

Dolby Laboratories moving head office to Mid-Market

Casey Newton

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VIEW: LARGER | HIDE

1 of 3

PREV

NEXT



Dolby Laboratories CEO Kevin Yeaman was instrumental in securing the 1275 Market Street property. Dolby Laboratories has purchased the Divco West building at 1275 Market Street in San Francisco, Calif. Photo: Brant Ward, The Chronicle / SF



Dolby Laboratories says it will move its headquarters to the Mid-Market neighborhood, continuing the transformation of a neighborhood that is becoming a new technology hub.

The audio technology provider said Tuesday that it plans to purchase the building at 1275 Market St. from DivcoWest. The purchase price is \$110 million.

The building, which sits a few hundred feet from the new Twitter headquarters near Ninth and Market streets, was formerly occupied by the [State Compensation Insurance Fund](#).

[DivcoWest and TMG Partners](#) acquired the 354,000-square-foot building from the fund in October for \$44 million, according to the [San Francisco Business Times](#).

Representatives said the new sale price reflects a retrofitting of the building that is under way.

Dolby, which has about 700 Bay Area employees working in three San Francisco offices, will consolidate most of its operations into the new headquarters, CEO [Kevin Yeaman](#) said. Its current headquarters at 100 Potrero Ave. will continue be used as an adjunct to the new headquarters, he said.

The company is making the move despite not receiving financial incentives from the city. Its new headquarters lies a bit outside of the Mid-Market area where companies are eligible for a temporary exemption from the city's payroll tax.

"We're actually excited to be a part of the Mid-Market area," Yeaman said. "There are a lot of exciting things going on there. It's an opportunity to get in on the ground floor of a very exciting neighborhood."

In addition to Twitter, technology companies that have moved into the area recently include Zendesk, Zoosk, One Kings Lane and CallSocket.

"They're going to be adding to our whole strategy around Market Street," Mayor [Ed Lee](#) said. "They're a good San Francisco company. They mean to grow here and be here for the long term."

The building will be renovated before employees start moving in, probably in the next year to 18 months, city officials said. Renovation plans are in the early design phase, Yeaman said.

Founded by [Ray Dolby](#) in Britain in 1965, the company moved to San Francisco in 1976. Its products include surround-sound systems and technology that encodes and compresses audio.

"We are excited about Dolby Laboratories' continuing and growing presence in the city and its contribution to revitalizing the Mid-Market area," Dolby said in a statement.

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