

Last gasp of a landmark

1905 Grant Building in its final throes as a liberal legend

BY GEOFF LINK

THE Grant Building — 1095 Market St. at Seventh, built in 1905 — is among the oldest on this part of Market and has the most storied history. It's been a great office building for 105 years, but won't be after 2012.

A populist haven for decades, the eight-story Grant Building has been like a Civic Center annex, housing professionals, small businesses, city commissions and major nonprofits. An understated benefit of working here, all 140 offices in the building have windows; on the west side some open to a dramatic view of City Hall.

The Grant Building has withstood two Big Ones, and weathered the dot-com boom and bust. But it won't survive the central city's transformation to a tourist destination, which the new owners are betting \$25 million will be the neighborhood's next era.

The Grant Building is mostly vacant. Only two nonprofits — San Francisco Study Center and Community Housing Partnership — remain. New owners Peter and Simon Johnson are awaiting city permits to gut the building and turn it into a 94-room hotel with a basement nightclub, ground-floor bar and restaurant, and rooftop garden and bar.

When Study Center moved in, March 1972, Peter Doyle, grandson of our 25th mayor, James Phelan, managed the Grant Building. An imposing portrait of grandpa hung on the wall behind the personable Doyle's desk.

Joseph Grant built two other Grant buildings: the Adam Grant Building on Sansome Street and one in Oakland. In 1925, he sold 1095 Market to ex-Mayor Phelan's Improvement Co. Phelan had founded the Improvement Co. in 1907 principally to acquire land at Market and Grant to erect the Phelan Building.

As with most mid-Market properties, the Grant Building ownership was stable for decades at a time, in this case until the 1980s. Then it began to turn over — and over and over again.

Nate and Myra Berkowitz bought the Grant Building from the Phelan Trust in February 1989. "It was underwater," Nate Berkowitz recalls. The Berkowitzes managed the building fairly and flexibly, accommodating tenants with month-to-month leases that were little more than handshakes. This was the Grant Building's heyday as a bastion of the left, home to public servants and professionals who served the community.

A decade later, in March 1999, as the dot-com boom began its crescendo, the Berkowitzes sold the building for \$4.5 million to two partners who, five months later, flipped it to Seligman Western Enterprises, a Michigan company with several San Francisco holdings, doubling their money.

Seligman intended to gut the building and build floor upon floor of computer workstations. It would be a digital age replica of the sewing machine sweatshops at 1035 Market, another property Seligman bought at the same time and did rebuild.

But before Seligman could shoo the tenacious tenants out of the Grant Building — aided by Supervisor Daly, they put up a heckuva fight — the

bloated dot-com bubble burst and took the Midwesterners' speculative plans down with it.

Seligman got rid of a lot of tenants after a feisty battle that turned ugly. But Study Center stuck it out, never got involved in the name-calling, and, after Seligman watched its digital dream die, signed a five-year lease with a five-year option. And we exercised before the Johnsons stepped in from Down Under and took over the building. Immediately, they set about getting rid of tenants who didn't have binding long-term leases.

The Johnsons play hardball and make it difficult for the remaining nonprofits to serve their clients by requiring photo IDs for them to get upstairs to counselors. Signs are posted by the elevators warning those who enter the building of its potential collapse in the event another Big One hits. Certainly it's a prudent business move, though many clients see it as a scare tactic.

The Johnsons have been true to their word, and have honored the leases of the remaining nonprofits. They even helped lingering latter-day tenants Agape Foundation and Green Action, which held on until March, with their move while forgiving the remainder of their leases.

Now it's like sailing on a ghost ship, with just two floors of offices coming and going and the elevators not stopping on every floor, when both are working.

The Johnsons bought the Grant Building from Seligman in April 2008 for \$9 million, just what Seligman had paid in August 1999. They're eager to realize their dream. However, building permits must be approved and a time-consuming environmental impact report is required — that could take as long as our leases last. And after we're all gone, Simon Johnson expects construction to take 14 months while providing jobs to 320 people.

Berkowitz doesn't think a hotel is "the right thing." He says the Grant Building should remain offices. But the Johnsons believe "it's a great location" for a hostel hybrid, a mix of San Francisco boutique hotel and a happening hostel in Europe or Australia.

Simon Johnson, 31, is Grant Building manager and project manager of the makeover. He's been to culinary school, chafed around a bit, and will oversee the food, the bar and the rooms, one floor of which will be for women only. He's lived in San Francisco since 1984. His mother is on the board of Larkin Street Youth Services. And he believes Market Street will become a tourist magnet soon.

"The street has great potential," he says. "It's a fine street, not worse than any other in the city." Since buying the Grant Building, Johnson says, "I notice closures on Union and Chestnut streets

more than on Market." Noe Valley's bustling 24th Street, too, has been suffering.

He expects the hotel — with the Grant Building's rich liberal history, transit-heavy location, rockin' nightclub, full bars and comfort food bistro — will appeal to young global travelers. The kind who can afford to stay on the move and party wherever they stop.

Smack in the hip center of the city, the hotel is not going to be like others in San Francisco, Johnson says. He's hoping it will catch the neighborhood on the way up, and will be the right thing in the right place at the right time.

"It's like taking a lemon Starburst," he says, "and putting it with a cherry one, and getting an entirely new flavor." ■

Jonathan Newman contributed to the historical research in this story.



The Grant Building was left standing April 18, 1906, and swayed but didn't break on Oct. 17, 1989.



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Shih Yu-Lang Central YMCA
387 Golden Gate Avenue, San Francisco, California 94102
415.885.0460