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****PRESS RELEASE****

SAN FRANCISCO WELCOMES DOLBY LABORATORIES TO CENTRAL MARKET

The Office of Economic and Workforce Development Celebrates Central Market and Tenderloin Revitalization Efforts' Successes as Dolby Cuts Ribbon on 1275 Market Global Headquarters

San Francisco, CA—Today the City of San Francisco welcomed Dolby Laboratories to its new headquarters at 1275 Market. Mayor Lee and Dolby CEO Kevin Yeaman celebrated Dolby's 40-year commitment to San Francisco and its recent commitment to a public-private partnership to revitalize Central Market and the Tenderloin.

"The turnaround in Central Market in just four years is truly remarkable," said Mayor Ed Lee. "Dolby made the pivotal decision to put roots down in Central Market without the tax incentive, while also investing in our community, and this will further help Central Market and the Tenderloin become a diverse, mixed-income neighborhood that offers safety and well-being to all who live, work and visit here."

"What began as a public policy initiative to leverage private investment to turn this neighborhood around has now taken on a life of its own," said Todd Rufo, the Director of the Office of Economic and Workforce Development. "Together, with the Mayor's Central Market/Tenderloin Strategy, we have been able to accomplish more in four years than in the last forty years."

Its Central Market building, which Dolby purchased in 2012, is now home to 750 of Dolby's global workforce of 1,860 people and will forward the company's purpose of advancing the science of sight and sound to create and enable spectacular experiences. Dolby has used the opportunity of its Central Market location to undertake community improvement efforts, and in the past year alone has provided more than half a million dollars in grants and 2,000 hours of community service to San Francisco nonprofit organizations, including many in the Tenderloin. 1275 Market was not included in the Central Market/Tenderloin payroll tax exclusion program and Dolby chose to relocate without an incentive.

"San Francisco has been our home for more than four decades," said Kevin Yeaman, President and CEO, Dolby Laboratories. "When we decided to build a new, bigger headquarters to accommodate our growth, we took the opportunity to create a space that embodies who we are and what we do and empowers our staff to do their best work. We're proud to be a member of the San Francisco community

and a part of revitalizing Mid-Market. From this neighborhood, we plan to transform audio, video and voice experiences for the world."

For decades, Central Market suffered from some of the highest commercial and storefront vacancy rates in the City and stubbornly resisted attempts at revitalization. Today, Central Market is at the center of new job creation, housing production and the arts in San Francisco, bringing millions of dollars in new revenue to fund vital City services. The area is now home to 15 new arts venues, such as American Conservatory Theater's Strand Theater and the new CounterPulse theater opening on Turk Street next month. Ten of these arts organizations were relocated from at risk real estate to a new Central Market/Tenderloin location so they could secure a long-term home.

"I'm thrilled to welcome Dolby into the neighborhood and already impressed by their robust community engagement," said District 6 Supervisor Jane Kim. "Even before the move, Dolby reached out and committed to supporting the diverse communities of District 6, including bolstering one of our very first movie nights in Victoria Manalo Draves Park in the South of Market. Dolby's commitment is yet another example that the decades of disinvestment and abandonment in Central Market and the Tenderloin are over. We will not turn back the clock in our City's efforts to create a healthy, vibrant and economically diverse community in this neighborhood."

This public-private revitalization effort has been a nationally-recognized success, and the investment is bringing long-desired improvements to the Tenderloin.

To sustain this effort, the Mayor launched the Central Market/Tenderloin Strategy in June. The Strategy identifies nine "Action Zones" along Central Market, Sixth Street and throughout the Tenderloin and designates a set of near-term public and private activities to build a healthy and inclusive neighborhood that supports longtime residents, small businesses, nonprofits and arts organizations as the transformation of Central Market continues. The strategy establishes a partnership between city agencies and community partners, who will implement the Strategy and report on their efforts over the next three years. For information about the Central Market/Tenderloin Strategy, go to: investsf.org/neighborhoods/central-market.

Since 2011 new energy and investment has created a transformation along Central Market.

- *New Businesses:* 17 tech companies, 3 co work spaces, 2 VC's, 40 new storefront businesses, 15 new arts orgs. 10 of these were relocated to the neighborhood to acquire stable long-term real estate.
- *Retail Activity:* The Study Area realized \$40 million in additional taxable sales and saw a 17% increase in sales tax from 2010 to 2014.

This transformation in Central Market has outpaced growth observed across San Francisco.

- *Employment:* 12,000 new jobs (49,000 employees in 2011 to 61,000 in 2013). Employment growth in Central Market/Tenderloin remains more than double the City growth rates.
- *Tax Revenue:* The Controller's Office found that between 2010-2013 the City generated \$7.1 million more in payroll tax revenue in the Central Market area than it would have if the area had grown at the same rate as the rest of the City, reflecting a greater-than-average rate of business and job growth in the area.
- *Property Tax:* Property tax contributions have increased by 13 percent, compared to 9 percent for the City overall. Whereas in 2010 the property transfer tax in the neighborhood yielded \$20,000, since 2011 transfer tax has generated \$8.4 million in revenues for City services.

- *Office Vacancy:* From 2011 to 2013, vacancy dropped from 25% to 4%, compared to 16% to 8% citywide.

Central Market and the Tenderloin continue to grow AND to serve San Francisco's low-income community.

- *Housing Pipeline:*
 - 5,600 units are under construction or approved. This is approximately 20% of City's housing pipeline.
 - 20% of pipeline is permanently affordable, equating to 1,100 new affordable units.
- *Existing Housing:* 78% of housing affordable, compared to 55% city wide
 - 24% permanent, compared to 4% city wide
 - 54% rent stabilized
- *No Fault Evictions:* NO increase in no fault evictions in this area since 2011

At the same time, public investment in the neighborhood has increased in line with new revenue.

- \$7.8M invested in 18 arts venues since 2011
- \$8.5M Boeddeker Park renovation – completed December 2014
- \$2.5M McAllister Street streetscape improvement – completed June 2015
- \$4.25M pedestrian lighting project for the Tenderloin – to be completed 2017

And the six newly-arrived companies with community benefit agreements have made substantial philanthropic contributions to the neighborhood:

- Over 16,000 volunteer hours
- Over \$1.5 million in cash grants
- Nearly \$2 million in in kind donations
- Over \$2 million in local purchasing

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