businesses surveyed paid rents in the range of \$.51-\$1.51 per square foot, as indicated in the previous chapter. However, 11% pay amounts lower than this range, and 28% pay more. In general, distribution businesses tend to be on the lower end of the scale and certain production businesses tend to be on the higher end. The ability to pay rent is therefore related to the type of business.

Even different businesses within the same industry classification vary in this regard. For example, manufacturers focusing on specialized goods (e.g. garments) may be able to afford higher rents than manufacturers producing the same type of good but with mass-production techniques. Some businesses can pass on certain levels of rent increases to their customers easily; others cannot. Because many PDR buildings can accommodate a wide range of users with different rent-paying abilities, some displacement can occur within the PDR sector as a whole.

## **Compatibility**

For the most part, PDR businesses do not mix well with housing because they generate noise, odors, and early morning or late night activity, especially from trucking and delivery operations. They also prefer features not generally desirable in residential areas, for instance wide streets without sidewalks, access to freeways and fueling stations, and open storage areas. Some may use or produce hazardous material. So, along with the few remaining noxious heavy industries left in San Francisco, the PDR sector includes businesses that are best separated or buffered from housing.

Nevertheless some PDR businesses, such as photography studios and graphic designers, are more compatible with residential development because of their scale, traditional hours of operation, and relative inconspicuousness. Approximately 30% of businesses responding to the PDR survey reported that, in terms of noise levels and other externalities, it would not be a problem for their business to be located next to housing.

## Linkages

Almost all PDR activities are closely linked to other sectors of the City's economy—this support role is one of the main characteristics of PDR—but these linkages vary in nature. Some PDR businesses provide physical goods to San Francisco businesses, others provide a specialized service or design component (e.g., printing), others provide services involving goods (e.g., repair), and still others are tightly linked to specialized pools of labor in the City (e.g., metal fabricators).

However, some PDR businesses have stronger linkages to the local economy than others. Auto wrecking yards or storage of hazardous materials might have very limited linkages to the rest of the economy while businesses such as catering or specialized food distribution are strongly linked to hotels, convention facilities, fairs, and entertainment businesses.

## Locating PDR

Using these three criteria—competitiveness (wages and real estate), compatibility, and linkages—PDR can be categorized by where it can locate: within San Francisco's industrial lands; as part of mixed-use areas; or in industrial land outside San Francisco. This assessment will allow the City to determine the future of industrial land in way that is best suited to San Francisco's land use pattern and economy. The matrix below portrays how these criteria relate to each of the three options for location.

For example, concrete plants and MUNI bus yards may belong to exclusively industrially zone land in San Francisco. They have very strong linkages since they supply essential inputs to the construction industry and allow the mobility of people in the city. They also pay reasonable wages. But, they cannot compete with other uses in the real estate market since they use warehouses and open yards and are not compatible with other uses. Another example is graphic designers. They function well in mixed-use areas in San Francisco, have strong linkages to the financial sector, pay high wages, and can afford higher rents than other PDR businesses. On the other hand, auto wrecking yards or regional warehousing may require

relocation to industrial areas outside of San Francisco because of their weak linkages to the rest of the economy, their relatively low wages, and strong environmental impacts.

## Preserving Building Stock

Related to decisions about where PDR businesses should locate are decisions that need to be made regarding building stock.

It has been established in the previous chapter that the building stock suitable for PDR businesses is limited, and that PDR businesses can only pay so much for rent. This existing, but limited building stock comprises the bulk of space affordable to PDR businesses. New construction typically demands rents that are not affordable to many PDR businesses. In order to provide appropriate and affordable space for these businesses, then, concentrations of such building stock must be identified and preserved for PDR uses.

	Industrial Land	Mixed-Use Areas	Outside of San Francisco
<b>Heavy Noise, Truck Traffic, Odors</b>	Medium	Low	High
<b>Linkages</b>	High	High	Low
<b>Competitive in terms of wages</b>	High	High	Low
<b>Competitive in terms of real estate</b>	Low	Medium	na

## Summary Points

### **Production Distribution and Repair Activities:**

PDR activities have greatly evolved over the last 50 years. They comprise facets of the City's industrial past as well as new industries. As PDR has changed, so has the space available for it. Most PDR businesses are found in the five Eastern Neighborhoods which contain the City's remaining industrial land. It is here, however, that most recent change and development has concentrated, largely because of lower land costs and in many cases, limited community opposition. Many portions of the industrially zoned land have already experienced major transformation from predominantly PDR uses to housing and mixed uses. However, PDR activities still occupy a major portion of industrial land and a variety of industrial buildings.

### **Production Distribution and Repair Activities’ Role in San Francisco’s Economy:**

PDR businesses continue to be an important part of the City’s economy. They provide competitive wages and contribute to the diversity and stability of the local economy. In addition, the kinds of flexible buildings found in industrial land have served as “incubators” for new industries and startup businesses. Even as the San Francisco economy changes and the nature of PDR changes, there will be businesses in this broad category of industries. It is reasonable to expect that given the integral role played by PDR firms in the functioning of the San Francisco economy, these businesses will continue to constitute an important part of the City’s job base. This conclusion is bolstered by the fact that total PDR employment grew by 13% from 1997 to 2001, precisely the period when San Francisco’s “post-industrial” or “new economy” sectors were undergoing rapid change and expansion. PDR businesses are expected to maintain their share of jobs in San Francisco and, according to ABAG, grow over the next 20 years.

### **What Production Distribution and Repair Activities Require to Function in San Francisco’s Economy:**

Most PDR businesses need either specific building types or areas where they do not come into conflict with housing, or both. They need areas in which to cluster, space to maneuver trucks, and access to freeways and transportation.

PDR cannot compete in the real estate market with most other uses. Many types of buildings used by PDR industries would not be financially viable as new construction given the current cost of land in San Francisco. If existing buildings are destroyed, they may, therefore, be difficult to replace. If housing is allowed in the areas that support PDR industries, rent levels will increase, forcing PDR businesses to relocate. When the option of developing buildings with higher market values is removed, investment in PDR buildings will be more appealing.

### **Conclusion**

PDR is diverse and dynamic. PDR industries that are important today, such as printing, may become less so, while others may increase in prominence; existing industries will adapt to new ways of doing business and will change in the process. Just as it would have been nearly impos-

sible to predict the economic trends of the 1990s, so it will be difficult to foresee future changes. In order to ensure the viability of PDR, the City need not pick and choose individual industries to protect, but rather should set the parameters within which market forces are allowed to operate. While it is important, and a matter of practicality, to carefully define the activities that comprise PDR as they exist today, to accommodate unforeseeable PDR activities requires an understanding of their essential features. Core PDR uses today and those that may evolve tomorrow share three basic characteristics mentioned throughout this report: limited ability to pay rent, the need for flexible building space, and locations away from housing.

In order for such businesses to survive and thrive, for living wages to be available to residents of San Francisco, and for San Francisco to remain diverse, and therefore healthy, policies must be in place to delineate land for industrial uses. Furthermore, in spite of the changes that the sector has undergone, PDR businesses continue to make use of many of the same buildings, partly because they are affordable, partly because they provide features such businesses require. Thus, appropriate building stock should also be preserved. Doing so will help to sustain existing PDR businesses, and, because of their flexible nature, will provide the ability to accommodate as of yet unforeseen PDR uses in the future.

The General Plan has always prioritized the importance of industrial jobs for the City, as well as the encouragement of industrial sectors that contribute to the overall health of the economy. Current policies and procedures encourage industrial uses on certain industrially zoned parcels, and encourage housing and mixed-use activities on other industrially zoned parcels. As part of the community planning process of the Eastern Neighborhoods, these policies will be translated into new zoning controls that define the ultimate uses of these parcels. Areas devoted to PDR will preserve the industrial building stock. Areas devoted to housing or mixed-use will require infrastructure improvements and appropriate urban amenities. The future use of industrial land will define the nature of San Francisco.

# A

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Printing &amp; Publishing</i></b>	2732	Books
	2711	Newspaper
	2721	Magazines & Periodicals
	2731	Books Publishing
	2741	Misc. Publishing
<b><i>Other Printing &amp; Binding</i></b>	2796	Plate making
	2791	Type Setting
	2789	Book Binding
	2752	Comm.Printing Lithographic
	2759	Comm. Printing NEC
<b><i>Wholesale Printing &amp; Publishing</i></b>	5192	Books, Periodicals & NewsPapers
<b><i>Photography Services</i></b>	7221	Photographic Studios,Potrait
	7384	Photofinishing Labs.
	7335	Commercial Photography
	7336	Commercial Art & Graphic Designs
	3861	Photography Equip. Supply
<b><i>Commercial Graphic Design,Interior Design &amp; Signs</i></b>	1611	Highway & street construction (sign Shop)
	3552	Textile Machinery (Screen Print)
	3952	Lead pencil & Art goods
	3953	Marking devices
	3955	Carbon Paper & Inked Ribbons
	3993	Signs & advertising Specialities
	3999	Manufacturing Ind nec.
	4813	Telephone communication, exchange radio (design)
	7336	Commercial Art & Graphic Design
	7389	Business serv. Nec (Design Related)
<b><i>Research &amp; Development</i></b>	7389	Business Serv. Necessary (R&D only)

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Radio &amp; TV Stations &amp; Communication Services</i></b>	4832	Radio Broadcasting Stations
	4833	T.V. Broadcasting Station
	7389	Business Serv. Necessary (Communication only)
	4841	Cable TV services
	4899	Communication services
	4812	Radio Telephone Communications
	4813	Telecomm. Exchange Radius
	4822	Telegraph & other Comm.
<b><i>Garment Manufacturing</i></b>	2396	Auto Apparel Trimmings
	2394	Canvas Related Products
	2391	Curtains & Drapes
	2399	Fabric & Textile Products
	2381	Fabric Dress Work
	2369	Girls Outwear
	2353	Hats Caps
	2392	Household Furnishings
	2326	Mens & Boys Clothing
	2311	Mens & Boys Suits
	2395	Pleating & Stitching
	2393	Textile Bags
	2331	Wommen & Misses Blouses
	2335	Wommen & Misses Dresses
	2339	Wommen & Misses Outerwear
<b><i>Other Apparel</i></b>	2273	Carpet & Rugs
	2298	Cordage & Twine
	2211	Fabric Mills Cotton
	2231	Fabric Mills Wool
	2269	Finishing Plant NEC
	2261	Finishing Plant Cotton
	2253	Knit Outwear Mills
	2241	Narrow Fabric Mills
2284	Thread Mills	

<b>Industry Type</b>	<b>SIC Code</b>	<b>Line of Business</b>
<b>Wholesale Apparel</b>	5136	Mens & Boys clothing
	5139	Footwear
	5137	Womens & Children Clothing
	5131	Piece Good notion
	3965	Buttons etc.
<b>Transportation &amp; Delivery Services</b>	4724	Travel Agencies
	4725	Tour Operators
<b>Taxi/Limo/Shuttle</b>	4173	Bus Terminals& Svc Facilities
	4142	Bus Charter Svc Except local
	4121	Taxi Cabs
	4119	Local Passenger Tp. Nec
	4111	Local & Suburban Transit
<b>Trucking Freight &amp; Packing</b>	7389	Business Serv.nec
	4783	Packing & Crafting
	4731	Freight Transportation
	4214	Local Trucking with storage
	4213	Trucking except local
	4212	Local Trucking without storage
<b>Parcel Shipping &amp; Courier Services</b>	7389	Business Serv.nec (Courier)
	4581	Airports, flying fields & Services
	4513	Air courier services
	4491	Marine cargo
	4424	Deep sea domestic transport of freight
	4311	US Postal Service
	4215	Courier svcs except air
<b>Utilities</b>	8611	PG & E
	4911	Electrical services (PG&E)
	4813	Tele Exchange(AT&T, Pac Bell)



<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Small Scale Mfg. &amp; Wholesale</i></b>	3842	Surgical Appliances & supplies
	3942	Dolls & Stuffed toys
	3944	Games toys & children's Vehicles
	3949	Sporting & Athletic Goods
	5091	Toys & hobby goods
	5092	Sporting & recreation goods
	3841	Surgical & medical Instruments
	3829	Measuring & controlling devices
	3812	Search & Navigation Instruments
	5046	Commercial Equip. nec
	5045	Computers & peripheral software
	5044	Office equip.
	5043	Photographic Equip. & supplies
	5051	Metals service centers & offices
	5049	Professional Equip.
	5048	Ophthalmic goods
	5047	Medical & hospital equip
	3578	Calculating & accounting equip.
	3571	Electronic computers
	<b><i>Public Warehousing &amp; Storage</i></b>	4225
4222		Refrigerate Warehousing & Storage
4226		Special Warehousing

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Sound Recording/Film &amp; Motion Picture Production</i></b>	7829	Film delivery, Motion picture
	7822	Film exchanges, Motion picture
	3861	Sound recording, & reproducing equip.
	3652	Prerecorded records & tapes
	3663	Radio TV Communication Equip.
	3679	Electronic components nec.
	3695	Magnetic & Optical Recording Media
	7389	Business Serv. Nec (Recording & syndicated product biz)
	7812	Motion Picture Video Products
	7819	Svcs. Allied Motion Picture
<b><i>Wholesale Flowers</i></b>	5193	Flowers and florist supplies
	5191	Flowers and Field Bulbs
<b><i>Catering &amp; Food Processing</i></b>	2051	Bread Cake Related Products
	2033	Canned Fruits & Vegetables
	2091	Canned fish
	2064	Candy & Confectioneries
	2052	Cookies & Crakers
	2087	Extracts & Syrups
	2099	Food Preparation NEC
	2037	Frozen Fruits & Vegies
	2038	Frozen Specialities
	2098	Macaroni & Spagetti
	2011	Meat Packing
	2013	Sausage Preparation
	208	Beverages
2131	Chewing Tobacco	

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Building Construction &amp; Maintenance</i></b>	1731	Electrical Work
	1751	Carpentry Work
	1752	Floor Laying Work
	1793	Glass Glazing Work
	1796	Installation Bldg. Equipment
	1741	Missionary and Stone Work
	1711	Plumbing & Heating & AC
	1742	Plastering & dry wall
	1721	Painting & Paper Hanging
	1761	Roofing Siding and Sheet Metal
	1799	Special Trade Construction
	1791	Structural Steel Erection
	1743	Tile & Marble works
	1781	Waste Water Drilling
	1795	Wrecking & Demolition
	1541	Industrial Bldg. Warehouse Construction
	1542	Non-residential Bldg. Construction
	1522	Residential Construction
	1521	Single Family Housing Construction
	1611	Highway construction
	1623	Water Sewer & Utility construction
	1622	Bridge & tunnel Construction
	1629	Heavy Construction
	7389	Business serv. Nec
	3599	Industrial machinery nec.
	3499	Fabricated metal products
	3496	Misc. fabricated wire products
	3479	Metal coating & Allied serv.
	3471	Plating & Polishing
	3469	Metal stamping & nec.
	3465	Automotive stampings
	3451	Screw machine products
	3449	Misc. metal works
	3446	Architectural metal work
3444	Sheet metal work	

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Building Construction &amp; Maintenance</i></b>	3442	Metal doors, sash, & trim
	3441	fabricated structural metal
	3432	Plumbing fixture fittings & trim
	3429	Hardware nec.
	3423	Hand & edge tools
	3412	Metal Barrels, drums & pails
	3366	Copper foundries
	3341	Secondary nonferrous metals
	3317	Steel pipes & tubes
	3299	Non-Metallic mineral producta.nec
	3281	Cut stone & stone products
	2844	Toilet preparations
	2842	Polishes & sanitaion goods
	1411	Dimension stones
<b><i>Concrete Works</i></b>	1771	Concrete works
<b><i>Food &amp; Beverage Wholesale &amp; Distribution</i></b>	5145	Confectionery
	5143	Dairy Products, exc. dried or canned
	5146	Fish & seafood
	5148	Fresh fruits & vegies
	5149	Grocery related products
	5141	General groceries
	5147	Meat and Meat products
	5142	Packed frozen goods
	5144	Poultry
	5181	Beer & Ale
5182	Wine & distilled Beverages.	
<b><i>Furniture &amp; Fixture Manu. &amp; Repair &amp; Wood Work</i></b>	2591	Drapery Hardware Blinds
	2599	Furniture Fixtures
	2519	Household Furnitures
	2514	Metal Household Furnitures
	2513	Public Bldg. Related Furnitures

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Furniture &amp; Fixture Manu. &amp; Repair &amp; Wood Work</i></b>	2542	Partitions & Fixtures except wood
	2512	Upholstered Household furnitures
	2541	Wood Partitions Fixtures
	2511	Wood Household Furnitures
	2521	Wood Office furnitures
	2426	Hardwood Dimension & Flooring mills
	2436	Hardwood Veneer & Flooring mills
	2431	Millwork
	2449	Wood Containers
	2434	Wood Kitchen Cabinets
	2448	Wood Pallets Skids
	2499	Wood Products Necessay
	2411	Logging
	2421	Sawmills & planing mills, general
	3229	Pressed & blown glass nec.
	3231	Products of purchased glass
	3269	Pottery products nec.
	7389	Business serv.nec.(Furniture Fixtures)
	7641	Reupholstery & Furniture repair
	<b><i>Furniture Wholesale &amp; Showrooms</i></b>	5021
5023		Home Furnishings
5712		Funiture stores
7389		Business Serv.Nec.(Showrooms, Galleries, Warehouses)
3999		Manufacturing Industries nec.(Designs)
<b><i>Appliance Repair</i></b>	7629	Electrical repair shops nec
	7699	repair services nec.
	7692	Welding repair
	7694	Armature rewinding shops
	7631	watch, clock & jewelry repair
	7623	Refrigertaiton serv.repair
	7622	Radio TV repair

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<i>Large Scale Mfg. &amp; wholesale</i>	5088	Transportation Equip. & supplies
	5087	Service Establishment equip.
	5085	Industrial Supplies
	5084	Industrial machineries
	5082	Construction & minning Instruments
	5078	Refrigeration Equip. & supplies
	5075	Warm air heating& AC
	5074	Plumbing & hydronic heating supplies
	5063	Electrical apparatus & equip.
	5064	Electrical appliances , TV & Radios
	5065	Electronic parts & Equip
	5072	Hardware
	3599	Industrial machinery nec.
	3589	Service industry machinery nec.
	3585	Refrigeration & heating equip.
	3553	Wood working machinery
	3544	Specialties, tools, jigs & fixtures
	3543	Industrial Patterns
	3536	Hoists, cranes, & monorails
	3535	Conveyors & conveying equip.
	3531	Construction machinery
	7997	Membership Sports& rec. clubs
	7996	Amusement parks
	7991	physical fitness facilities
	7941	Sports club Managers &
	7929	Entertainers,& Entertainment Groups
	7922	Theatrical Producers & svcs
7911	Dance studios, schools & Halls	

<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Auto Repair</i></b>	7542	Carwash
	7538	Auto Repair Shops
	7532	Body Repair
	7549	Auto Services nec
	7533	Auto exhaust system repair
	7536	Auto glass replacement svc
	7537	Auto transmission repair svc
	1622	Bridge tunnel & elevated hwy construction(towing company)
<b><i>Interior, Household &amp; Appliance Wholesellers</i></b>	7389	Business services nec. (lighting products)
	5065	Electrical parts & equip.
	5064	Electrical Appliances tel Rad
	5063	Electrical Apparatus Equip.
	3645	Residential Lighting fixtures
<b><i>Export/Import Trading Companies</i></b>	5199	Non-Durable goods
	5099	Durable goods Nec
<b><i>Jewelry &amp; Precious Stones &amp; Costume Jewelry Production</i></b>	7389	Business service necessary
	3961	Costume Jewelry
	3915	Jewelrs Material & Lapidary works
	3911	Jewelery & Precious Material
	3851	Ophthalmic goods
	2911	Petroleum refining ( Diamond store)
	1499	Misc. Nonmetallic minerals ( Crystal store)
	5094	Jewelry & precious stones
	3914	Silverware & plated ware
<b><i>Landscaping/ Horticulture &amp; Animal Services</i></b>	781	Landscaping
	782	Lawn & Garden
	783	Ornamental Tree Services
	752	Animal Services



<i>Industry Type</i>	<b>SIC Code</b>	<b>Line of Business</b>
<b><i>Chemicals/Plastics/Leather Goods Manufacturing &amp; Wholesale</i></b>	3161	Luggage
	3172	Leather Goods
	3089	Plastic Products
	2821	Pharmaceuticals
	2834	Pharmaceuticals
	5172	Petroleum Products
	2851	Paints & Allied Products
	5169	Chemicals & Paints
	5162	Plastic & Allied Products
	5122	Drug Preparation Services
<b><i>Waste Management</i></b>	4941	Water Supply
	4953	Refuse System
	4959	Sanitary Services

**Eastern Neighborhoods Business Analysis**

<b>INDUSTRY TYPE</b>	<b>Businesses</b>	<b>Avg Emp</b>	<b>Total Emp</b>	<b>Total Sales</b>	<b>Avg Sales</b>	<b>Total Sqft Occupied</b>	<b>Emp Density</b>
Printing & Publishing	72	18	1,282	205,828,921	2,858,735	313,780	245
Other Printing & Binding	152	9	1,426	110,791,527	728,892	736,090	516
Wholesale Printing & Pub	34	8	284	25,867,954	760,822	279,740	985
Photography Services	174	4	683	54,207,497	311,537	472,560	692
Graphic Design, Int.Design & Signs	262	6	1,502	134,496,751	513,346	657,550	438
Radio, T.V. Stations & Comm Svcs	36	33	1,194	105,798,543	2,938,848	270,200	226
Garment Manufacturing	69	35	2,413	164,061,182	2,377,698	935,320	388
Other Apparel	69	21	1,425	79,324,315	1,149,628	491,960	345
Wholesale Apparel	93	9	870	177,908,223	1,912,992	405,950	467
Transportation & Delivery Svcs	51	35	1,796	90,563,579	1,775,756	274,570	153
Taxi/Limo/Shuttle	43	40	1,739	37,544,668	873,132	324,200	186
Trucking, Freight, &Packing	92	12	1,109	224,540,401	2,440,657	539,900	488
Parcel Shipping &Courier Svcs	30	179	5,375	19,500,000	650,000	110,800	47
Utilities	10	93	931	0	0	120,800	130
Small Scale Manufacturing & Wholesale	176	7	1,288	243,094,064	1,381,216	742,500	576
Public Warehousing & Storage	26	6	151	3,775,000	145,192	601,700	3,985
Sound Recording/Film Prod	147	5	759	73,631,422	500,894	363,730	479
Wholesale Flowers	39	9	355	33,577,401	860,959	329,510	928
Catering & Food Processing	65	19	1,250	188,371,934	2,898,030	796,520	637
Food & Beverage Wholesale & Distribution	165	12	1,961	562,077,136	3,406,528	1,162,940	594
Building Construction & Maintenance	645	12	7,460	1,459,056,564	2,262,103	2,450,760	328
Auto Wrecking &Scrap Storage Yards	11	10	108	12,440,000	1,130,909	73,300	679
Concrete Works	14	11	148	12,030,000	859,286	35,400	239
Wholesale Construction & Distribution	61	7	425	81,313,944	1,333,015	404,600	952
Furniture Mfg & Rpr.Wood Work	122	8	969	88,472,106	725,181	776,980	802
Furniture Wholesale & Showrooms	154	8	1,156	175,879,491	1,142,075	960,470	832
Appliance Repair	92	4	364	25,477,112	276,925	227,380	625
Interior, Household & Appliance Wholeseller	60	9	537	122,790,588	2,046,510	493,190	918
Large Scale Manufacturing & Wholesale	48	15	743	133,819,487	2,787,906	860,100	1,158
Parking, Rental & Towing	23	7	154	3,767,000	163,783	81,400	529
Wholesale Auto Parts	38	13	482	48,315,635	1,271,464	364,900	757
Auto Repair	259	6	1,562	91,020,214	351,429	1,342,800	860
Export/Import Trading Companies	128	8	1,023	138,700,997	1,083,602	498,110	487
Jewelry Wholesale Mfg	146	5	781	134,017,162	917,926	275,590	353
Landscaping/Horticulture & Animal Svcs	42	8	327	40,349,812	960,710	179,630	549
Chemicals/Plastics/Leather Goods mfg	44	14	610	63,336,987	1,439,477	321,200	630
Waste Management	16	63	1,003	89,502,992	5,593,937	75,200	75
<b>TOTAL</b>	<b>3,708</b>	<b>21</b>	<b>45,645</b>	<b>5,255,250,609</b>	<b>1,428,196</b>	<b>19,351,330</b>	<b>631</b>

# B

The Planning Department conducted a survey of Production, Distribution, and Repair (PDR) businesses in the Eastern Neighborhood Community Planning Areas of Bayview, Mission, South of Market, and Showplace Square-Potrero Hill. This survey gathered detailed information about the needs and performance of PDR businesses. This information complements the secondary data gathered for the analysis of PDR businesses. The Planning Department designed the survey instrument, selected the sample, analyzed the data, and prepared this summary report.

The purpose of the survey was to determine the needs and detailed characteristics of PDR businesses in San Francisco. The survey assesses the ability of PDR businesses to compete with other uses based on rental rates and wages, their buildings, transportation, and infrastructure needs, the compatibility of PDR businesses with other uses, and profiles of suppliers, customers, and employees.

## Highlights of Survey Results

The survey yielded a variety of data on PDR businesses in San Francisco. Frequencies for tabulated data are included at the end of this appendix. Selected highlights from the survey include:

- 70% of businesses report they could not be next door to housing;
- 43% of businesses pay over \$16 an hour for their non-managerial staff;
- 50% of businesses have non-managerial employees who have obtained only a high school diploma;
- 26% of businesses are considering contraction or relocation;
- 58% of businesses could not run their business on the second floor;
- 48% of businesses that rent their space pay \$1.50 or less per square foot per month;
- 48% of the businesses have been at their location for over 10 years;
- 70% of businesses consider it very important to be near their customers, and;
- 48% of businesses need access to truck routes.

## Description

### Data Sources

PDR businesses are defined based on industry type and location. These businesses are included in the SIC codes listed in *Appendix A*, located outside the financial district. For the purposes of this survey, the total universe of PDR businesses was defined as those located in the community planning areas of Mission, Bayview, Showplace Square, Potrero Hill, and South of Market. The Dunn and Bradstreet business database 2001 was the main data source used to select the PDR survey sample.

## Methodology

### Sampling & Sample Size

From the Dunn and Bradstreet database, a universe of 3,735 PDR businesses was established. Businesses were sorted by SIC and zip code, and every other business was selected to ensure appropriate distribution by location and industry. A total of 2,000 surveys were received by PDR businesses. Planning Department staff supplemented this random sampling by gathering additional field surveys from each of the five areas.

A target sample size of 300 responses was established from a universe of 3,735 PDR businesses. In order to insure an appropriate cross-sectional distribution of responses by location and industry type, a target number of responses was established based on the existing distribution of businesses as indicated in the table below.

Businesses were categorized by planning area and business classifica-

**Percentage of PDR Businesses by Area**

Planning Area	Production	Distribution	Repair
SOMA	13.60%	10.90%	3.50%
Mission	9.30%	6.20%	3.80%
Showplace/Potrero	6.20%	12.60%	1.50%
Bayview	<u>12.90%</u>	<u>14.60%</u>	<u>5.00%</u>
<i>Total</i>	<i>41.90%</i>	<i>44.30%</i>	<i>13.80%</i>

**\*Target Number of Surveys**

Planning Area	Production	Distribution	Repair
SOMA	41	33	10
Mission	28	18	11
Showplace/Potrero	18	38	5
Bayview	<u>39</u>	<u>44</u>	<u>15</u>
<i>Total</i>	<i>126</i>	<i>133</i>	<i>41</i>

\*Based on Percentage of PDR Businesses Distribution in Eastern Neighborhoods

tion to determine the percentage of each. This percentage was used to determine the target number of instruments needed.

A total of 464 responses were received. Total responses received

**Surveys Received**

Planning Area	Production	Distribution	Repair	Other	Total
SOMA	68	32	24	8	132
Mission	40	13	27	15	95
Showplace/Potrero	25	54	6	8	93
Bayview	49	41	11	10	111
Other	<u>12</u>	<u>9</u>	<u>8</u>	<u>4</u>	<u>33</u>
<i>Total</i>	<i>194</i>	<i>149</i>	<i>76</i>	<i>45</i>	<i>464</i>

broke down as follows: 95 from the Mission; 111 from Bayview; 93 from Showplace Square/Potrero; 132 from South of Market; and 33 from PDR businesses outside the designated community planning area.

<b>1   What kind of business are you in?</b>		
	<b>Frequency</b>	<b>Percent</b>
Production	100	22.03
Distribution	65	14.32
Repair/Service	151	33.26
*Other/No Response	138	30.4
<b>Total</b>	<b>454</b>	<b>100</b>

<b>3   Have you recently expanded or are you considering expansion?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	24	5.29
n	315	69.38
y	115	25.33
<b>Total</b>	<b>454</b>	<b>100</b>

<b>4   Are you considering contraction or relocation?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	333	73.35
contraction	37	8.15
relocation	84	18.50
<b>Total</b>	<b>454</b>	<b>100</b>

<b>4   Why?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	390	85.90
Lack of Space	39	8.59
Lack of Space, Lack of Labor	2	0.44
Lack of space, Labor, Land, Inadequate Transportation	1	0.22
Lack of space, Labor, Inadequate Transportation	2	0.44
Lack of Space, Land	7	1.54
Lack of Space, Inadequate Transportation	3	0.66
Lack of Labor	4	0.88
Lack of Land	3	0.66
Inadequate Transportation	3	0.66
<b>Total</b>	<b>454</b>	<b>100</b>

<b>6   How long is the term of your lease? (in years)</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	155	34.14
0 to 1	34	7.49
1 to 3	58	12.78
4 to 7	117	25.77
8 to 10	47	10.35
10+	43	9.47
<b>Total</b>	<b>454</b>	<b>100</b>

<b>7   How many years do you have left on your lease?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	180	39.65
0 to 1	85	18.72
1 to 3	102	22.47
4 to 7	87	19.16
<b>Total</b>	<b>454</b>	<b>100</b>

<b>8   How many square feet of built space does your business occupy?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	22	4.85
0 to 500	18	3.96
501 to 2,000	91	20.04
2,001 to 5,000	127	27.97
5001+	196	43.17
<b>Total</b>	<b>454</b>	<b>100</b>

<b>9   How many square feet of outdoor space does your business occupy?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	65	14.32
0 to 500	261	57.49
501 to 2,000	45	9.91
2,001 to 5,000	29	6.39
5,001+	54	11.89
<b>Total</b>	<b>454</b>	<b>100</b>

<b>10   Could your business run on a second/third floor?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	17	3.74
no	264	58.15
yes	173	38.11
<b>Total</b>	<b>454</b>	<b>100</b>

<b>11   How much do you pay per square foot per month for rent/lease?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	153	33.70
0-\$0.50	36	7.93
\$0.51-\$1.00	116	25.55
\$1.01-\$1.50	66	14.54
\$1.51-\$2.00	41	9.03
\$2.01-\$2.50	15	3.30
More than \$2.50	27	5.95
<b>Total</b>	<b>454</b>	<b>100</b>

<b>12   Have you recently invested in your building?</b>		
	<b>Frequency</b>	<b>Percent</b>
Less than \$100,000	100	22.03
More than \$100,000	51	11.23
No	303	66.74
<b>Total</b>	<b>454</b>	<b>100</b>

<b>12   How many years have you been at this location?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	15	3.30
0 to1	29	6.39
1 to 3	54	11.89
4 to 10	138	30.40
10+	218	48.02
<b>Total</b>	<b>454</b>	<b>100</b>

<b>13   If you have other locations, what functions do they serve?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	397	87.44
Office	16	3.52
Industrial/Storage	19	4.19
Parking	7	1.54
Other	15	3.30
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If proximity to customer base is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	108	23.79
n	28	6.17
y	318	70.04
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If proximity to local suppliers is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	186	40.97
n	47	10.35
y	221	48.68
<b>Total</b>	<b>454</b>	<b>100</b>



<b>14   If proximity to similar businesses is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	217	47.80
n	45	9.91
y	192	42.29
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If transportation is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	153	33.70
n	35	7.71
y	266	58.59
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If parking is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	111	24.45
n	94	20.70
y	249	54.84
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If safety is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	168	37.00
n	77	16.96
y	209	46.03
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If space is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	155	34.14
n	58	12.56
y	241	53.08
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If space is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	155	34.14
n	58	12.56
y	241	53.08
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If local labor is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	214	47.14
n	37	8.15
y	203	44.71
<b>Total</b>	<b>454</b>	<b>100</b>

<b>14   If affordable housing is important for your business at its current location, is it currently available?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	226	49.78
n	148	32.6
y	80	17.62
<b>Total</b>	<b>454</b>	<b>100</b>

<b>15   What are your business's transportation needs? For your freight:</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	51	11.23
Truck Routes	25	5.51
Truck routes, Parking	29	6.39
Truck routes, Parking, Freeway	34	7.49
Truck routes, Parking, Freeway, Downtown access	1	0.22
Truck routes, Parking, Freeway, Airport access	4	0.88
Truck routes, Parking, Freeway, Airport access, Port access, Downtown access	17	3.74
Truck routes, Parking, Freeway, Airport access, Downtown access	10	2.20
Truck routes, Parking, Freeway, Port access, Downtown Access	3	0.66
Truck routes, Parking, Freeway, Downtown access	41	9.03
Truck routes, Parking, Airport access	2	0.44
Truck routes, Parking, Airport access, Downtown Access	1	0.22
Truck routes, Parking, Airport access, Downtown access	3	0.66
Truck routes, Parking, Port access	3	0.66
Truck routes, Parking, Downtown access	10	2.20
Truck routes, Freeway	15	3.30
Truck routes, Freeway, Airport access	2	0.44
Truck routes, Freeway, Airport Access, Downtown Access	1	0.22
Truck routes, Freeway, Port access	1	0.22
Truck routes, Freeway, Downtown access	13	2.86
Truck routes, Airport access	1	0.22
Truck routes, Airport access, Port Access	1	0.22
Truck routes, Port access	2	0.44
Truck routes, Downtown access	3	0.66
Parking	63	13.88
Parking, Freeway	29	6.39
Parking, Freeway, Airport access	3	0.66
Parking, Freeway, Airport access, Port access, Downtown access	3	0.66
Parking, Freeway, Airport access, Downtown access	10	2.20
Parking, Freeway, Port access	1	0.22
Parking, Freeway, Downtown access	28	6.17
Parking, Airport access	3	0.66
Parking, Airport access, downtown access	1	0.22
Parking, Port access	1	0.22
Parking, Downtown access	12	2.64
Freeway	7	1.54
Freeway, Airport access	2	0.44
Freeway, Airport access, Port access, Downtown access	1	0.22
Freeway, Airport access, Downtown access	1	0.22
Freeway, Downtown access	10	2.20
Airport access	2	0.44
Airport access, Downtown access	1	0.22
Downtown access	3	0.66
<b>Total</b>	<b>454</b>	<b>100</b>

<b>15   What are your business's transportation needs? For your employees:</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	56	12.33
Bart	8	1.76
Bart, Bus	17	3.74
Bart, Bus, Parking	32	7.05
Bart, Bus, Parking, Freeway	98	21.59
Bart, Bus, Freeway	9	1.98
Bart, Parking	8	1.76
Bart, Parking, Freeway	12	2.64
Bart, Freeway	4	0.88
Bus	29	6.39
Bus, Parking	40	8.81
Bus, Parking, Freeway	25	5.51
Bus, Freeway	7	1.54
Parking	68	14.98
Parking, Freeway	24	5.29
Freeway	17	3.74
<b>Total</b>	<b>454</b>	<b>100</b>

<b>16   Where are your suppliers located?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	162	35.68
Immediate Area	30	6.61
San Francisco	72	15.86
Bay Area	190	41.85
<b>Total</b>	<b>454</b>	<b>100</b>

<b>17   Where are your customers located?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	107	23.56
Immediate Area	32	7.05
San Francisco	90	19.82
Bay Area	225	49.56
<b>Total</b>	<b>454</b>	<b>100</b>

<b>18   What would be appropriate next door to your business?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	28	6.17
Housing	4	0.88
Housing, Retail	3	0.66
Housing, Retail, Schools, Heavy Industrial, Light Industrial	3	0.66
Housing, Retail, Schools, Heavy Industrial, Light Industrial, Office Space	5	1.10
Housing, Retail, Schools, Heavy Industrial, Light Industrial, Office Space, Other	7	1.54
Housing, Retail, Schools, Heavy Industrial, Office Space, Other	1	0.22
Housing, Retail, Schools, Light Industrial, Office Space	18	3.96
Housing, Retail, Schools, Light Industrial, Office Space, Other	2	0.44
Housing, Retail, Schools, Office	4	0.88
Housing, Retail, Schools, Office, Other	1	0.22
Housing, Retail, Heavy Industrial, Light Industrial	1	0.22
Housing, Retail, Heavy Industrial, Light Industrial, Office	4	0.88
Housing, Retail, Heavy Industrial, Office Space	1	0.22
Housing, Retail, Light Industrial	4	0.88
Housing, Retail, Light Industrial, Office	15	3.30
Housing, Retail, Light Industrial, Other	1	0.22
Housing, Retail, Office	9	1.98
Housing, Retail, Office, Other	3	0.66
Housing, Schools	2	0.44
Housing, Schools, Heavy Industrial, Light Industrial, Office	1	0.22
Housing, Schools, Light Industrial, Office	2	0.44
Housing, Heavy Industrial, Light Industrial	1	0.22
Housing, Heavy Industrial, Light Industrial, Office	2	0.44
Housing, Light Industrial	4	0.88
Housing, Light Industrial, Office	10	2.20
Housing, Office	4	0.88
Retail	24	5.29
Retail, Schools, Heavy Industrial, Light Industrial	1	0.22
Retail, Schools, Heavy Industrial, Light Industrial, Office, Other	1	0.22
Retail, Schools, Light Industrial	1	0.22
Retail, Schools, Light Industrial, Office	5	1.10
Retail, Schools, Light Industrial, Office	1	0.22
Retail, Schools, Light Industrial	4	0.88
Retail, Heavy Industrial, Light Industrial, Office	10	2.20
Reail, Heavy Industrial, Light Industrial, Office, Other	2	0.44
Retail, Light Industrial, Office, Other	7	1.54
Retail, Light Industrial, Office	34	7.49
Retail, Light Industrial, Office, Other	2	0.44
Retail, Office	13	2.86
Retail, Other	2	0.44
Schools	2	0.44
Schools, Heavy Industiral, Light Industrial, Office	1	0.22
Schools, Light Industrial, Office	3	0.66

<b>18   What would be appropriate next door to your business?</b>		
Heavy Industrial	3	0.66
Heavy Industrial, Light Industrial	21	4.63
Heavy Industrial, Light Industrial, Office	24	5.29
Heavy Industrial, Light Industrial, Office, Other	4	0.88
Heavy Industrial, Light Industrial, Other	5	1.10
Heavy Industrial, Light Industrial, Other	1	0.22
Light Industrial	70	15.42
Light Industrial, Office	34	7.49
Light Industrial, Office, Other	1	0.22
Light Industrial, Other	1	0.22
Office	24	5.29
Office, Other	1	0.22
Other	12	2.64
<b>Total</b>	<b>454</b>	<b>100</b>

<b>19   How many employees do you have?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	23	5.07
Less than 5	150	33.04
5 - 10	128	28.19
11 - 20	66	14.54
21 - 50	59	13.00
50+	28	6.17
<b>Total</b>	<b>454</b>	<b>100</b>

<b>20   What percent of your employees live in the immediate area?</b>		
	<b>Frequency</b>	<b>Percent</b>
0	338	74.45
1	3	0.66
2	2	0.44
5	12	2.64
6	1	0.22
9	1	0.22
10	15	3.30
13	1	0.22
14	1	0.22
20	13	2.86
25	11	2.42
30	1	0.22
33	3	0.66
40	2	0.44
50	12	2.64
60	3	0.66
75	2	0.44
80	5	1.10
87	1	0.22
90	3	0.66
95	1	0.22
100	23	5.07
<b>Total</b>	<b>454</b>	<b>100</b>

<b>20   What percent of your employees live in SF?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	1	0.22
0	130	28.63
1	3	0.66
5	5	1.10
8	1	0.22
10	12	2.64
12	1	0.22
13	1	0.22
15	7	1.54
16	1	0.22
17	1	0.22
20	19	4.19
22	1	0.22
25	18	3.96
28	1	0.22
30	12	2.64
33	4	0.88
35	3	0.66
38	1	0.22
40	13	2.86
45	1	0.22
50	50	11.01
55	1	0.22
60	13	2.86
63	1	0.22
65	3	0.66
67	1	0.22
70	14	3.08
75	19	4.19
80	17	3.74
85	2	0.44
86	2	0.44
90	25	5.51
95	3	0.66
100	67	14.76
<b>Total</b>	<b>454</b>	<b>100</b>

<b>20   What percent of your employees live in the Bay Area?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	3	0.66
0	165	36.34
1	1	0.22
5	4	0.88
10	25	5.51
12	1	0.22
15	3	0.66
20	24	5.29
25	18	3.96
30	12	2.64
33	1	0.22
35	2	0.44
37	1	0.22
40	20	4.41
45	1	0.22
50	44	9.69
55	2	0.44
56	1	0.22
60	9	1.98
65	4	0.88
66	2	0.44
67	3	0.66
68	1	0.22
70	9	1.98
75	14	3.08
80	14	3.08
85	3	0.66
87	1	0.22
90	9	1.98
94	1	0.22
95	1	0.22
99	2	0.44
100	53	11.67
<b>Total</b>	<b>454</b>	<b>100</b>



<b>20   What percent of your employees live in other areas?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	4	0.88
0	413	90.97
5	3	0.66
10	8	1.76
15	3	0.66
16	1	0.22
20	6	1.32
25	5	1.10
30	1	0.22
35	1	0.22
40	1	0.22
50	3	0.66
70	1	0.22
75	1	0.22
98	1	0.22
100	2	0.44
<b>Total</b>	<b>454</b>	<b>100</b>

<b>21   What is the average hourly wage of non-managerial staff?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	61	13.44
\$6.75 or less	2	0.44
\$6.76 - \$10	51	11.23
\$11 - \$15	141	31.06
\$16 - \$20	119	26.21
\$21 - \$25	49	10.79
\$26+	31	6.83
<b>Total</b>	<b>454</b>	<b>100</b>

<b>22   What is the average educational level attained by non-managerial staff?</b>		
	<b>Frequency</b>	<b>Percent</b>
No Response	48	10.57
High School	229	50.44
Vocational Training	47	10.35
2-year degree	65	14.32
4-year degree	50	11.01
Beyond College	15	3.30
<b>Total</b>	<b>454</b>	<b>100</b>

\* Other combines P, D, R, and Service

The Planning Department is involved in a community planning process and is making decisions about zoning changes to the Eastern Neighborhoods. The purpose of this survey is to gather your input as it relates to this important planning process. All information is confidential. Survey results will be reported only in the aggregate and will not be singled out by company. Please answer the questions, staple the questionnaire and send it back to the Planning Department with the pre-paid postage. Please Contact Sue Exline if you have any questions: 558-6332, or Susan\_Exline@ci.sf.ca.us.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Business | \_\_\_\_\_

Name | \_\_\_\_\_

Address | \_\_\_\_\_

Phone Number | \_\_\_\_\_

Email | \_\_\_\_\_

Hours of Operation | \_\_\_\_\_

:: About Your Business ::

1 / What kind of business are you in?

- Production/Manufacturing.....
- Distribution.....
- Repair.....
- Storage.....
- Retail.....
- Service.....

Other: \_\_\_\_\_

2 / Please describe your business:

\_\_\_\_\_

3 / Have you recently expanded or are you considering expansion?

Yes  No

4 / Are you considering:

Contraction.....   
 Relocation.....  where? \_\_\_\_\_

Why? (✓ all that apply)

- Lack of Space.....
- Lack of Labor.....
- Lack of Land.....
- Inadequate Transportation.....

Other: \_\_\_\_\_

:: About Your Building ::

5 / Do you own or rent/lease?

Own  Rent/Lease

6 / How long is the term of your lease? (in years)

0-1  1-3  4ñ7  8ñ10  10+

7 / How many years do you have left on your lease?

0-1  1-3  4-7

8 / How many square feet of built space does your business occupy?

0-500  501-2,000  2,001-5,000  5,001+

9 / How many square feet of outdoor space does your business occupy? (e.g. open areas for storage, pkg, etc.)

0-500  501-2,000  2,001-5,000  5,001+

10 / Could your business run on a second/third floor?

Yes  No

11 / How much do you pay per square foot per month for rent/lease?

- 0-\$0.50.....
- \$0.51-\$1.00.....
- \$1.01-\$1.50.....
- \$1.51-\$2.00.....
- \$2.01-\$2.50.....
- More than \$2.50.....

12 / Have you recently invested in your building?

No   
 Yes  ----- Less than \$100,000   
 More than \$100,000

:: About Your Location ::

12 / How many years have you been at this location?

0-1  1-3  4-10  10+

13 / How many other locations do you have in San Francisco?

Outside of San Francisco? \_\_\_\_\_

What functions do they serve?

- Same.....
- Office.....
- Industrial/Storage.....
- Parking.....
- Other.....

14 / Which of the following are important for your business at its current location? (✓ all that apply)

- |  | Currently                | Not                      | Available                |
|--|--------------------------|--------------------------|--------------------------|
| Proximity to Customer Base.....        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Proximity to Local Suppliers.....      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Proximity to Similar Businesses.....   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Transportation.....                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Parking.....                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Safety.....                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Space.....                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Local Labor.....                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Affordable housing for employees ..... | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other: _____                           |                          |                          |                          |

15 / What are your business's transportation needs? (✓ all that apply)

- For your freight:**
- Truck routes.....
  - Parking.....
  - Freeway.....
  - Airport access.....
  - Port access.....
  - Downtown access.....
  - Other: \_\_\_\_\_
- For your employees:**
- Bart  Bus  Parking  Freeway
  - Other: \_\_\_\_\_

16 / Where are your suppliers located? (✓ one)

- Immediate Area  SF  Bay Area
- Other: \_\_\_\_\_

17 / Where are your customers located? (✓ one)

- Immediate Area  SF  Bay Area
- Other: \_\_\_\_\_

18 / What would be appropriate next door to your business? (✓ all that apply)

- Housing.....
- Retail.....
- Schools/Institutions.....
- Heavy Industrial.....
- Light Industrial.....
- Office Space.....
- Other.....

:: About Your Employees ::

19 / How many employees do you have? (✓ one)

- Less than 5.....  5-10.....  11-20...
- 21-50.....  50+.....

20 / What percent of your employees live in:

- The Immediate Area.....  %
- SF.....  %
- Bay Area.....  %
- Other.....  %

21 / What is the average hourly wage of non-managerial staff?

- \$6.75 or Less.....  \$6.76-\$10....  \$11-\$15.....
- \$16 - \$20.....  \$21 - \$25.....  \$26 + .....

22 / What is the average educational level attained by non-managerial staff?

- High School.....  Vocational Training.....
- 2-Year Degree.....  4-Year Degree.....
- Beyond College.....

23 / Additional Comments:

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES

# BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 26914 SAN FRANCISCO CA

POSTAGE WILL BE PAID BY ADDRESSEE

SAN FRANCISCO PLANNING DEPARTMENT  
1660 MISSION STREET, SUITE 500  
SAN FRANCISCO, CA 94103-9432



## Acknowledgements

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