



SAN FRANCISCO PLANNING DEPARTMENT

Letter of Determination

May 6, 2016

Steven L. Vettel
Farella, Braun & Martel, LLP
Russ Building
235 Montgomery Street
San Francisco, CA 94104

Name:	Center Hardware
Site Address:	3003 Third Street
Assessor's Block/Lot	4314 / 001A
Zoning District:	PDR-1-G (Production, Distribution & Repair – General)
Staff Contact:	Ming Yeung, (415) 575-9183 or ming.yeung@sfgov.org
Record No.:	2016-005205ZAD

Dear Mr. Vettel:

This letter is in response to your request for a Letter of Determination regarding the property at 3003 Third Street. The subject property is located in the PDR-1-G (Production, Distribution & Repair – General) Zoning District and 85-X Height and Bulk District. The request seeks a determination as to whether Center Hardware (which currently operates at 249 Pennsylvania Street/999 Mariposa Street, but proposes relocation to 3003 Third Street) is a Wholesale Sales use as defined in the Planning Code.

Background

As noted in your letter, Center Hardware has been located at 249 Pennsylvania Street/999 Mariposa Street for approximately 30 years. This site was rezoned from the M-1 Zoning District to UMU Zoning District under the Eastern Neighborhoods Plan. An application is currently pending with the Planning Department to redevelop this site as multi-family housing pursuant to the UMU Zoning District. Center Hardware's lease at 249 Pennsylvania/999 Mariposa Street is expiring and it wishes to stay in the Potrero Hill/Dogpatch neighborhood and relocate its business to 3003 Third Street, which is approximately one mile from its current location and located within the PDR-1-G Zoning District.

Your letter describes Center Hardware as follows:

A 135-year-old wholesale hardware sales operation with accessory retail sales and services. Approximately 95% of its business activity by volume is conducted via standing corporate accounts whereby sizeable orders are made by contractors and other industrial, municipal, and institutional customers. As such, Center Hardware carries many specialty

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and large industrial products for use by its larger business and institutional clients, products not found at typical retail hardware stores. The nature of the business dictates a wholesale environment with high ceilings in a warehouse setting so that bulky products are readily accessible for Center Hardware's core customers. These wholesale products are either delivered by Center Hardware's own fleet or picked up by business customers themselves.

According to your letter, Center Hardware does conduct a limited amount of walk-in retail business, but those retail sales constitute less than 5% of its sales volume and are accessory to its primary wholesale business.

Wholesale/Retail Sales

Per Planning Code Section 210.3, Wholesale Sales is a permitted use in the PDR-1-G district. Section 102 defines Wholesale Sales as "a non-retail sales and service use that exclusively provides goods or commodities for resale or business use, including accessory storage. It shall not include a non-accessory storage warehouse."

Retail Sales and Service is also a permitted principle use in the PDR-1-G district, however Planning Code Section 210.3 limits this use to 2,500 gross square feet per lot. That said, it should be noted that Planning Code Section 204.3(d) allows retail sales as an accessory use as follows:

No use shall be permitted as an accessory use to a lawful principal or conditional use in any PDR District which involves or requires the use of more than one-third (1/3) of the total floor area occupied by such use and the principal or conditional use to which it is accessory, except in the case of accessory retail and off-street parking and loading.

Per Planning Code Section 204, an accessory use is a related minor use that is either: a) necessary to the operations or enjoyment of a lawful principal or conditional use or b) appropriate, incidental, and subordinate to any such use.

Determination

Based upon the information provided in your request, it is my determination that Center Hardware currently operates as a Wholesale Sales use with accessory retail sales. The amount of retail sales (5%) versus corporate account sales (95%) is appropriate, incidental and subordinate to the wholesale use and may be allowed as an accessory use. As such, Center Hardware would be a permitted use at 3003 Third Street.

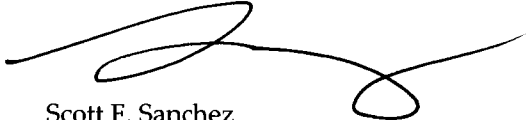
Please note that a Letter of Determination is a determination regarding the classification of uses and interpretation and applicability of the provisions of the Planning Code. This Letter of Determination is not a permit to commence any work or change occupancy. Permits from appropriate Departments must be secured before work is started or occupancy is changed.

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APPEAL: If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,



Scott F. Sanchez
Zoning Administrator

cc: Property Owner
Neighborhood Groups
Ming Yeung, Planner

April 12, 2016

R# 2016-005205 ZAD
CK # 6013 \$ 645 -
R. SUCRE (SE)

Scott Sanchez, Zoning Administrator
San Francisco Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Re: 3003 Third Street (PDR-1-G district)
Assessor's Block 4314, Lot 001A

Dear Mr. Sanchez:

I am writing on behalf of the William Spencer Company to request a Letter of Determination concerning the proposed relocation of Center Hardware from 249 Pennsylvania Street/999 Mariposa Street (Block 3999, Lots 11, 13 and 14) to 3003 Third Street (Block 4314, Lot 001A). Both properties are owned by the William Spencer Company. We seek your determination that Center Hardware is a "Wholesale Sales" use that is principally permitted in the PDR-1-G district and accordingly may relocate to 3003 Third Street.

Center Hardware has been located at 249 Pennsylvania/999 Mariposa Street for approximately 30 years. That site was rezoned from an M district to the UMU district in 2008; Center Hardware's lease is expiring; and an LPA application to redevelop the site as multi-family housing pursuant to the UMU zoning is pending (Case No. 2014.1279X). Center Hardware desires to stay in the Potrero Hill/Dogpatch neighborhood and relocate its business to 3003 Third Street (at 26th Street), approximately one mile from its current location. Community members have also expressed a strong desire that Center Hardware remain in the neighborhood. The subject space at 3003 Third Street is currently occupied by another Wholesale Sales business, Contractors Electrical Distributors, formerly known as City Electric Supply, which is voluntarily relocating to a larger facility.

Center Hardware. Center Hardware is a 135-year old wholesale hardware sales operation with accessory retail sales and services. Approximately 95% of its business activity by volume is conducted via standing corporate accounts whereby sizable orders are made by contractors and other industrial, municipal, and institutional customers. As such, Center Hardware carries many specialty and large industrial products for use by its larger business and institutional clients, products not found at typical retail hardware stores. The nature of the business dictates a wholesale environment with high ceilings in a warehouse setting so that bulky products are readily accessible for Center Hardware's core customers. These wholesale products are either delivered by Center Hardware's own fleet or picked up by business customers themselves. There are dozens of daily deliveries and pick-ups at 249 Pennsylvania/999

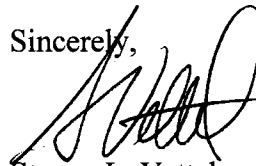
Mariposa, despite its lack of significant off-street parking and loading, a situation that will be remedied by the move to 3003 Third Street, which includes a large surface lot. The new site will make Center Hardware a more efficient and viable wholesale enterprise.

Center Hardware does conduct a limited amount of walk-in retail business as a convenience to Potrero Hill/Dogpatch neighbors, but those retail sales are relatively minor (less than 5% of its sales volume) and accessory to its primary wholesale business. For example, the business is closed on Sundays, unlike a typical retail hardware store. As a continued service to its neighbors, Center Hardware plans on retaining its limited retail operations at 3003 Third Street. Accessory back office administration space is also required on-site to manage Center Hardware's wholesale business, and the current on-site accessory office space will also relocate to 3003 Third Street.

Center Hardware's website documents this business model and includes exterior and interior photographs of its current location, clearly indicating it is primarily a wholesale operation, not a retail store. <http://www.centerhardware.com>.

Wholesale Sales with accessory retail services is a principally permitted use in the PDR-1-G District. Pursuant to Planning Code Section 210.3, Wholesale Sales is a permitted use in the PDR-1-G district. Section 204.3(b) also permits retail and other uses accessory to a permitted Wholesale Sales use in a PDR district, without a specified floor area percentage limitation.¹ Accordingly, Center Hardware is a principally permitted use at 3003 Third Street, including its primary wholesales sales and its accessory retail and administrative functions.

Attached is the Letter of Determination fee in the amount of \$645.

Sincerely,

Steven L. Vettel

cc: Claire Spencer
Zack Spencer
Keith Gentner, Center Hardware
Andrew Gregg

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¹ The 2,500 square foot limitation for retail uses in the PDR-1-G district applies to stand alone retailers, not to retail sales and services accessory to a principally permitted wholesale sales or other permitted PDR use.