Executive Summary Large Project Authorization & Conditional Use Authorization

HEARING DATE: MAY 5, 2016

Date: April 28, 2016

Case No.: **2014-002024CUA/ENX**

Project Address: 701 3RD STREET

Zoning: MUO (Mixed-Use Office) Zoning District;

105-F Height and Bulk District

Block/Lot: 3794/006

Project Sponsor: Michael Stanton, Stanton Architecture

1501 Mariposa Street, Ste. 328

San Francisco, CA 94107

Staff Contact: Richard Sucre – (415) 575-9108

richard.sucre@sfgov.org

Recommendation: Approval with Conditions

PROJECT DESCRIPTION

The proposed project includes demolition of the existing one-story commercial building (measuring approximately 1,716 gross square feet; dba McDonald's) and new construction of a eleven-story tourist hotel (approximately 103,051 gross square feet; measuring 105-ft tall) with 230 guest rooms, approximately 2,000 gross square feet (gsf) of ground floor retail space, 15 below-grade off-street parking spaces, one below-grade off-street loading space, 8 Class 1 bicycle parking spaces, and 10 Class 2 bicycle parking spaces. The proposed project includes an at-grade landscaped court (measuring approximately 1,850 gsf), a terrace at the 9th floor, and a vegetated rooftop terrace. The project would also undertake streetscape improvements, including removal of all driveways, replacement/extension of the sidewalks and corner bulb-outs, relocation of the existing bus shelter, and installation of new street trees. The proposed project plans is designed to meet LEED Platinum standards.

SITE DESCRIPTION AND PRESENT USE

The proposed project (Project) is located on the southeast corner of 3rd and Townsend Streets on a rectangular corner lot (with a lot area of 13,750 square feet) with approximately 137.5-ft of frontage along 3rd Street and 100-ft of frontage along Townsend Street. Currently, the subject lot contains a one-story commercial building (dba McDonald's) measuring 1,716 square feet and a surface parking lot. The subject lot has large curb cuts along Townsend and 3rd Streets, which accommodate a fast-food drive-thru. Currently, a bus shelter is located along 3rd Street, close to the corner of Townsend Street.

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Planning Information: 415.558.6377 Executive Summary Hearing Date: May 5, 2016

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located within the MUO Zoning District in the East SoMa Area Plan. The immediate context is mixed in character with residential and commercial development along 3rd and Townsend Streets. The project site is approximately one block away from AT&T Park. The immediate neighborhood along Townsend Street includes larger-scale, seven-to-eleven-story residential properties on the south side of the block, and smaller-scale two-to-three-story commercial properties on the north side of the block. The project site is located outside and across from the South End Landmark District. Adjacent to the project site is an eleven-story residential condo on Townsend Street, and a two-story commercial building on 3rd Street. Other zoning districts in the vicinity of the project site include: SLI (Service/Light Industrial); M-2 (Heavy Manufacturing); SB-DTR (South Beach Downtown Residential); and, MB-RA (Mission Bay Redevelopment).

ENVIRONMENTAL REVIEW

Pursuant to the Guidelines of the State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), on April 26, 2016, the Planning Department of the City and County of San Francisco determined that the proposed application was exempt from further environmental review under Section 15183 of the CEQA Guidelines and California Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Area Plan Final EIR. Since the Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR.

AMENDED HEARING NOTIFICATION

ТҮРЕ	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	April 15, 2016	April 15, 2016	20 days
Posted Notice	20 days	April 15, 2016	April 15, 2016	20 days
Mailed Notice	20 days	April 15, 2016	April 15, 2016	20 days

The proposal requires a Section 312 Neighborhood notification, which was conducted in conjunction with the required hearing notification for the Large Project Authorization & Conditional Use Authorization.

PUBLIC COMMENT

As of April 28, 2016, the Department has several public correspondences regarding the proposed project. A few of the public correspondence has expressed support, while several of the public commenters have expressed opposition to the project. Copies of this correspondence have been included within the Commission packets.

Executive Summary Hearing Date: May 5, 2016

ISSUES AND OTHER CONSIDERATIONS

- Conditional Use Authorization: Per Planning Code Section 842.49, the Project requires Conditional Use Authorization from the Planning Commission to establish a tourist hotel within the MUO Zoning District. Additional findings and a market demand analysis for new tourist hotels are required per Planning Code Section 303(g). The Project Sponsor has provided a Market Demand Analysis, prepared by CBRE Hotels, San Francisco (March 9, 2016).
- Large Project Authorization & Exceptions: Since the Project would construct more than 25,000 gross square feet within an Eastern Neighborhoods Mixed-Use District, the Project requires a Large Project Authorization from the Planning Commission. As part of the Large Project Authorization (LPA), the Commission may grant exceptions from certain Planning Code requirements for projects that exhibit outstanding overall design and are complementary to the design and values of the surrounding area. The proposed project requests exceptions from: 1) permitted obstructions over the street (Planning Code Section 136); and, 2) street frontage (Planning Code Section 145.1). Department staff is generally in agreement with the proposed exceptions given the overall project and its design.
- East SoMa Area Plan: The proposed project is located within the East SoMa Area Plan, and is located outside of the boundaries of the Central SoMa Area Plan. The East SoMa Area Plan contains objectives and policies which encourage a mixed-use neighborhood. A new hotel with new ground floor retail in proximity to AT&T Park would assist in providing a diversity of uses within the neighborhood.
- Hotels: Currently, the surrounding neighborhood does not possess an over-concentration of hotels. Only two other hotels exist within the vicinity of the project site at 4th and Bryant and near Bryant and 2nd Street. The Project would provide a new tourist hotel, which has proximity to mass transit, The Embarcadero and AT&T Park, which are desirable tourist attractions
- <u>Priority Processing</u>: Per Planning Director Bulletin No. 2, the proposed project received priority
 processing as a project that would construct more than 10,000 square feet of non-residential space
 that will meet LEED Platinum Certification.
- <u>Development Impact Fees</u>: The Project would be subject to the following development impact fees, which are estimated as follows:

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Transportation Sustainability Fee (1,716 sq ft – Change in Use from Non-Residential to Non-Residential)	411 & 411A (@ \$0)	\$0
Transportation Sustainability Fee [EE filed on 01/29/15 = Use TIDF Rates, TSF Rules] (101,051 sq ft – New Visitor Services-Hotel)	411 & 411A (@ \$14.56)	\$1,475,303
Transportation Sustainability Fee [EE filed on 01/29/15 = Use TIDF Rates, TSF Rules] (284 sq ft – New Retail)	411 & 411A (@ \$15.32)	\$4,351

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Jobs-Housing Linkage Fee (103,051 sq ft – New Hotel)	413 (@ \$18.42)	\$1,898,199
Child-Care In-Lieu Fee (103,051 sq ft – New Hotel)	414 (@ \$1.27)	\$130,875
Eastern Neighborhoods Impact Fee (1,716 sq ft – Tier 1; Change in Use from Non- Residential to Non-Residential)	423 (@ \$0)	\$0
Eastern Neighborhoods Impact Fee (101,335 sq ft – Tier 1; New Non-Residential)	423 (@ \$7.65)	\$775,213
	TOTAL	\$4,283,941

Please note that these fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application, as based upon the annual updates managed by the Development Impact Fee Unit of the Department of Building Inspection.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorization, pursuant to Planning Code Sections 303 and 842.49, and a Large Project Authorization, pursuant to Planning Code Section 329, to allow the new construction of an eleven-story (105-feet tall) tourist hotel with approximately 116,274 gross square feet, 2,000 gross square feet of ground floor retail, 230 guest rooms, and 14 below-grade off-street parking spaces, and to allow modifications to the requirements for permitted obstructions over the street (Planning Code Section 136) and street frontage (Planning Code Section 145.1).

BASIS FOR RECOMMENDATION

The Department believes this project is approvable for the following reasons:

- The Project complies with the applicable requirements of the Planning Code.
- The Project is consistent with the objectives and policies of the General Plan.
- The Project produces a new mixed-use development with ground floor corner retail and significant site updates, including sidewalk widening, landscaping, site furnishings and a corner bulb-out, which support the pedestrian environment.
- The Project is consistent with and respects the varied neighborhood character, and provides an appropriate massing and scale for the adjacent contexts.
- The Project complies with the First Source Hiring Program.
- The Project adds a new 230-guest room tourist hotel to the City's hotel stock. New hotels are
 notable for the high number of new jobs that will be provided to the City, and for their
 contribution to the City's tourist industry.

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• The Project will fully utilize the Eastern Neighborhoods Area Plan controls, and will pay the appropriate development impact fees.

RECOMMENDATION: Approval with Conditions

Attachments:

Draft Motion-Large Project Authorization
Draft Motion-Conditional Use Authorization
Parcel Map
Sanborn Map
Aerial Photograph
Zoning Map
Height Map

Major Projects within .25 Radius

Project Sponsor Submittal

- Architectural Drawings
- Shadow Study
- Market Demand Analysis-Proposed Hyatt Place, San Francisco, California prepared by CBRE Hotels, March 9, 2016

First Source Hiring Affidavit Public Correspondence Community Plan Exemption

Attachment Checklist

X	Executive Summary		Project Sponsor Submittal:
X	Draft Motion		Drawings: Existing Conditions
X	Zoning District Map		Check for Legibility
X	Height & Bulk Map		Drawings: Proposed Project
X	Parcel Map		Check for Legibility
X	Sanborn Map		3-D Renderings:
X	Aerial Photo		(New Construction or Significant Addition)
X	Site Photos		Wireless Telecommunications Materials
X	Environmental Determination		Health Dept. Review of RF levels
			RF Report
			Community Meeting Notice
			Housing Documents
			Inclusionary Affordable Housing Program: Affidavit for Compliance
			Anti-Discriminatory Housing Affidavit
Exhibits above marked with an "X" are included in			d in this packet RS
			Planner's Initials

RS: G:|Documents|Large Project Authorization|2014-002024ENX 701 3rd St|ExecutiveSummary_701 3rd St.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

☐ Affordable Housing (Sec. 415)

☑ Jobs Housing Linkage Program (Sec. 413)

☐ Downtown Park Fee (Sec. 412)

☑ First Source Hiring (Admin. Code)

☑ Child Care Requirement (Sec. 414)

☑ Other (EN Impact Fees, Sec. 423)

☑ Other (TSF, Sec. 414A)

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Planning Commission Draft Motion

HEARING DATE: MAY 5, 2016

Case No.: 2014-002024ENX
Project Address: 701 3RD STREET

Zoning: MUO (Mixed-Use Office) Zoning District;

105-F Height and Bulk District

Block/Lot: 3794/006

Project Sponsor: Michael Stanton, Stanton Architecture

1501 Mariposa Street, Ste. 328 San Francisco, CA 94107

Staff Contact: Richard Sucre – (415) 575-9108

richard.sucre@sfgov.org

Recommendation: Approval with Conditions

ADOPTING FINDINGS RELATING TO A LARGE PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 329, TO ALLOW EXCEPTIONS TO 1) PERMITTED OBSTRUCTIONS OVER THE STREET PURSUANT TO PLANNING CODE SECTION 136, AND 2) STREET FRONTAGE PURSUANT TO PLANNING CODE SECTION 145.1, FOR THE CONSTRUCTION OF A NEW ELEVEN-STORY TOURIST HOTEL (APPROXIMATELY 103,051 GSF) WITH 230 GUEST ROOMS, 2,000 GSF OF GROUND FLOOR RETAIL USE, AND 15 BELOW-GRADE OFF-STREET PARKING SPACES LOCATED AT 701 3RD STREET, LOTS 006 IN ASSESSOR'S BLOCK 3794, WITHIN THE MUO (MIXED-USE OFFICE) ZONING DISTRICTS AND A 105-F HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On April 23, 2015, Michael Stanton of Stanton Architecture on behalf of Four One Five, LLC (Property Owner) (hereinafter "Project Sponsor") filed Application No. 2014-002024ENX (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Large Project Authorization to construct a new eleven-story tourist hotel with 230 guest rooms and 2,000 gross square feet of ground floor retail at 701 3rd Street (Block 3794 Lots 006) in San Francisco, California.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commissions review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project–specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off–site and cumulative impacts which were not discussed in the underlying EIR, or(d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On April 26, 2016, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2014-002024ENX at 1650 Mission Street, Fourth Floor, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

On May 5, 2016, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-002024ENX.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Large Project Authorization requested in Application No. 2014-002024ENX, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. The above recitals are accurate and constitute findings of this Commission.
- 2. **Site Description and Present Use.** The proposed project is located on the southeast corner of 3rd and Townsend Streets on a rectangular corner lot (with a lot area of 13,750 square feet) with approximately 137.5-ft of frontage along 3rd Street and 100-ft of frontage along Townsend Street. Currently, the subject lot contains a one-story commercial building (dba McDonald's) measuring 1,716 square feet and a surface parking lot. The subject lot has large curb cuts along Townsend and 3rd Streets, which accommodate a fast-food drive-thru. Currently, a bus shelter is located along 3rd Street, close to the corner of Townsend Street.
- 3. Surrounding Properties and Neighborhood. The project site is located within the MUO Zoning District in the East SoMa Area Plan. The immediate context is mixed in character with residential and commercial development along 3rd and Townsend Streets. The project site is approximately one block away from AT&T Park. The immediate neighborhood along Townsend Street includes larger-scale, seven-to-eleven-story residential properties on the south side of the block, and smaller-scale two-to-three-story commercial properties on the north side of the block. The project site is located outside and across from the South End Landmark District. Adjacent to the project site is an eleven-story residential condo on Townsend Street, and a two-story commercial building on 3rd Street. Other zoning districts in the vicinity of the project site include: SLI (Service/Light Industrial); M-2 (Heavy Manufacturing); SB-DTR (South Beach Downtown Residential); and, MB-RA (Mission Bay Redevelopment).

- 4. **Project Description.** The proposed project includes demolition of the existing one-story commercial building (measuring approximately 1,716 gross square feet; dba McDonald's) and new construction of an eleven-story tourist hotel (approximately 103,051 gross square feet; measuring 105-ft tall) with 230 guest rooms, approximately 2,000 gross square feet (gsf) of ground floor retail space, 15 below-grade off-street parking spaces, one below-grade off-street loading space, 8 Class 1 bicycle parking spaces, and 10 Class 2 bicycle parking spaces. The proposed project includes an at-grade landscaped court (measuring approximately 1,850 gsf), a terrace at the 9th floor, and a vegetated rooftop terrace. The project would also undertake streetscape improvements, including removal of all driveways, replacement/extension of the sidewalks and corner bulb-outs, relocation of the existing bus shelter, and installation of new street trees. The proposed project plans is designed to meet LEED Platinum standards.
- 5. **Public Comment**. The Department has several public correspondences regarding the proposed project. A few of the public correspondence has expressed support, while several of the public commenters have expressed opposition to the project.
- 6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Permitted Uses in MUO Zoning District.** Per Planning Code Section 842.49, Conditional Use Authorization is required to establish a tourist hotel within the MUO Zoning District.

The Project has applied for Conditional Use Authorization to establish a new tourist hotel in the MUO Zoning District (See Case No. 2014-002024CUA).

B. **Useable Open Space for Non-Residential Uses.** Per Planning Code Section 135.3, new retail use (inclusive of a hotel use) is required to provide 1 square foot of usable open space per 250 square feet of occupied floor area within the MUO Zoning District. Therefore, the project is required to provide 412 square feet of useable open space

The Project provides ample code-complying useable open space through an at-grade landscape court measuring 1,850 square feet, a terrace on the 9th floor (734 square feet), and a rooftop terrace (2,224 square feet). Therefore, the Project complies with Planning Code Section 135.3.

C. **Permitted Obstructions**. Planning Code Section 136 outlines the requirements for features, which may be permitted over street, alleys, setbacks, yards or useable open space.

Currently, the Project includes bay windows, which project over the street that are approximately 12-ft 11-in wide and project approximately 3-ft over the property line. These bay windows do not conform to the requirements outlined within the Planning Code; therefore, the Project is seeking an exception to the bay window requirements of Planning Code 136.

D. **Bird Safety.** Planning Code Section 139 outlines the standards for bird-safe buildings, including the requirements for location-related and feature-related hazards.

The subject lot is not located in close proximity to an Urban Bird Refuge. The Project meets the requirements of feature-related standards and does not include any unbroken glazed segments 24-sq ft and larger in size; therefore, the Project complies with Planning Code Section 139.

E. Street Frontage in Mixed Use Districts. Planning Code Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor; that no more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new structure parallel to and facing a street shall be devoted to parking and loading ingress or egress; that space for active uses be provided within the first 25 feet of building depth on the ground floor; that non-residential uses have a minimum floor-to-floor height of 14 feet; that the floors of street-fronting interior spaces housing non-residential active uses and lobbies be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces; and that frontages with active uses that are not residential or PDR be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level.

The Project meets most of the requirements of Planning Code Section 145.1. Off-street parking is located below grade. The Project has only one 14-ft wide garage entrance to the below-grade off-street parking located along 3rd Street. The Project has a ground floor with a 14-ft 8-in floor to floor height. In addition, the Project features appropriate street-facing ground level spaces, as well as the ground level transparency and fenestration requirements.

The Project does not meet the requirements for active use along the ground floor of 3^{rd} Street. Per Planning Code Section 145.1(b)(2)(C), building lobbies are only considered active uses as long as they do not exceed 40-feet. Currently, the Project includes a hotel lobby, which measures 74-ft 3-in along 3^{rd} Street. Therefore, the Project is seeking an exception to the street frontage requirements of Planning Code 145.1.

F. **Off-Street Parking**. In the MUO Zoning District, Planning Code Section 151.1 principally permits one parking space for each 16 guest bedrooms, plus one for the manager's dwelling unit. Since the Project includes 230 guest rooms, the Project is limited to 15 off-street parking spaces.

Currently, the Project provides 15 below-grade off-street parking spaces; therefore, the Project complies with Planning Code Section 151.1.

G. Off-Street Freight Loading. Planning Code Section 152.1 of the Planning Code requires one off-street freight loading space for hotel use between 100,001 and 200,000 gsf.

Currently, the Project provides one below-grade off-street loading space; therefore, the Project complies with Planning Code Section 152.1.

H. **Bicycle Parking.** Planning Code Section 155.2 requires one Class 1 bicycle parking spaces for every 30 rooms and one Class 2 bicycle parking space for every 30 room. Since the Project includes 230 guest rooms, the Project is required to provide 8 Class 1 bicycle parking spaces and 8 Class 2 bicycle parking spaces.

The Project will provide 8 Class 1 bicycle parking spaces and 8 Class 2 bicycle parking spaces; therefore, the Project complies with Planning Code Section 155.2.

I. Shadow. Planning Code Section 295 restricts net new shadow, cast by structures exceeding a height of 40 feet, upon property under the jurisdiction of the Recreation and Park Commission. Any project in excess of 40 feet in height and found to cast net new shadow must be found by the Planning Commission, with comment from the General Manager of the Recreation and Parks Department, in consultation with the Recreation and Park Commission, to have no adverse impact upon the property under the jurisdiction of the Recreation and Park Commission.

Based upon a detailed shadow analysis, the Project does not cast any net new shadow upon property under the jurisdiction of the Recreation and Parks Commission.

J. **Transportation Sustainability Fee.** Planning Code Section 411A is applicable to new construction of retail and hotel uses over 800 square feet.

The Project includes 2,000 sq ft of new retail use and 101,051 sq ft of new hotel use. However, the existing site contains approximately 1,716 sq ft of existing commercial use. Therefore, the Project will receive a prior use credit, as outlined in Planning Code Section 411.3(d). The remaining square footage shall be subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A.

K. **Jobs-Housing Linkage Program.** Planning Code Section 413 applies the Jobs-Housing Linkage Fee to any project that increases by at least 25,000 gross square feet the total amount of any combination of entertainment use, hotel use, Integrated PDR use, office, research and development use, retail use, and/or Small Enterprise Workspace use.

The Project includes 2,000 sq ft of new retail use and 101,051 sq ft of new hotel use and is subject to the Jobs-Housing Linkage Program, as outlined in Planning Code Section 413. The Project Sponsor may elect between the Housing Requirement option, the Payment to Housing Developer option, the In-Lieu Fee Payment option or compliance by combination payment to Housing Developer and payment of In-Lieu Fee at the time of building permit issuance.

L. Child Care Requirements for Hotel Development Projects. Planning Code Section 414 applies the Child Care Requirements for Hotel Development Projects Requirement to any project that increases by at least 50,000 gross square feet the total amount of office space.

The proposed project includes 103,051 sq ft of hotel use and is subject to the Child Care Requirements for Office Development Projects Requirement. Prior to issuance of the first construction document, the Project Sponsor will elect between compliance by providing an on-site child-care facility, compliance in conjunction with the sponsors of other development projects to provide an on-site child care facility at another project, compliance in conjunction with the sponsors of other development projects to provide a child-care facility within one mile of the development projects, compliance by payment of an in-lieu fee, compliance by combining payment of an in-lieu fee with construction of a child care facility or compliance by entering into an arrangement with a non-profit organization.

M. **Eastern Neighborhood Infrastructure Impact Fees**. Planning Code Section 423 is applicable to any development project within the UMU (Urban Mixed-Use) Zoning District that results in the addition of gross square feet of non-residential space.

The Project includes approximately 2,000 sq ft of new retail use and 101,051 sq ft of new hotel use. The Project will receive a prior use credit for the 1,718 sq ft of existing commercial use. The remaining square footage consisting of 101,335 square feet of new non-residential use shall be subject to the Eastern Neighborhoods Infrastructure Impact Fee, as outlined in Planning Code Section 423. These fees must be paid prior to the issuance of the building permit application.

- 7. Large Project Authorization in Eastern Neighborhoods Mixed Use District. Planning Code Section 329(c) lists nine aspects of design review in which a project must comply; the Planning Commission finds that the project is compliant with these nine aspects as follows:
 - A. Overall building mass and scale.

The Project divides the massing into two distinct elements, a larger-scale eleven-story mass rendered in brick and a glass curtain wall, and a smaller, eight-story mass covered in a fiber cement panel rainscreen system. These two masses address the two street frontages and bulk requirements. Along Townsend Street, the mass and form are appropriate for a large corner lot given the surrounding context, which includes larger-scale eight to eleven-story residential buildings that create a tall street wall. Along 3rd Street, the Project appropriately transitions down to the existing two-story commercial buildings. The change in material palette on the exterior assists in breaking down the scale of the two masses, and provides variety in the building design. The overall building mass and scale are appropriate for the surrounding context, and assist in appropriately anchoring the corner.

B. Architectural treatments, facade design and building materials:

The Project's architectural treatments, façade design and building materials include a brick veneer rainscreen with recessed metal windows, an aluminum storefront with prefinished horizontal aluminum mullions, and two shades of an Equitone fiber cement panel rainscreen system. The Project provides for a unique and contemporary expression along the street, which relates to the larger area's industrial heritage. At the corner, the building features a thin veneer of brick with punched openings, which contrast with the glazed, aluminum curtain wall system. Along 3rd Street, the building transitions into a new material palette, which provides for a simple, yet contemporary, architectural

treatment. Overall, the Project offers a high quality architectural treatment, which provides for unique and expressive architectural design that is consistent and compatible with the surrounding neighborhood.

C. The design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and the design and siting of rear yards, parking and loading access;

The Project has an L-shaped floor plan, which allows for an at-grade landscaped courtyard. At the ground floor, the Project provides retail space along Townsend Street and the hotel lobby along 3rd Street. The main entry to the hotel lobby is setback from the sidewalk and is demarcated by an architectural surround. The Project minimizes the impact to pedestrian by providing one garage entrance measuring 14-ft, which is located off of 3rd Street. This garage contains the 15 off-street parking spaces and the one loading space.

D. The provision of required open space, both on- and off-site. In the case of off-site publicly accessible open space, the design, location, access, size, and equivalence in quality with that otherwise required on-site;

In total, the Project provides the required open space through an at-grade landscaped court, a terrace on the 9th floor, and a rooftop terrace. Overall, the Project exceeds the required amount of open space. The on-site open space will serve the patrons of the hotel and provide a necessary amenity.

E. The provision of mid-block alleys and pathways on frontages between 200 and 300 linear feet per the criteria of Section 270, and the design of mid-block alleys and pathways as required by and pursuant to the criteria set forth in Section 270.2;

The mid-block alley requirements are not applicable to the Project.

F. Streetscape and other public improvements, including tree planting, street furniture, and lighting.

The Project would also undertake streetscape improvements, including removal of all driveways, replacement/extension of the sidewalks and corner bulb-outs, relocation of the existing bus shelter, and installation of new street trees. The Department finds that these improvements would improve the public realm.

G. Circulation, including streets, alleys and mid-block pedestrian pathways;

The Project provides ample circulation in and around the project site through the sidewalk improvement. The Project provides new retail along Townsend Street, while the main entry to the hotel would occur on 3rd Street. Automobile access is limited to the one entry/exit on 3rd Street.

H. Bulk limits;

The Project is located within the F-Bulk District, which limits bulk above 80-ft to a maximum plan length of 110-ft and a maximum plan diagonal dimension of 140-ft.

I. Other changes necessary to bring a project into conformance with any relevant design guidelines, Area Plan or Element of the General Plan;

The Project, on balance, meets the Objectives and Policies of the General Plan. See Below.

- 8. **Large Project Authorization Exceptions**. Proposed Planning Code Section 329 allows exceptions for Large Projects in the Eastern Neighborhoods Mixed Use Districts:
 - A. Where not specified elsewhere in Planning Code Section 329(d), modification of other Code requirements which could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located;

The Project is seeking modifications of the requirements for permitted obstructions over the street, (Planning Code Section 136) and street frontage (Planning Code Section 145).

Under Planning Code Section 136, rectangular bay windows are limited to 9-ft wide, and 3-ft deep over a street, alley or setback. The Project proposes bay windows over the street, which exceeds the dimensions and spacing outlined within Planning Code Section 136. Given the overall design and composition, the Commission finds this modification is warranted, due to the project's quality of design, use and material palette, which is a strong urban design element that relates to the area's industrial heritage.

Under Planning Code Section 145.1, building lobbies are limited to 40-ft wide, in order to meet the active use requirements along streets within the MUO Zoning District. The Project does not meet the requirements for active use along the ground floor of 3rd Street, since the hotel lobby measures 74-ft 3-in wide. Given the importance of an entry lobby to a tourist hotel and the overall architectural design, the Commission finds this modification is warranted. The Project Sponsor has organized the interior layout to maximize internal activity and provide for a street-facing use, which complements the pedestrian realm.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that has substantial undesirable consequences that cannot be mitigated.

Policy 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The proposed hotel development will provide net benefits to the City and the community in the form of new hotel space located within a zoning district that permits large tourist hotels as a conditional use. The nature of the hotel use has few physical consequences that are undesirable and the standard Conditions of Approval (Exhibit A) will help ensure that the operations will not generate any unforeseen problems.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.3:

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed hotel development will help attract new commercial activity to San Francisco as it provides a new hotel use in proximity to prominent tourist attractions. It also contributes to San Francisco's attractiveness as a firm location as it is within short walking distance of The Embarcadero, South Park, the amenities encircling South Park and the emerging 3rd Street Corridor near AT&T Park.

OBJECTIVE 3:

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Hotels are recognized as a sector within the local economy which typically hire numbers of unskilled or non-technically trained persons. The Project provides a new hotel, which increases the opportunity for new jobs associated with a large and diverse population.

OBJECTIVE 8:

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

Policy 8.1

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities

Hotels contribute to San Francisco's tourist and visitor trade economy. San Francisco's attractiveness to the visitor is enhanced by its compact, urban form which allows the visitor to move easily from hotel accommodations and restaurants to convention facilities, sightseeing interest, business appointments, and entertainment. The Project provides a new hotel in close proximity to prominent attractions without major impact to surrounding residential, commercial and industrial uses.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 28:

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:

Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:

Provide parking facilities which are safe, secure, and convenient.

The Project includes the required bicycle parking spaces in a secure, convenient location at the ground floor.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Overall, the Project complements the existing character of the surrounding area, since the Project would provide a new eleven-story tourist hotel on a block which is currently characterized by taller residential buildings.

EAST SOMA PLAN AREA

LAND USE

Objectives and Policies

OBJECTIVE 1.1:

ENCOURAGE PRODUCTION OF HOUSING AND OTHER MIXED-USE DEVELOPMENT IN EAST SOMA WHILE MAINTAINING ITS EXISTING SPECIAL MIXED-USE CHARACTER.

Policy 1.1.8:

Permit small and moderate size retail establishments in mixed use areas of East SoMa, but permit larger retail only as part of a mixed-use development.

BUILT FORM

Objectives and Policies

OBJECTIVE 3.1:

PROMOTE AN URBAN FORM THAT REINFORCES EAST SOMA'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

Policy 3.1.1:

Adopt heights that are appropriate for SoMa's location in the city, the prevailing street and block pattern, and the anticipated land uses, while preserving the character of its neighborhood enclaves.

OBJECTIVE 3.2:

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.4:

Strengthen the relationship between a building and its fronting sidewalk.

OBJECTIVE 5.2:

ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE

Policy 5.2.2:

Strengthen requirements for commercial development to provide on-site open space

The Project is consistent with the policies and objectives of the East SoMa Area Plan, and would establish new hotel development that provides for active engagement with the street, improves the pedestrian network surrounding the project site, and adds new on-site open space for visitors. The Project will contribute to the economic diversity and mixed-use character of the neighborhood.

- 9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

Currently, the project site does not contain any existing neighborhood-serving uses. The existing commercial use is a fast-food restaurant and is not considered to be a neighborhood-serving business. The Project improves the urban form of the neighborhood by constructing new ground floor retail and a large-scale tourist hotel. The new hotel and associated ground floor retail will provide goods and services to area workers, residents and visitors. The Project would add new residents, visitors, and employees to the neighborhood, which would assist in strengthening nearby retail uses.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

No housing exists on the project site. The Project is expressive in design, and relates to the scale and form of the surrounding neighborhood as evidenced by the larger-scale nearby residential properties. The Project provides a much-needed use to the City, which will contributes to the City's tourist economy. For these reasons, the Project would protect and preserve the cultural and economic diversity of the neighborhood.

C. That the City's supply of affordable housing be preserved and enhanced.

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will pay the appropriate fees associated with the Jobs-Housing Linkage Fee (Planning Code Section 413).

D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The project site is served by several nearby public transportation options. Future visitors would be afforded close proximity to bus and train. The Project is located within a quarter mile of a muni transit stop and several muni bus routes, including the 10, J, N, and T. The Project also provides off-street parking at the principally permitted amounts and sufficient bicycle parking for guests.

E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project does not include commercial office development and does not displace the City's industrial and services sectors. The Project would construct a new service sector use (hotel), which will provide new employment opportunities.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

Currently, the project site does not contain any City Landmarks or historic buildings.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will not affect the City's parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

9. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

11. The Commission hereby finds that approval of the Large Project Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Large Project Authorization Application No. 2014-002024ENX** under Planning Code Section 329 to allow the new construction of a eleven-story tourist hotel with 230 guest rooms and 2,000 gsf of ground floor retail use, and a modification to the requirements for 1) permitted obstructions over the street (Planning Code Section 136) and 2) street frontage (Planning Code Section 145.1), within the MUO (Mixed-Use Office) Zoning District and a 105-F Height and Bulk District. The project is subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 27, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 329 Large Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on May 5, 2016.

Jonas P. Ionin Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: May 5, 2016

EXHIBIT A

AUTHORIZATION

This authorization is for a Large Project Authorization to allow for the new construction of a eleven-story mixed-use building with 230 guest rooms and 2,000 gsf of retail use, and a modification to the requirements for permitted obstructions over the street and street frontage, located at 701 3rd Street, Lot 006 in Assessor's Block 3794 pursuant to Planning Code Section 329 within the MUO (Mixed-Use Office) Zoning District, and a 105-F Height and Bulk District; in general conformance with plans, dated April 27, 2016, and stamped "EXHIBIT B" included in the docket for Case No. 2014-002024ENX and subject to conditions of approval reviewed and approved by the Commission on May 5, 2016 under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on May 5, 2016 under Motion No. **XXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXX** shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Development Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Diligent Pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Additional Project Authorization. The Project Sponsor must obtain a Conditional Use Authorization under Planning Code Sections 303 and 842.49 to establish a new tourist hotel in the MUO Zoning District,

and satisfy all the conditions thereof. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Mitigation Measures. Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014-002024ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

DESIGN - COMPLIANCE AT PLAN STAGE

Final Materials. The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Garbage, Composting and Recycling Storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Transformer Vault. The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

- 1. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- 2. On-site, in a driveway, underground;
- 3. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way:
- 4. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- 5. Public right-of-way, underground; and based on Better Streets Plan guidelines;
- 6. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- 7. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org

Rooftop Mechanical Equipment. Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application for each building. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Lighting Plan. The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

PARKING AND TRAFFIC

Parking Maximum. Pursuant to Planning Code Section 151.1, the Project shall provide no more than 15 off-street parking spaces for the 230 guest rooms and manager's office.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Bicycle Parking. Pursuant to Planning Code Sections 155.1 and 155.2, the Project shall provide no fewer than 8 Class 1 bicycle parking spaces and 8 Class 2 bicycle parking spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Off-Street Loading. Pursuant to Planning Code Section 152, the Project will provide one off-street loading spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Managing Traffic During Construction. The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

PROVISIONS

First Source Hiring. The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

Transportation Sustainability Fee. Pursuant to Planning Code Section 411A, the Project Sponsor shall pay the Transportation Sustainability Fee (TSF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Jobs Housing Linkage. Pursuant to Planning Code Section 413, the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Childcare Requirements for Office and Hotel Development Projects. Pursuant to Section 414, the Project Sponsor shall pay the in-lieu fee as required. The net addition of gross floor area subject to the fee shall be determined based on drawings submitted with the Building Permit Application.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Eastern Neighborhoods Infrastructure Impact Fee. Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Art. Pursuant to Planning Code Section 429, the Project shall include work(s) of art valued at an amount equal to one percent of the hard construction costs for the Project as determined by the Director of the Department of Building Inspection. The Project Sponsor shall provide to the Director necessary information to make the determination of construction cost hereunder.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Art Plaques. Pursuant to Planning Code Section 429(b), the Project Sponsor shall provide a plaque or cornerstone identifying the architect, the artwork creator and the Project completion date in a publicly

conspicuous location on the Project Site. The design and content of the plaque shall be approved by Department staff prior to its installation.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Art. Pursuant to Planning Code Section 429, the Project Sponsor and the Project artist shall consult with the Planning Department during design development regarding the height, size, and final type of the art. The final art concept shall be submitted for review for consistency with this Motion by, and shall be satisfactory to, the Director of the Planning Department in consultation with the Commission. The Project Sponsor and the Director shall report to the Commission on the progress of the development and design of the art concept prior to the submittal of the first building or site permit application

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

Art. Pursuant to Planning Code Section 429, prior to issuance of any certificate of occupancy, the Project Sponsor shall install the public art generally as described in this Motion and make it available to the public. If the Zoning Administrator concludes that it is not feasible to install the work(s) of art within the time herein specified and the Project Sponsor provides adequate assurances that such works will be installed in a timely manner, the Zoning Administrator may extend the time for installation for a period of not more than twelve (12) months.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

MONITORING

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Revocation Due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Priority Processing. The Project Sponsor shall, within six months of a first Certificate of Occupancy, provide the Zoning Administrator verification that the project has achieved a Gold Rating plus fifteen

percent using the LEED Building Rating System® adopted under the Leadership in Energy and Environmental Design program of the U.S. Green Building Council (or that achieve equivalent high sustainability standards under other "green building" rating systems approved by the Director), as approved by the Director of the Department of Building Inspection. Failure to achieve sustainability standards will result in a hearing before the Planning Commission to assess offsets that will ameliorate the sustainability shortfalls caused by noncompliance with this condition.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, <u>www.sf-planning.org</u>

OPERATION

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, http://sfdpw.org

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, http://sfdpw.org

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Noise Control. The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

For information about compliance with the fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

For information about compliance with the construction noise, contact the Department of Building Inspection, 415-558-6570, <u>www.sfdbi.org</u>

For information about compliance with the amplified sound including music and television contact the Police Department at 415-553-0123, <u>www.sf-police.org</u>

Lighting. All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

☐ Affordable Housing (Sec. 415)

☑ Jobs Housing Linkage Program (Sec. 413)

☐ Downtown Park Fee (Sec. 412)

☑ First Source Hiring (Admin. Code)

☑ Child Care Requirement (Sec. 414)

☑ Other (EN Impact Fees, Sec. 423)

☑ Other (TSF, Sec. 414A)

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

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Planning Commission Draft Motion

HEARING DATE: MAY 5, 2016

Case No.: 2014-002024CUA
Project Address: 701 3RD STREET

Zoning: MUO (Mixed-Use Office) Zoning District;

105-F Height and Bulk District

Block/Lot: 3794/006

Project Sponsor: Michael Stanton, Stanton Architecture

1501 Mariposa Street, Ste. 328

San Francisco, CA 94107

Staff Contact: Richard Sucre – (415) 575-9108

richard.sucre@sfgov.org

Recommendation: Approval with Conditions

ADOPTING FINDINGS RELATED TO THE APPROVAL OF A CONDITIONAL USE AUTHORIZATION TO ESTABLISH A TOURIST HOTEL IN A HEIGHT DISTRICT THAT IS 105-FT AND ABOVE, PURSUANT TO SECTIONS 303 AND 842.49 OF THE PLANNING CODE, FOR PROPOSAL TO CONSTRUCT A NEW ELEVEN-STORY (105-FT TALL), TOURIST HOTEL WITH 230 GUEST ROOMS, 2,000 SQUARE FEET OF GROUND FLOOR RETAIL USE, AND 15 OFF-STREET PARKING SPACES, LOCATED AT 701 3RD STREET, LOT 006 IN ASSESSOR'S BLOCK 3794, WITHIN THE MIXED-USE OFFICE (MUO) ZONING DISTRICT AND A 105-F HEIGHT AND BULK DISTRICT, AND TO ADOPT FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On November 23, 2015, Michael Stanton of Stanton Architecture on behalf of Four One Five, LLC (Property Owner) (hereinafter "Project Sponsor") filed Application No. 2014-002024CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for Conditional Use Authorization to establish a tourist hotel with 230 guest rooms and 2,000 gross square feet of ground floor retail at 701 3rd Street (Block 3794 Lots 006) in San Francisco, California.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report

(hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commissions review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project–specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off–site and cumulative impacts which were not discussed in the underlying EIR, or(d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On April 26, 2016, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2014-002024CUA at 1650 Mission Street, Fourth Floor, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable

to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

On May 5, 2016, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-002024CUA.

On May 5, 2016, the Commission adopted Motion No. XXXXX, approving a Large Project Authorization for the Proposed Project (Large Project Authorization Application No. 2014-002024ENX). Findings contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use Authorization requested in Application No. 2014-002024CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. The above recitals are accurate and constitute findings of this Commission.
- 2. **Site Description and Present Use.** The proposed project is located on the southeast corner of 3rd and Townsend Streets on a rectangular corner lot (with a lot area of 13,750 square feet) with approximately 137.5-ft of frontage along 3rd Street and 100-ft of frontage along Townsend Street. Currently, the subject lot contains a one-story commercial building (dba McDonald's) measuring 1,716 square feet and a surface parking lot. The subject lot has large curb cuts along Townsend and 3rd Streets, which accommodate a fast-food drive-thru. Currently, a bus shelter is located along 3rd Street, close to the corner of Townsend Street.
- 3. Surrounding Properties and Neighborhood. The project site is located within the MUO Zoning District in the East SoMa Area Plan. The immediate context is mixed in character with residential and commercial development along 3rd and Townsend Streets. The project site is approximately one block away from AT&T Park. The immediate neighborhood along Townsend Street includes larger-scale, seven-to-eleven-story residential properties on the south side of the block, and smaller-scale two-to-three-story commercial properties on the north side of the block. The project site is located outside and across from the South End Landmark District. Adjacent to the project site is an eleven-story residential condo on Townsend Street, and a two-story commercial building on 3rd Street. Other zoning districts in the vicinity of the project site include: SLI (Service/Light Industrial); M-2 (Heavy Manufacturing); SB-DTR (South Beach Downtown Residential); and, MB-RA (Mission Bay Redevelopment).

- 4. **Project Description.** The proposed project includes demolition of the existing one-story commercial building (measuring approximately 1,716 gross square feet; dba McDonald's) and new construction of an eleven-story tourist hotel (approximately 103,051 gross square feet; measuring 105-ft tall) with 230 guest rooms, approximately 2,000 gross square feet (gsf) of ground floor retail space, 15 below-grade off-street parking spaces, one below-grade off-street loading space, 8 Class 1 bicycle parking spaces, and 10 Class 2 bicycle parking spaces. The proposed project includes an at-grade landscaped court (measuring approximately 1,850 gsf), a terrace at the 9th floor, and a vegetated rooftop terrace. The project would also undertake streetscape improvements, including removal of all driveways, replacement/extension of the sidewalks and corner bulb-outs, relocation of the existing bus shelter, and installation of new street trees. The proposed project plans is designed to meet LEED Platinum standards.
- 5. **Public Comment**. The Department has several public correspondences regarding the proposed project. A few of the public correspondence has expressed support, while several of the public commenters have expressed opposition to the project.
- 6. **Planning Code Compliance.** The Planning Code Compliance Findings set forth in Motion No. XXXXX, Case No. 2014-002024ENX (Large Project Authorization, pursuant to Planning Code Section 329) apply to this Motion, and are incorporated herein as though fully set forth.
- 7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:
 - 1. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project provides a new tourist hotel with 230 guest rooms and 2,000 square feet of ground floor retail within an area that is mixed in character and development. This new development appropriately responds to the large-scale character along Townsend Street and the retail uses along 3rd Street. Further, the Project supports the City's tourist economy by providing new guest rooms in an area that is well-served by public transit and located in close proximity to prominent San Francisco destinations, including AT&T Park and The Embarcadero. Therefore, the Project is considered to be necessary and desirable with the surrounding neighborhood and larger City.

A. The intensity of activity in the district is not such that allowing the larger use will be likely to foreclose the location of other needed neighborhood-servicing uses in the area; and

The Project does not foreclose the location of other needed neighborhood serving uses. Currently, the project site is occupied by a fast food restaurant, which is not considered to be a neighborhood-serving use. The Project would establish a new tourist hotel and ground floor retail uses. The ground floor provides the opportunity for new retail use,

which contributes to the varied character and economic diversity of the surrounding neighborhood.

B. The proposed use will serve the neighborhood, in whole or in significant part, and the nature of the use requires a larger size in order to function; and

Although the proposed tourist hotel use is not considered to be neighborhood-serving use, the Project, as a whole, contributes to the tourist economy of the larger City by providing new temporary housing opportunity for visitors. Overall, hotels uses are desirable for the City's larger economy. Currently, there are no other hotels within close proximity to the project site. As noted in the Project Sponsor's Market Demand Analysis, San Francisco currently has a high occupancy rate (84.3% for 2015) for hotels. The larger size is necessary to accommodate the increased demand for new hotels within San Francisco.

C. The building in which the use is to be located is designed in discrete elements which respect the scale of development in the district; and

The Project divides the massing into two distinct elements, a larger-scale eleven-story mass rendered in brick and a glass curtain wall, and a smaller, eight-story mass covered in a fiber cement panel rainscreen system. These two masses address the two street frontages and bulk requirements. Along Townsend Street, the mass and form are appropriate for a large corner lot given the surrounding context, which includes larger-scale eight to eleven-story residential buildings that create a tall street wall. Along 3rd Street, the Project appropriately transitions down to the existing two-story commercial buildings. The change in material palette on the exterior assists in breaking down the scale of the two masses, and provides variety in the building design. Overall, the building mass and scale are appropriate for the surrounding context, and assist in appropriately anchoring the corner.

- 2. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:
 - A. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The Project is located on the southeast corner of 3rd and Townsend Streets on a rectangular corner lot (with a lot area of 13,750 square feet) with approximately 137.5-ft of frontage along 3rd Street and 100-ft of frontage along Townsend Street. The Project includes new construction of an eleven-story tourist hotel (approximately 103,051 gross square feet; measuring 105-ft tall) with 230 guest rooms and approximately 2,000 gross square feet (gsf) of ground floor retail space. The Project is designed in an L-Shaped configuration to anchor the corner and allow for an at-grade landscaped court.

B. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The environmental document found that the Project would not result in significant transportation and circulation impacts. The Project Site is located within an urban context, where convenient goods and services are available within walking distance. In addition, the area is served by ample public transit, so that residents do not need to rely on private automobile transportation. Improvement Measures have been incorporated into the environmental document to encourage transit ridership and reduce the number of single occupancy vehicle trips.

The Project incorporates 15 below-grade off-street parking spaces and one below-grade loading space, which are principally permitted per Planning Code Section 151.1 and 152.1.

C. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project will not result in any unusual noise, odor, dust and glare as a result of its operations. The Project will comply with Title 24 standards for noise insulation.

Construction noise impacts would be less than significant because all construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, as amended November 2008). The SF Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Therefore, the Project would be required to follow specified practices to control construction dust and to comply with this ordinance.

D. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project has an L-shaped floor plan, which allows for an at-grade landscaped courtyard. In addition, the Project a terrace on the 9th floor and a rooftop terrace to address the open space requirements. At the ground floor, the Project provides retail space along Townsend Street and the hotel lobby along 3rd Street. The main entry to the hotel lobby is setback from the sidewalk and is demarcated by an architectural surround. The Project minimizes the impact to pedestrian by providing one garage entrance measuring 14-ft, which is located off of 3rd Street. This garage contains the 15 off-street parking spaces and the one loading space. The Project would undertake streetscape improvements, including removal of all driveways, replacement/extension of the

sidewalks and corner bulb-outs, relocation of the existing bus shelter, and installation of new street trees. The Commission finds that these improvements are appropriate and would improve the public realm.

3. Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan; and

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below. The Project is seeking the appropriate exceptions from Planning Code requirements for permitted obstructions over the street and street frontage, as detailed in the Large Project Authorization Application (See Case No. 2014-002024ENX).

4. Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and

The Project is consistent with the stated purpose of the Mixed Use Office (MUO) Zoning District. As stated in Planning Code Section 842, the Mixed Use-Office (MUO) Zoning District runs predominantly along the 2nd Street corridor in the South of Market area. The MUO is designed to encourage office uses and housing, as well as small-scale light industrial and arts activities. Nighttime entertainment and small tourist hotels are permitted as a conditional use. Large tourist hotels are permitted as a conditional use in certain height districts. Dwelling units and group housing are permitted, while demolition or conversion of existing dwelling units or group housing requires conditional use authorization. Family-sized housing is encouraged. Office, general commercial, most retail, production, distribution, and repair uses are also principal permitted uses. Adult entertainment and heavy industrial uses are not permitted. The Project contributes to the diversity and mixed-use character of the surrounding neighborhood, and is seeking the appropriate approval for a large tourist hotel.

- 8. **Planning Code Section 303(g)** establishes additional criteria and findings for the Planning Commission to consider when reviewing applications for hotels and motels, in addition to those applicable to Conditional Uses. On balance, the project does comply with said criteria and limitations in that:
 - 1) The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

The Project should not place an undue burden upon the existing demand for City housing, public transit, child-care or other social services. The Project anticipates full time employment for approximately 35 people. The Project will provide a new place for employment, which will contribute to the City's larger economy. The Project will pay the appropriate development impact fees, including the Jobs-Housing Linkage Fee and the Child-Care In-Lieu Fee; thus, the Project

will benefit much needed housing and child-care programs within the City. The Project Sponsor does not anticipate any seasonal hiring.

2) The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;

The Project Sponsor will focus upon local hiring to address the employment needs of the hotel use. The Project is in close proximity to public transit. As noted in the Improvement Measures, the Project would undertake a Transportation Demand Management (TDM) Program for its visitors and employees, in order to reduce the number of single-occupancy vehicle trips and encourage other modes of transportation, including walking, bicycling, public transit, car share, and carpooling.

3) The market demand for a hotel or motel of the type proposed;

Per the Market Demand Analysis submitted by the Project Sponsor, the proposed hotel (dba Hyatt Place) would represent an upscale market. Currently, San Francisco has one of the strongest hotel markets in the United States with occupancy rates reaching to 84.3% in 2015. This high performance level is attributed to the strength of the Bay Area economy combined with the lack of new hotel supply, thus creating a high demand for existing hotel use. Per the Market Demand Analysis, the proposed hotel would not have any material impact on the market's performance; in fact, the proposed hotel would assist in meeting the market demand, since a significant amount of unsatisfied demand is typically displaced to other markets in the Bay Area. The proposed hotel use would excel in its accessibility, visibility, proximity to demand and long-term strategic potential.

4) In the Transit Center C-3-O(SD) Commercial Special Use District, the opportunity for commercial growth in the Special Use District and whether the proposed hotel, considered with other hotels and non-commercial uses approved or proposed for major development sites in the Special Use District since its adoption would substantially reduce the capacity to accommodate dense, transit-oriented job growth in the District;

The Project is not located within the Transit Center C-3-O(SD) Commercial Special Use District.

- 9. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. **XXXXX**, Case No. 2014-002024ENX (Large Project Authorization, pursuant to Planning Code Section 329) apply to this Motion, and are incorporated herein as though fully set forth.
- 10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

Currently, the project site does not contain any existing neighborhood-serving uses. The existing commercial use is a fast-food restaurant and is not considered to be a neighborhood-serving business. The Project improves the urban form of the neighborhood by constructing new ground floor retail and a large-scale tourist hotel. The new hotel and associated ground floor retail will provide goods and services to area workers, residents and visitors. The Project would add new residents, visitors, and employees to the neighborhood, which would assist in strengthening nearby retail uses.

B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

No housing exists on the project site. The Project is expressive in design, and relates to the scale and form of the surrounding neighborhood as evidenced by the larger-scale nearby residential properties. The Project provides a much-needed use to the City, which will contributes to the City's tourist economy. For these reasons, the Project would protect and preserve the cultural and economic diversity of the neighborhood.

C. That the City's supply of affordable housing be preserved and enhanced.

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will pay the appropriate fees associated with the Jobs-Housing Linkage Fee (Planning Code Section 413).

D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The project site is served by several nearby public transportation options. Future visitors would be afforded close proximity to bus and train. The Project is located within a quarter mile of a muni transit stop and several muni bus routes, including the 10, J, N, and T. The Project also provides off-street parking at the principally permitted amounts and sufficient bicycle parking for guests.

E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project does not include commercial office development and does not displace the City's industrial and services sectors. The Project would construct a new service sector use (hotel), which will provide new employment opportunities.

F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

Currently, the project site does not contain any City Landmarks or historic buildings.

H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will not affect the City's parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

11. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

- 12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
- 13. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2014-002024CUA** under Planning Code Sections 303 and 842.49 to establish a tourist hotel with 230 guest rooms in a height district that is 105-ft and above, within the MUO (Mixed-Use Office) Zoning District, and a 105-F Height and Bulk District. The project is subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 27, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on May 5, 2016.

Jonas P. Ionin Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: May 5, 2016

Exhibit A

AUTHORIZATION

This authorization is for a Conditional Use Authorization establish a tourist hotel in a height district that is 105-ft and above, located at 701 3rd Street, Lot 006 in Assessor's Block 3794 pursuant to Planning Code Sections 303 and 842.49 within the MUO (Mixed-Use Office) Zoning District, and a 105-F Height and Bulk District; in general conformance with plans, dated April 27, 2016, and stamped "EXHIBIT B" included in the docket for Case No. 2014-002024CUA and subject to conditions of approval reviewed and approved by the Commission on May 5, 2016 under Motion No. XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit B of Motion No. XXXXX, Case No. 2014-002024ENX (Large Project Authorization under Planning Code Section 329) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on May 5, 2016 under Motion No. **XXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXX** shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Development Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Diligent Pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Additional Project Authorization. The Project Sponsor must obtain a project authorization under Planning Code Section 329 for a Large Project Authorization with modifications to the requirements for permitted obstructions over the street and street frontage, and satisfy all the conditions thereof. The conditions set forth below are additional conditions required in connection with the Project. If these

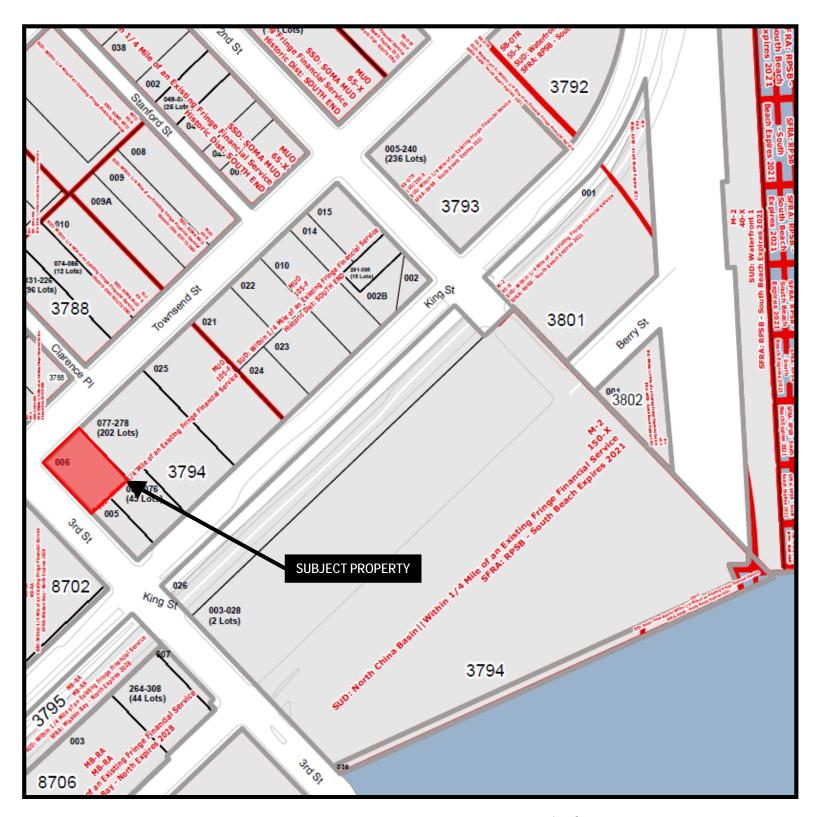
conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Mitigation Measures. Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014-002024ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, <u>www.sf-planning.org</u>

Parcel Map

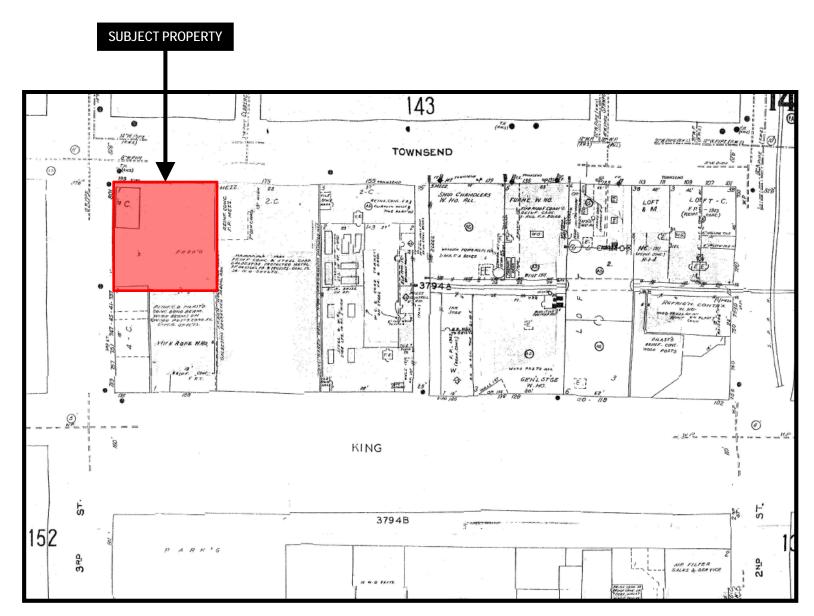




Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Sanborn Map*



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Zoning Map

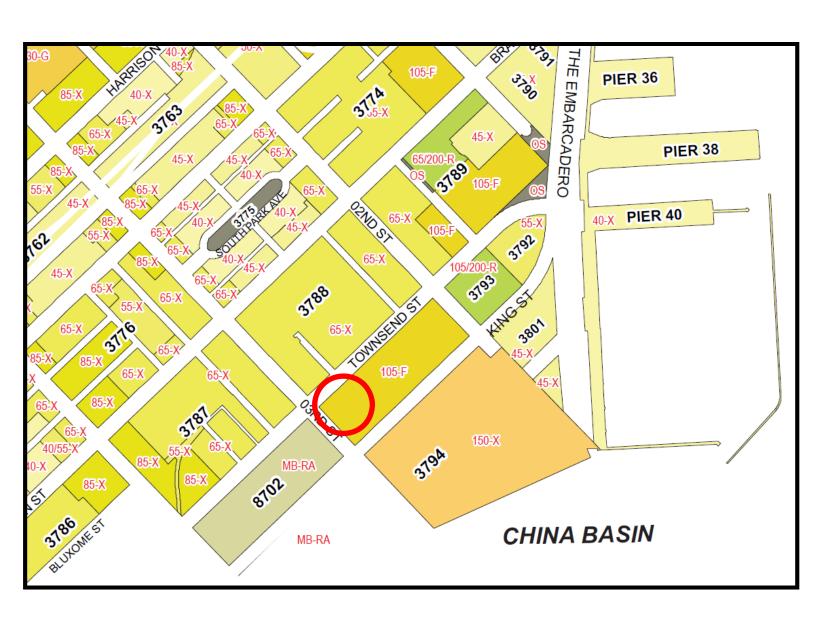




Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Height & Bulk Map

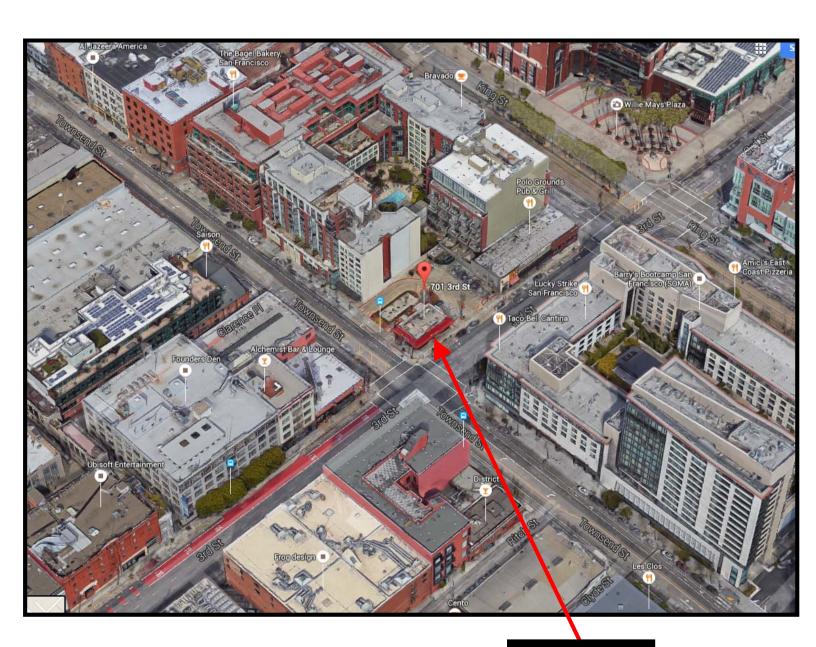




Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Aerial Photo



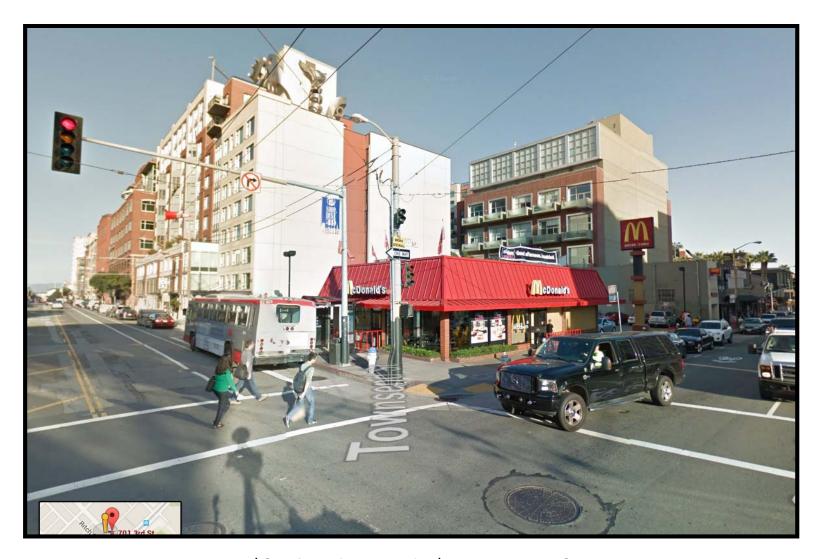
PROJECT SITE



Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Site Photo

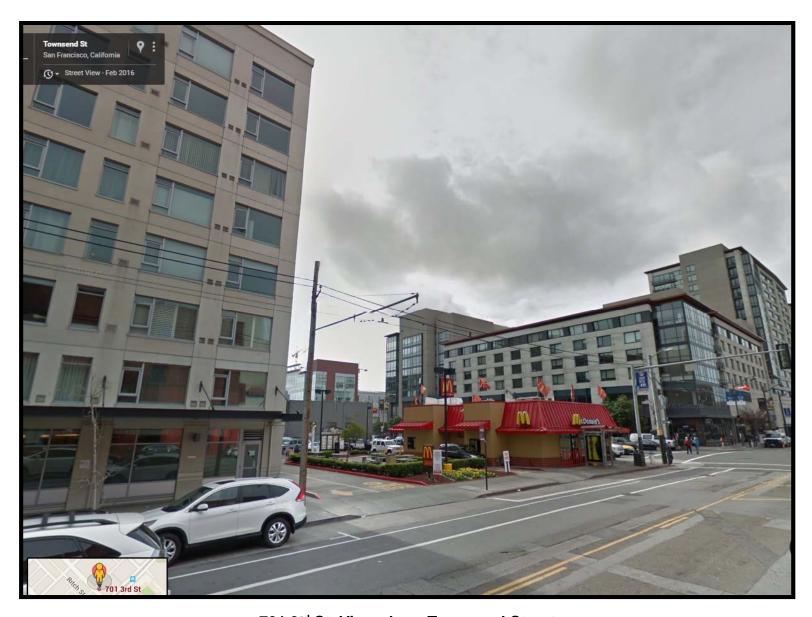


701 3rd St, View of corner of 3rd and Townsend Streets (Source: Google Maps, February 2016)

Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Site Photo



701 3rd St, View along Townsend Street (Source: Google Maps, February 2016)

Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Site Photo



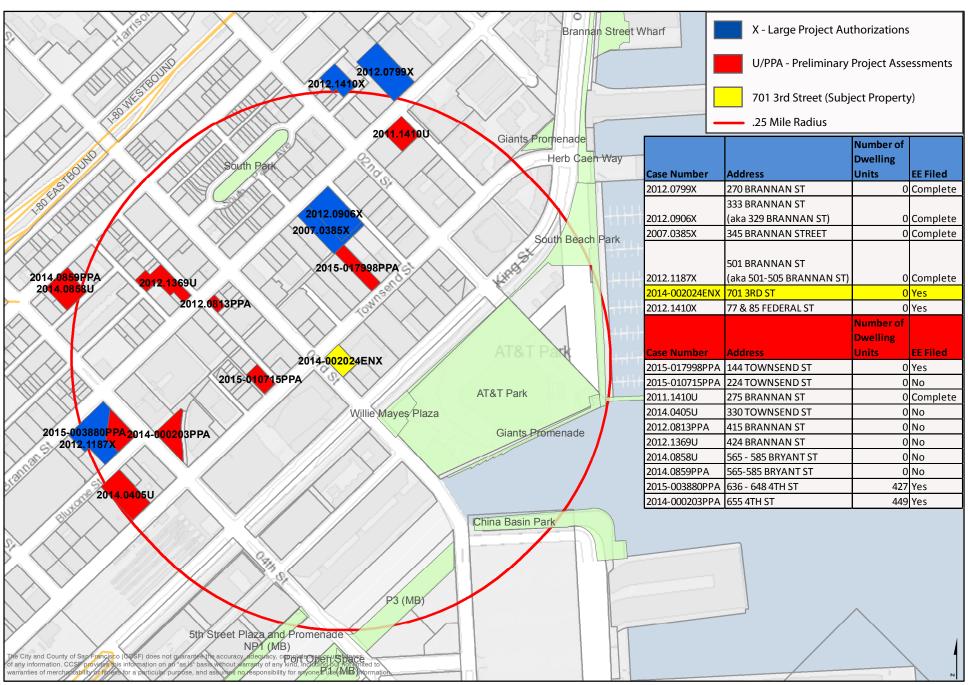
701 3rd St, View along Townsend Street (Source: Google Maps, February 2016)

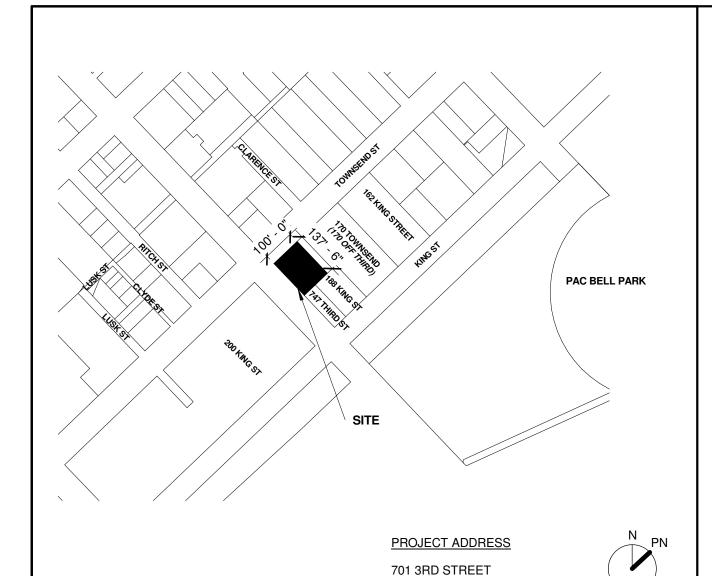
Large Project Authorization & Conditional Use Authorization Hearing

Case Nos. 2014-002024CUA/ENX

Major Projects Map within .25 Mile Radius of 701 3rd Street







VICINITY MAP NTS

BUILDING

ELECTRIC

MECHANICAL

ACCESSIBILITY

PLUMBING

ENERGY

ALUM

ANOD

BITUM

BTWN

CONC

CONF

CONSTR

COORD

CORR

CONT

CTRL

ENVIR

EQPM

FIXT

FURN

GSM

GYM

HORIZ

HVAC

INSUL

2010 CALIFORNIA BUILDING CODE (CBC) SAN FRANCISCO BUILDING CODE SAN FRANCISCO PLANNING CODE CALIFORNIA ENVIRONMENTAL QUALITY ACT 2010 CALIFORNIA ELECTRICAL CODE (CEC) 2010 CALIFORNIA MECHANICAL CODE (CMC) 2010 CALIFORNIA PLUMBING CODE (CPC)

FIRE PREVENTION

AIR CONDITION(ING) (ED

ACOUSTICAL CEILING TILE

ADJUSTABLE, ADJACEN

ABOVE FINISHED FLOOR

ANCHOR BOLT

AGGREGATE AIR HANDLING UNIT

ALTERNATE

ALUMINUM

ANNODIZED

BITUMINOUS

BUILDING

BETWEEN

CENTER LINE

CORNER GUARD

CAST-IN-PLACE

CLOSET

COLUMN

CONCRETE

CONFERENCE

CONSTRUCTION

CONTINUOUS

CERAMIC TILE CASEWORK

CONTROL

EXISTING

ELEVATOR

ENCLOSURE

ENVIRONMEN

EQUIPMENT

FT CFTFRA

EXTERIOR

LAVATORY

CLOSED-CIRCUIT TELEVISION

CONCRETE MASONRY UNIT

COORDINATE, COORDINATION

EXTERIOR INSULATION AND FINISH SYSTEM

BOTTOM

ACCESSIBLE

MORE STRINGENT OF CALIFORNIA BUILDING CODE OR APPLICABLE 2010 CALIFORNIA TITLE 24 - CALIFORNIA ENERGY CODE 2010 CALIFORNIA FIRE CODE (CFC) AND LOCAL ORDINANCE

SAN FRANCISCO, CA 94107

APPLICABLE BUILDING CODES NTS

LINEAR FEET LIVE LOAD LIGHTING MATERIAL MECHANICAL MEDIUM DENSITY FIBERBAORI MINIMUM MISCELLANEOUS AMERICAN INSTITUTE OF STEEL CONSTRUCTION METAL, MATERIA MOUNTED MATCH EXISTING NOT APPLICABLE NOT IN CONTRACT NOT TO SCALE NO or # NUMBER OUTSIDE DIAMETER

OPPOSITE POST TENSIONED POLYVINYL CHLORIDE (PLASTIC) PERFORATED

PROPERTY LINE PLASTIC LAMINATE PLYWOOD PANEL PRKG PARKING POUNDS PER SQUARE FOOT POUNDS PER SQUARE INCH PRELIM PRELIMINARY QUARTER REFRIGERATOR REFLECTED CEILING PLAN REQUEST FOR INFORMATION REQUEST FOR PROPOSAL RESIL RESILIENT ROUGH OPENING

SCHED SCHEDULE SECTION SPECIFICATION(S) STAINLESS STEEL STANDARD STOR STORAGE STRUCTURAL SUSPENDED SEE STRUCTURAL DRAWINGS **THICKNESS** THROUGH

FIRE ALARM FIRE EXTINGUISHER CABINET FIXTURE FLOOR FIBERGLASS REINFORCED PLASTIC FURNITURE GALVANIZED SHEET METAL GENERAL CONTRACTOR GROUND FAULT CIRCUIT INTERRUPTER GLUED LAMINATED BEAM

GYPSUM WALL BOARD GYMNASIUM HORIZON HOLLOW STRUCTURAL SECTION HEATING, VENTILATING AND AIR CONDITIONING INCLUDE INFORMATION INSULATION JANITOF KITCHEN

TYPICAL UNDERWRITERS LABORATORIES UNO. UON UNLESS NOTED OTHERWISE VARIES, VARIATION VINYL COMPOSITE TILE VERTICAL VESTIBULE VERIFY IN FIELD VOLATILE ORGANIC COMPOUND VERIFY WITH WITHOUT WIDE FLANGE WATER HEATER, WALL HUNG

TOP AND BOTTOM

TELEVISION

TONGUE AND GROOVE

TEMPORARY, TEMPERATURE

ABBREVIATIONS

NTS

701 3RD STREET

PLANNING SET 04/27/2016



SCOPE OF ADDENDUM 1 CONSISTS OF FOUNDATION, SUPERSTRUCTURE, AND UNDERGROUND UTILITIES.

CONSTRUCTION OF A 11 STORY HOTEL WITH A ROOF TERRACE. THE PROJECT WAS GRANTED CONDITIONAL USE APPROVAL BY THE SAN FRANCISCO PLANNING COMMISSION CASE # 2004.1326ACV AND CASE # 2011.0325C.

> PROJECT SUMMARY \ NTS

ARCHITECTURAL

RENDERINGS F.A.R. CALCS

PROJECT INFORMATION **EXISTING SITE SURVEY** SITE CONTEXT PLAN

LEVEL 1 STREETSCAPE DIAGRAM AND DESCRIPTION

ENLARGED LEVEL 1 PLAN AT THIRD STREET BASEMENT PLAN LEVEL 1 FLOOR PLAN

LEVELS 3,5,7 FLOOR PLANS **LEVELS 4.6.8 FLOOR PLANS** LEVEL 9 FLOOR PLAN LEVEL 10 FLOOR PLAN LEVEL 11 FLOOR PLAN

LEVEL 2 FLOOR PLAN

A208 **ROOF PLAN** UPPER ROOF PLAN A301 A302 **SECTION** A303 SECTION

SECTION

A304

SECTION SECTIONS THROUGH ADJACENT PROPERTIES

TOWNSEND STREET (WEST) ELEVATION THIRD STREET (SOUTH) ELEVATION

COURTYARD ELEVATION NORTH ELEVATION A324 **ENLARGED ELEVATION**

ENLARGED ELEVATION

SHEET INDEX

NTS

NTS

ISSUE

04/27/16 PLANNING SET

701 3RD STREET SAN FRANCISCO, CA 94107

HOTEL

1501 MARIPOSA STREET, SUITE 328

WWW.STANTONARCHITECTURE.COM

SAN FRANCISCO, CA, 94107

T. 415.865.9600 F. 415.865.9608

> FOUR ONE FIVE, LLC 9100 E. PANORAMA DRIVE ENGLEWOOD, CO 80112

> > **JOB NUMBER** 0914



PERMIT SUBMITTAL DATE

DRAWN BY

DRAWING TITLE COVERSHEET

- INSTALLATION OF SUB FOUNDATION MOISTURE BARRIERS, WATERPROOFING, AND OTHER WORK NORMAL TO - PLANS, SECTIONS, DETAILS AND CALCULATIONS FOR THE FOUNDATIONS, TIE DOWN, BASEMENT LEVEL WALLS

COLUMNS, AND THE FIRST FLOOR SUSPENDED SLAB. FOR REFERENCE, IT WILL ALSO INCLUDE FLOOR PLANS

ADDENDUM NO. 2

ADDENDUM NO. 1

PLANS, SECTIONS, DETAILS AND CALCULATIONS FOR THE BALANCE OF THE WORK, INCLUDING ALL THE SHEAR WALLS, TRANSFER BEAMS, AND THE MECHANICAL PENTHOUSE. INSTALLATION OF FINISH SITE WORK.

<u>UNDERGROUND UTILITIES</u>

 INSTALLATION OF WATER, SEWER, GAS, AND ELECTRICAL CONNECTIONS TO UTILITY LINES IN ADJACENT INSTALLATION OF WATER, SEWER, GAS AND ELECTRICAL WORK REQUIRED TO BE LOCATED BELOW NEW FOUNDATION.

ADDENDUM NO. 3

INSTAL LATION OF THE NON-BEARING EXTERIOR WALLS, INSULATION, EXTERIOR SHEATHING, WINDOWS, FLASHING, ROOFING, AND OTHER WORK NECESSARY TO MAKE WEATHER-TIGHT. INSTALLATION OF ENTRY CANOPIES

 INSTALLATION OF THE INTERIOR PARTITIONS, DOORS, STAIRS, ELEVATORS & OTHER INTERIOR WORK. - INSTALLATION OF MISCELLANEOUS ARCHITECTURAL WORK.

MECHANICAL, ELECTRICAL AND PLUMBING SYSTEMS INSTALLATION OF HVAC SYSTEM.

INSTALLATION OF THE NEW ELECTRICAL SERVICE AND DISTRIBUTION SYSTEM. INSTALLATION OF PLUMBING SYSTEM

ADDENDUM NO. 4

FIRE PROTECTION
- INSTALLATION OF THE SPRINKLER SYSTEM

ADDENDUM NO. 5

- INSTALLATION OF THE FIRE ALARM SYSTEM

ADDENDUM NO. 6

- INSTALLATION OF THE EMERGENCY GENERATOR ADDENDUM NO. 7

- COMPLIANCE WITH EMERGENCY RESPONDER RADIO COVERAGE REQUIREMENTS (SECTION 915 OF CALIFORNIA

BUILDING CODE)

ADDENDUM NO. 8

WINDOW WASHING AND BUILDING MAINTENANCE SYSTEM - INSTALLATION OF THE WINDOW WASHING AND EXTERIOR BUILDING MAINTENANCE SYSTEM.

ADDENDUM NO. 9

DESIGN & CONSTRUCTION PACKAGE FOR SUNSHADES

OWNER

FOUR ONE FIVE, LLC 9100 E. PANORAMA DR., #300 ENGLEWOOD, CO

SCOTT MCCHESNEY T [303] 785.3130

<u>ARCHITECT</u> STANTON ARCHITECTURE 1501 MARIPOSA STREET

SUITE 328 SAN FRANCISCO, CA

MICHAEL STANTON, FAIA, LEED AP T [415] 865.9600 F [415] 865.9608

STRUCTURAL ENGINEER DCI ENGINEERS + SDE

ONE POST STREET **SUITE 1050** SAN FRANCISCO, CA

> JEFF BRINK T [425] 301.7347

MECHANICAL ENGINEER

1725 WESTLAKE AVE N

SUITE 300 SEATTLE, WA 98109

SCOTT RUSHING T [206] 285.7100

CONTRACTOR

PANKOW 221 MAIN STREET SUITE 650 SAN FRANCISCO, CA

> MARC VALLS T [510] 379.1512

1. ALL WORK SHALL CONFORM TO THE 2010 CALIFORNIA BUILDING CODE AND ALL OTHER APPLICABLE CITY OF SAN FRANCISCO AND STATE OF CALIFORNIA REGULATIONS.

CONSTITUTE A FULL DESCRIPTION OF THE WORK REQD TO ACCOMPLISH THIS PROJECT. 3. COORDINATE ALL WORK WITH THE EXISTING CONDITIONS, INCLUDING, BUT NOT LIMITED TO, ADJACENT STRUCTURES AND MECHANICAL, ELECTRICAL, AND OUTSIDE SERVICES.

2. THESE DRAWINGS AND NOTES ARE INTENDED TO GENERALLY DESCRIBE THE EXTENT OF THE CONSTRUCTION REQD TO

COMPLETE THIS PROJECT AND TO HIGHLIGHT SOME OF THE SPECIFIC CONDITIONED THESE DRAWINGS AND NOTES DO NOT

4. CONTRACTOR SHALL PROVIDE ALL SEISMIC BRACING AND HOLD-DOWN CLIPS AS REQD BY CODE FOR ALL CEILING AND SOFFIT FRAMING CONDITIONS.

5. THE CONTRACTORS SHALL VERIFY AND ASSUME RESPONSIBILITY FOR ALL DIMENSIONS AND SITE CONDITIONS. THE GENERAL CONTRACTOR SHALL LOCATE AND VERIFY THE SIZE AND CONDITION OF (E) SITE UTILITIES PRIOR TO CONSTRUCTION

6. WRITTEN DIMENSIONS TAKE PRECEDENCE. DO NOT SCALE THE DRAWINGS. ALL DIMENSIONS NOTED "VERIFY" AND (VIF) SHALL BE CHECKED BY THE CONTRACTOR:; REPORT IMMEDIATELY ANY VARIANCES TO THE ARCHITECT FOR RESOLUTION. DIMENSIONS NOTED AS "CLEAR" ARE NOT ADJUSTABLE WITHOUT THE APPROVAL OF THE ARCHITECT.

7. ALL DIMENSIONS OF NEW CONSTRUCTION ARE AS INDICATED TO CENTERLINE OR FACE OF FINISH.

8. CONTRACTOR SHALL VERIFY CLEARANCES FOR DUCTS, FLUES, VENTS, CHASES, FIXTURES, ETC. 9. TRANSITION OF THE FLOORING MATERIAL OCCURS AT THE CENTERLINE OF THE DOOR OR FRAMED OPENING UNLESS

OTHERWISE INDICATED ON THE DRAWINGS. 10. SUBSURFACE CONDITIONS DIFFERING FROM THOSE SHOWN ON THE DRAWINGS AND ANY CHANGES IN THE NATURE OF THE WORK SHALL BE BROUGHT TO THE ATTENTION OF THE ARCHITECT AND OWNER BEFORE PROCEEDING WITH THE WORK.

11. ANY ERRORS, OMISSIONS, OR CONFLICTS FOUND IN THE VARIOUS PARTS OF THE CONSTRUCTION DOCUMENTS SHALL BE BROUGHT TO THE ATTENTION OF THE ARCHITECT AND THE OWNER BEFORE PROCEEDING WITH THE WORK.

12. CONTRACTOR SHALL PROVIDE ADEQUATE TEMPORARY SUPPORT AS NECESSARY TO ASSURE THE STRUCTURAL VALUE AND INTEGRITY OF ANY TEMPORARY STRUCTURE.

13. CONTRACTOR SHALL PROTECT ANY SITE CONDITIONS TO REMAIN, INCLUDING LANDSCAPING, PAVING, ETC.

14. LOCATION OF ALL DOORS ADJACENT TO WALLS IS AS 4" FROM FACE OF JAMB TO FACE OF FINISH ADJACENT WALLS U.O.N. 15. CONTRACTOR SHALL COORDINATE ALL WORK WITH ANY OWNER FURNISHED AND INSTALLED FINISHES, EQUIPMENT, APPLIANCES, AND FURNITURE.

16. CONSTRUCTION INCLUDES THE INSTALLATION OF A N.F.P.A. 13-R FIRE SPRINKLER AND NFPA 72 FIRE ALARM SYSTEM COMPLYING WITH LOCAL AMENDMENTS. SEPARATE PERMIT REQUIRED FOR UNDERGROUND FIRE SERVICE, FIRE SPRINKLER AND FIRE ALARM SYSTEMS TO BE OBTAINED BY CONTRACTOR.

17. SPRINKLER SYSTEM MUST PROVIDE PROTECTION TO AT LEAST ALL OF THE FOLLOWING AREAS: BATHROOMS, CONCEALED SPACES, WATER HEATER/FURNACE ROOMS, CLOSETS, LAUNDRY ROOMS, LINEN STORAGE & CHUTE ROOMS, INSIDE LINEN CHUTE AT SECOND FLOOR AND TOP OF THE CHUTE, ATTIC SPACES, UNDER WALKS, OR OVERHANGS, BALCONIES, OR DECKS GREATER THAN FOUR FEET IN DEPTH, AND FLOOR LANDINGS IF WHOLLY OR PARTIAL ENCLOSED, OR OTHER AREAS AS REQD. PRIOR TO INSTALLATION, PLANS & SPECIFICATIONS FOR UNDERGROUND FIRE SERVICE LINE MUST BE SUBMITTED TO THE CITY OF SAN FRANCISCO FIRE AUTHORITY & BLDG DEPT FOR REVIEW & APPROVAL. MUST INCLUDE CATHODIC PROTECTION SOILS REPORT STATING WHY PROTECTION IS NOT REQUIRED. STANDARD REQUIRED: N.F.PA. 24 & LOCAL ORDINANCE #2485.

18. FIRE DEPARTMENT CONNECTIONS FOR ALL SPRINKLER SYSTEMS MUST BE LOCATED NO MORE THAN 100 FEET FROM A FIRE HYDRANT. N.F.P.A 14. ALL INLETS SHALL HAVE KNOX TYPE CAPS & SIGNS/ ADDRESS PLACARDS INSTALLED AT THE CONNECTION.

19. COMPLETED CONSTRUCTION MUST PROVIDE FIRE HYDRANT REQUIRED FIRE FLOW ON SITE PRIOR TO CONSTRUCTION OR STORAGE OF COMBUSTIBLE MATERIALS. CFC 903.2 & APPENDIX IIIA. FIRE HYDRANT JUMPER LINES MUST BE AT LEAST 6 INCHES IN DIAMETER. MUST BE COMPLETE INSPECTED BEFORE ANY CONSTRUCTION OR MATERIAL STORAGE IS ALLOWED.

20. A KNOX BRAND KEY BOX MUST BE LOCATED OUTSIDE BUILDINGS/GATES. KEYS MUST BE PROVIDED TO THE FIRE DEPARTMENT SO THEY MAY GAIN ACCESS. ELECTRIC VEHICLE GATES IF REQUIRED OR INDICATED ON DRAWINGS SHALL USE KNOX BLOCK OR KEYED OVERRIDE SWITCH.

21. DUST SUPPRESSION MEASURES SHALL BE IMPLEMENTED IN THE FIELD BY THE CONTRACTOR IN THE FOLLOWING MANNER: DUST GENERATED ON THE PROJECT SITE SHALL BE CONTROLLED BY WATERING ALL EXPOSED AREAS AT LEAST TWICE DAILY DURING EXCAVATION, AND ESPECIALLY DURING CLEARING AND GRADING OPERATIONS. ADDITIONAL WATERING ON WINDY OR HOT DAYS IS REQUIRED TO REDUCE DUST EMISSIONS. STOCKPILES OF SAND, SOIL, AND SIMILIAR MATERIALS SHALL BE COVERED WITH A TARP. COVER TRUCKS HAULING DIRT OR DEBRIS TO AVOID SPILLAGE. PAVING AND/OR LANDSCAPING SHALL BE COMPLETED AS SOON AS FEASIBLE TO REDUCE THE TIME BARE SURFACES AND SOILS ARE EXPOSED. DUST EMISSIONS DURING CONSTRUCTION

WILL BE MINIMIZED THROUGH THE APPLICATION OF WATER REQUIRED BY THE PROJECT SPECIFICATIONS. 22. CONSTRUCTION HOURS WILL BE LIMITED IN ACCORDANCE WITH THE CITY OF SAN FRANCISCO MUNICIPAL CODE AND THE SPECIFIC PROJECT CONDITIONS OF APPROVAL.

ADDENDA SCHEDULE LIST OF PROFESSIONALS GENERAL NOTES NTS NTS







S/A STANTON ARCHITECTURE

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DATE ISSUE

04/27/16 PLANNING SET

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VIEW FROM CORNER OF THIRD AND TOWNSEND NTS 6

THIRD STREET ELEVATION NTS 4

VIEW LOOKING TOWARDS TOWNSEND STREET FROM KING STREET NTS

HOTEL 701 3RD STREET SAN FRANCISCO, CA 94107

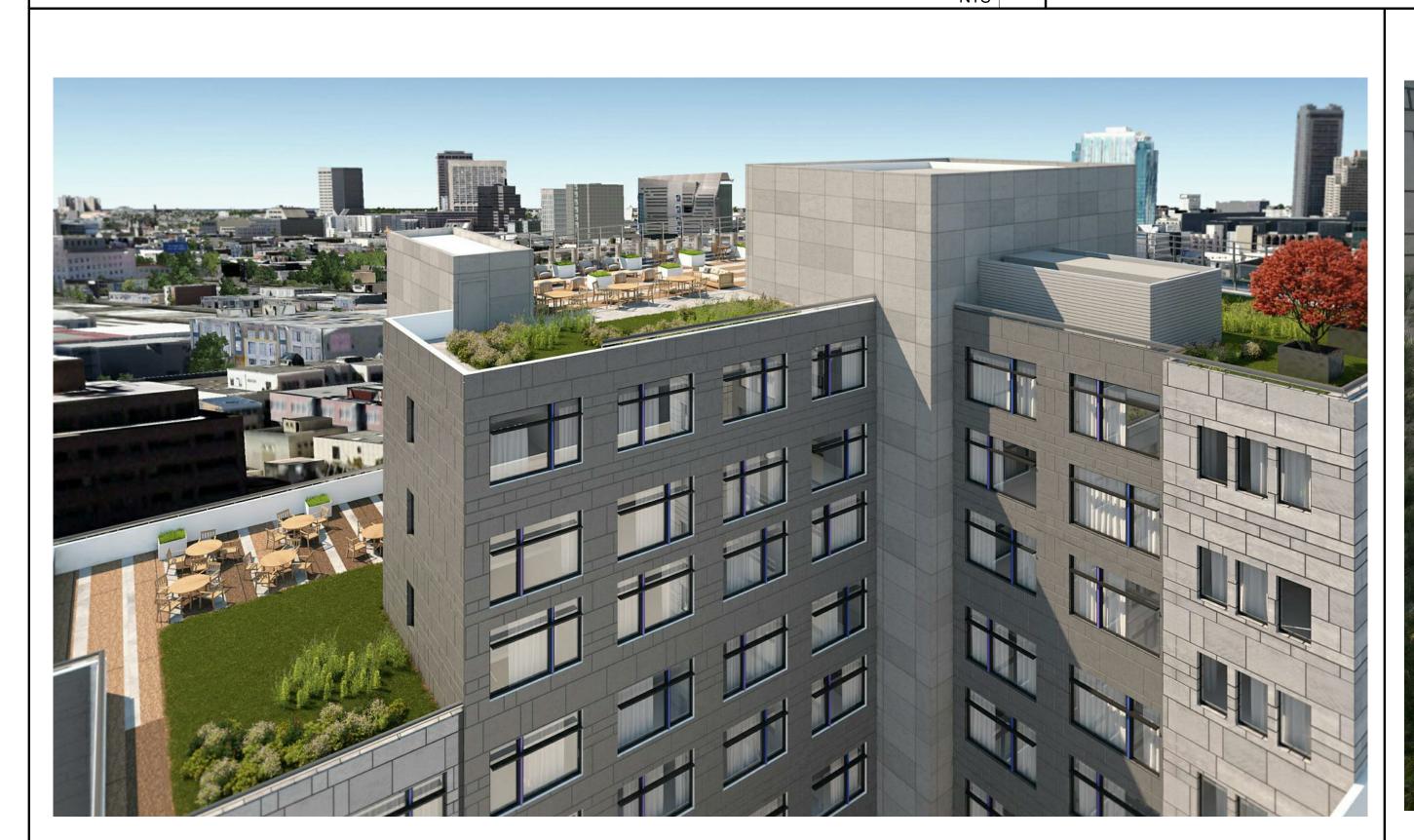
FOUR ONE FIVE, LLC 9100 E. PANORAMA DRIVE ENGLEWOOD, CO 80112

JOB NUMBER 0914



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DRAWING TITLERENDERINGS









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DRAWING TITLE F.A.R. CALCS

Project Description

The site is the corner lot located at Third Street and Townsend Streets currently occupied by a fast food McDonald's Restaurant. The owners of this site propose to demolish this existing free-standing restaurant and erect an eleven-story tourist hotel. The building will have approximately two thousand square feet of retail space orient to the intersection and to Townsend Street. The hotel is planned as a limited service hotel with no meeting or banquet facilities. It will have approximately 230 guestrooms.

The hotel has been thoughtfully designed to complement its immediate environment. The design proposes the use of exterior materials that are consistent with both the recent new residential construction as well as the older industrial and commercial buildings in this vibrant neighborhood. Similarly the proposed colors for the building will harmonize with those of nearly developments. The massing of the hotel has been carefully studied so that it reinforces the existing street walls of Townsend and Third Streets while at the same time providing maximum separation form the adjacent residential units that currently overlook the fast food restaurant parking lot. The project will provide over 1,850 square feet of handsomely landscaped and furnished publicly accessible open space at grade.

The proposed design requests only two exceptions for the San Francisco Planning Code. First, the width of the bay windows are proposed to be approximately twelve feet in width. This width, greater than called for in Section 136(c)(2), is requested for aesthetic and practical reasons. The wider bays are more in scale with the Townsend and Third Street facades than narrow ones would be. As indicated in these drawings, considerable attention has been paid to the detailing of these bays so that they will be important visual elements of the facades. The extra width of the bay windows enables the hotel to have more double queen bed rooms. This is the room type that is in demand by traveling families so the inclusion of more double queen rooms will expand the hotel's ability to better serve all components of the tourist market, not merely the business traveler. The second exception requested is to Section 145.1 that limits building lobbies to 40 feet of frontage on the street. The hotel lobby will have approximately 53 feet of frontage on Third Street. Since hotel lobbies contain a variety of activities and functions, including a lobby bar that will energize the adjacent sidewalk. The project sponsor believes a hotel lobby provides the active use at the ground level that is the intent of the Planning Code provision.

The new hotel is being designed to meet LEED Platinum standards. Among the energy-saving features envisioned for this hotel are: vegetated roofs on the first, ninth, and eleventh floors, cisterns for storage of rainwater for use on site, a greywater system for reuse of grey-water onsite, highly efficient lighting and mechanical systems, and a state-of-the-art building envelope. When completed, estimated to be in 2017, this will be the most energy-efficient hotel in San Francisco.

> PROJECT DESCRIPTION 3 NTS

> PROJECT INFORMATION 2

NTS

1. PARCEL/ADDRESS

BLOCK 3794 / LOT 006

ADDRESS: 701 3RD STREET SAN FRANCISCO, CA 94107

2. ZONING

ZONING DISTRICTS: MUO - MIXED USE-OFFICE HEIGHT & BULK DISTRICTS: 105-F SPECIAL USE DISTRICTS: WITHIN 1/4 MILE OF AN EXISTING FRINGE FINANCIAL SERVICE

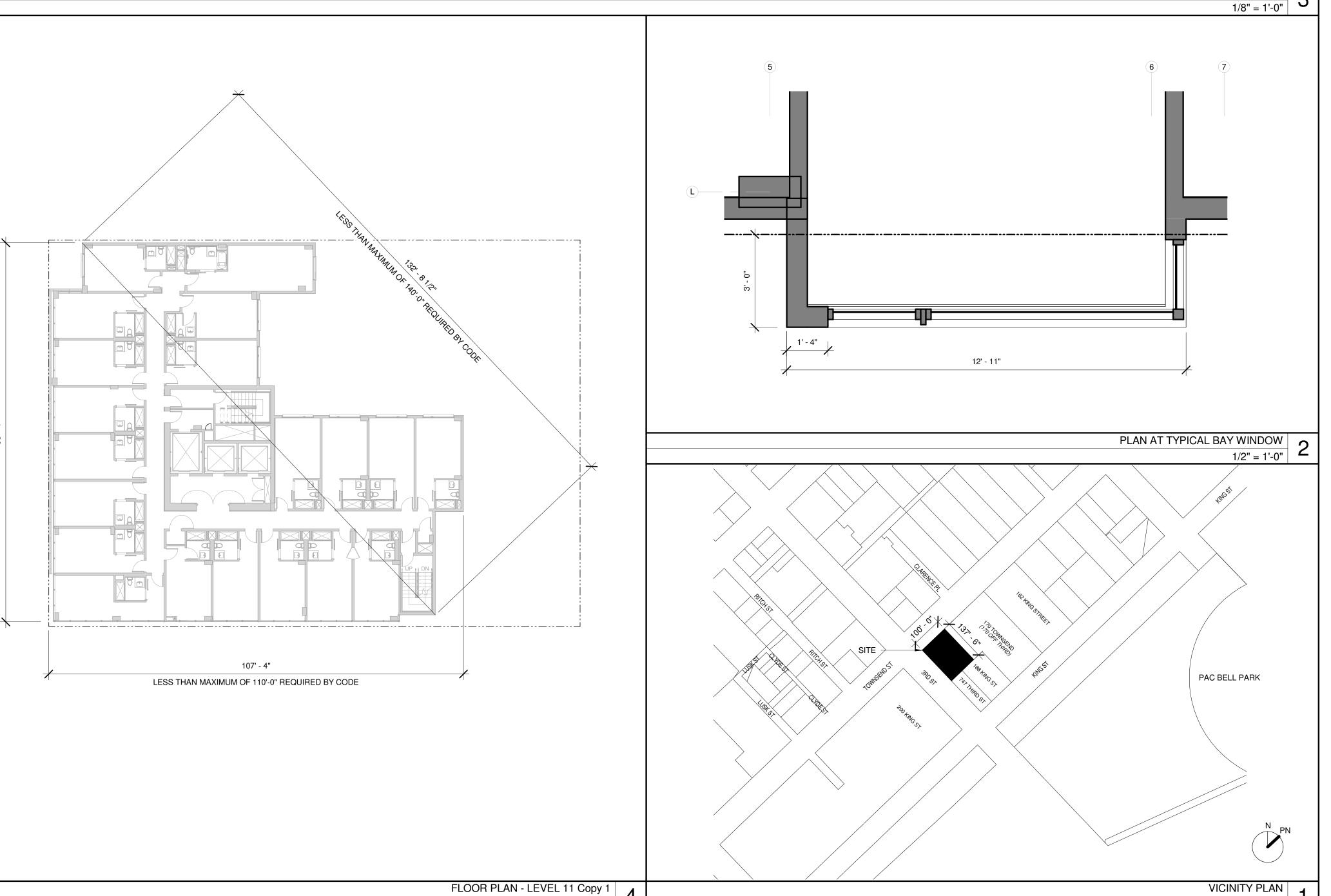
3. TYPE OF CONSTRUCTION

TYPE I-B, FULLY SPRINKLERED

4. FLOORS

FLOORS: 11 STORIES (TABLE 503) + 1 STORY (504.2 SPRINKLERS) = 12 STORIES HEIGHT OF HIGHEST OCCUPIED FLOOR: PENTHOUSES SHALL BE LIMITED TO 1/3 OF THE GROSS ROOF AREA

14' - 0" LOBBY STREET FRONTAGE (GREATER THAN 40 FEET) (4) CLASS 2BICYCLE PARKING STALLS 15' - 8" (6) CLASS 2 BICYCLE PARKING THIRD STREET



1/16" = 1'-0"

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FLOOR PLAN - LEVEL 1 Copy 1

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> HOTEL 701 3RD STREET SAN FRANCISCO, CA 94107

FOUR ONE FIVE, LLC 9100 E. PANORAMA DRIVE ENGLEWOOD, CO 80112

> **JOB NUMBER** 0914

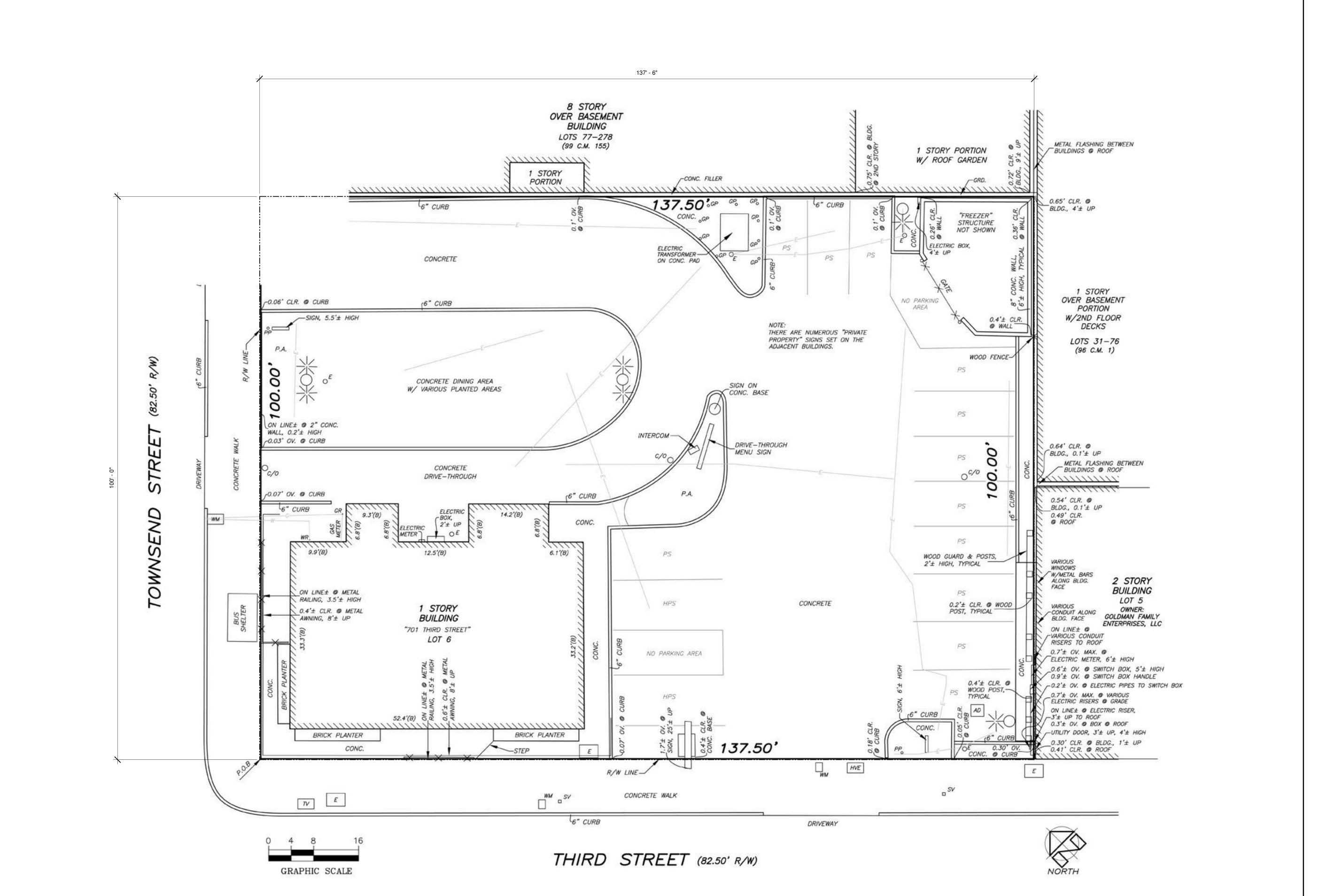


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DRAWING TITLE PROJECT INFORMATION

1" = 200'-0"



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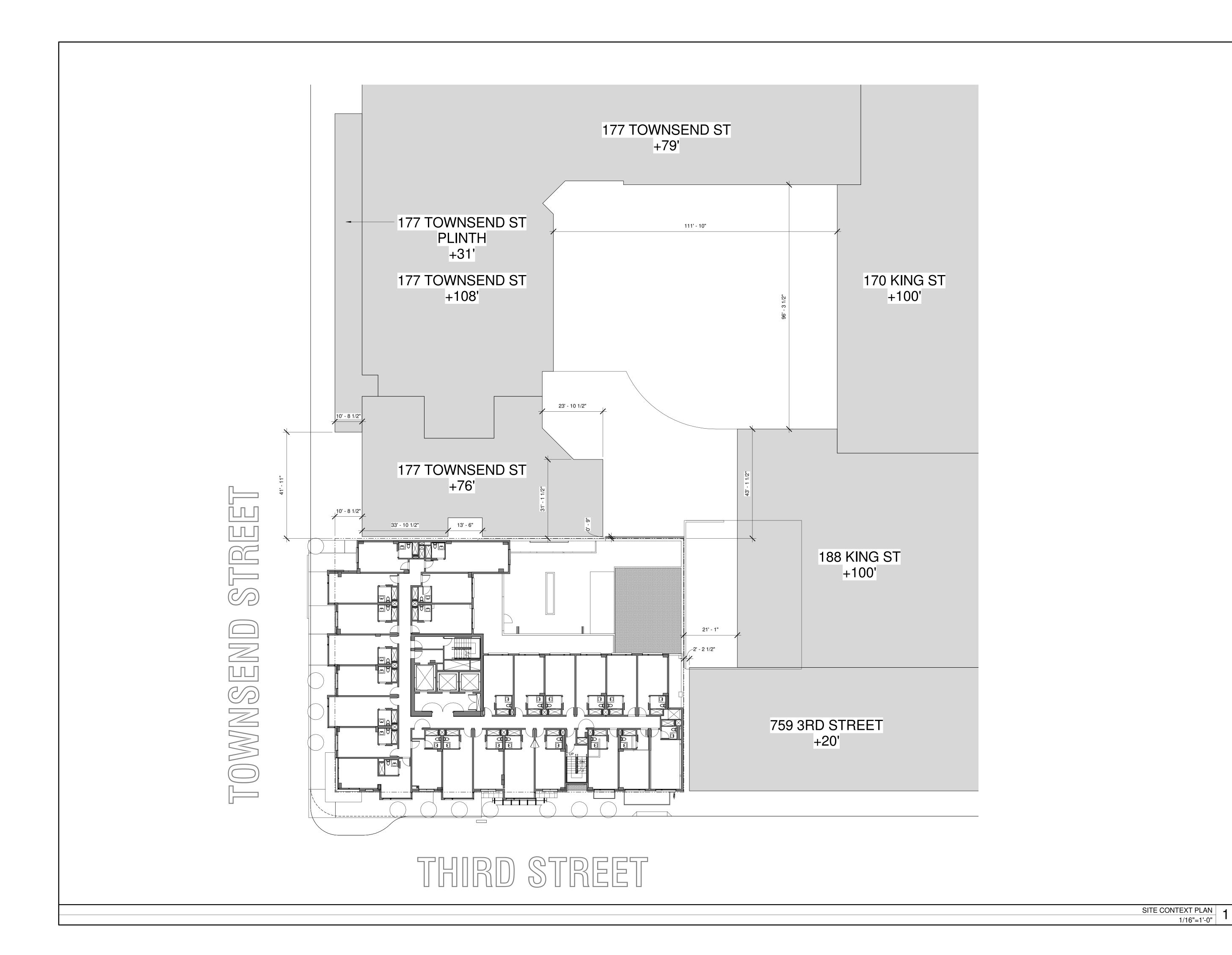
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DRAWING TITLEEXISTING SITE SURVEY

A102

EXISTING SITE SURVEY

1/8" = 1'-0"



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> JOB NUMBER 0914



PERMIT SUBMITTAL DA

DRAWN BY

DRAWING TITLESITE CONTEXT PLAN

Summary of Proposed Streetscape Work

The site is the corner lot located at Third Street and Townsend Streets currently occupied by a free-standing McDonald's Restaurant. This fast food restaurant currently has multiple vehicular access points with over-sized curb cuts located at driveways on both Townsend and Third Streets and another driveway on Townsend Street at the vehicular exit from the drive-thru window of the restaurant. The locations of these driveways has necessitated that the bus shelter serving MUNI patrons be located near the intersection with Third Street.

The proposed modifications and improvements support and implement the goals of the Safe Streets San Francisco implemented to create a healthier and safer pedestrian environment in the City.

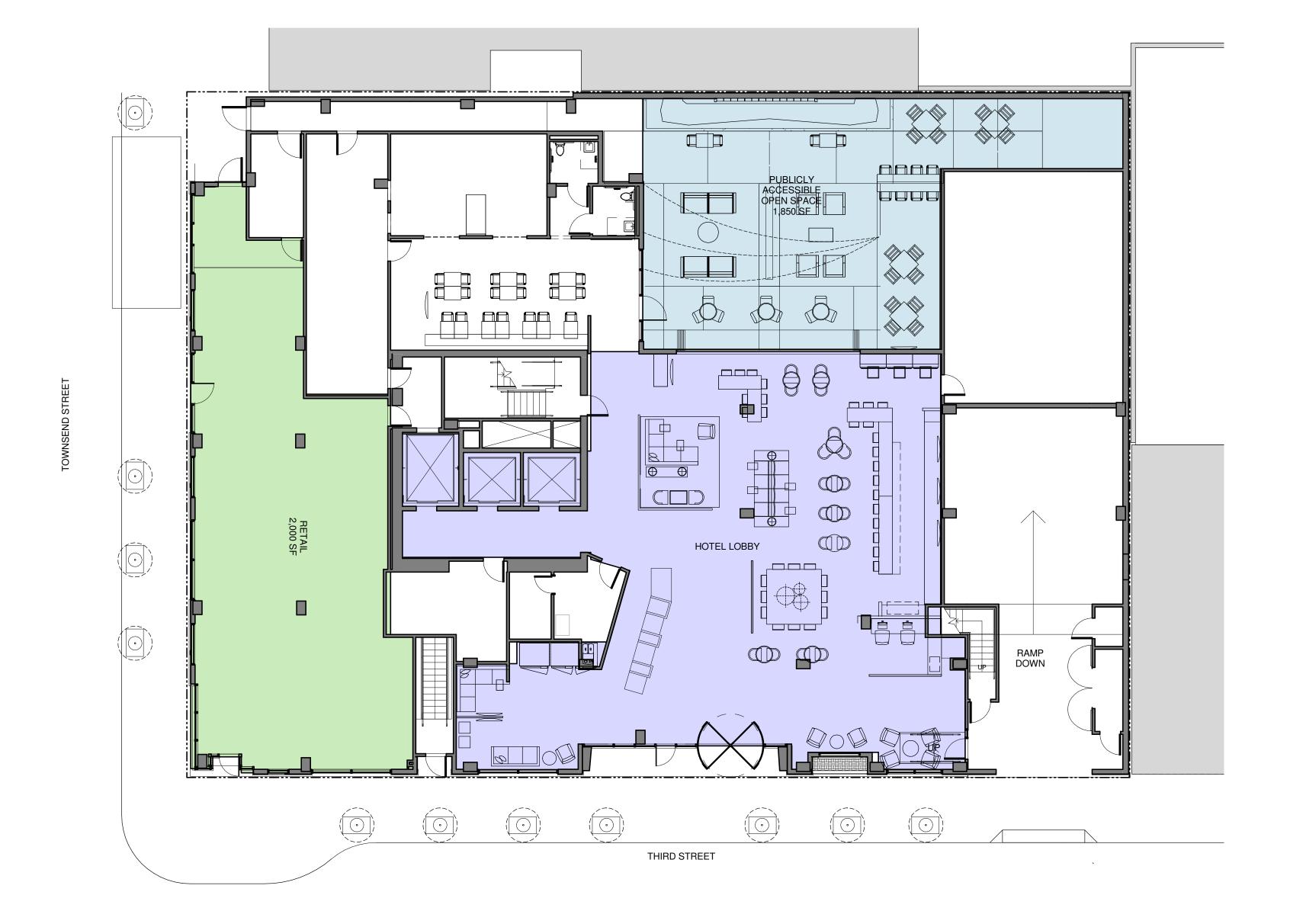
The proposed streetscape for the new hotel has been carefully designed to provide true urban amenities and not merely serve the automobile. The proposed new work will include:

On Townsend Street

- Removal of all driveways,
- Replacement of existing sidewalk and curbs with new construction to match Department of Public Works specifications and standards,
- Relocation of the bus shelter to a more functional position further for the corner,
- Installation of four new street trees with ornamental cast iron grates, and
- Construction of accessibility ramps and provisions for the disabled as required at the intersection.

On Third Street

- Removal of the driveways and construction of a single twelve foot wide vehicular drive for access to the proposed underground parking of the hotel,
- Removal of the existing sidewalk and curb and the construction of a new wider sidewalk along Third Street that will provide a vehicular drop off lane in front of the hotel,
- Construction of special decorative paving at the entry of the hotel
- Installation of decorative recessed uplights in the paving on the site at the hotel entry and in the tree grates of the new street trees that frame the entrance, and
- Construction of accessibility ramps and provisions for the disabled as required at the intersection.





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SAN FRANCISCO, CA 94107

FOUR ONE FIVE, LLC 9100 E. PANORAMA DRIVE ENGLEWOOD, CO 80112

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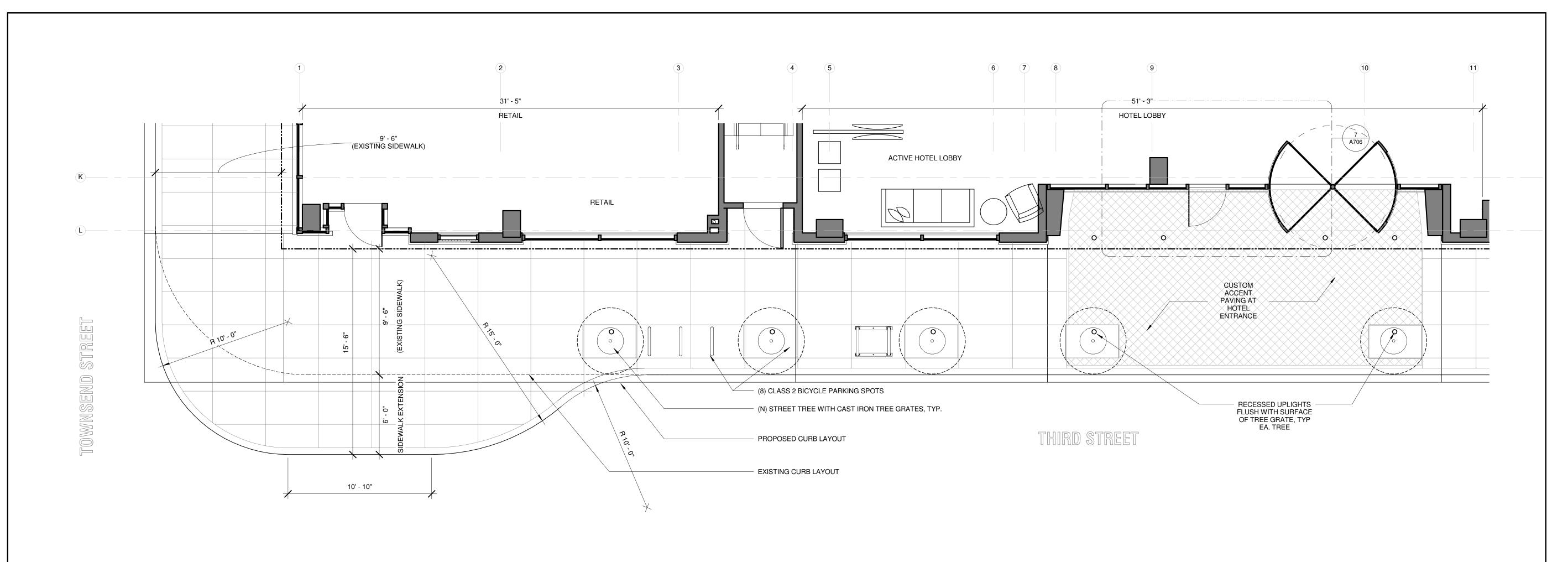
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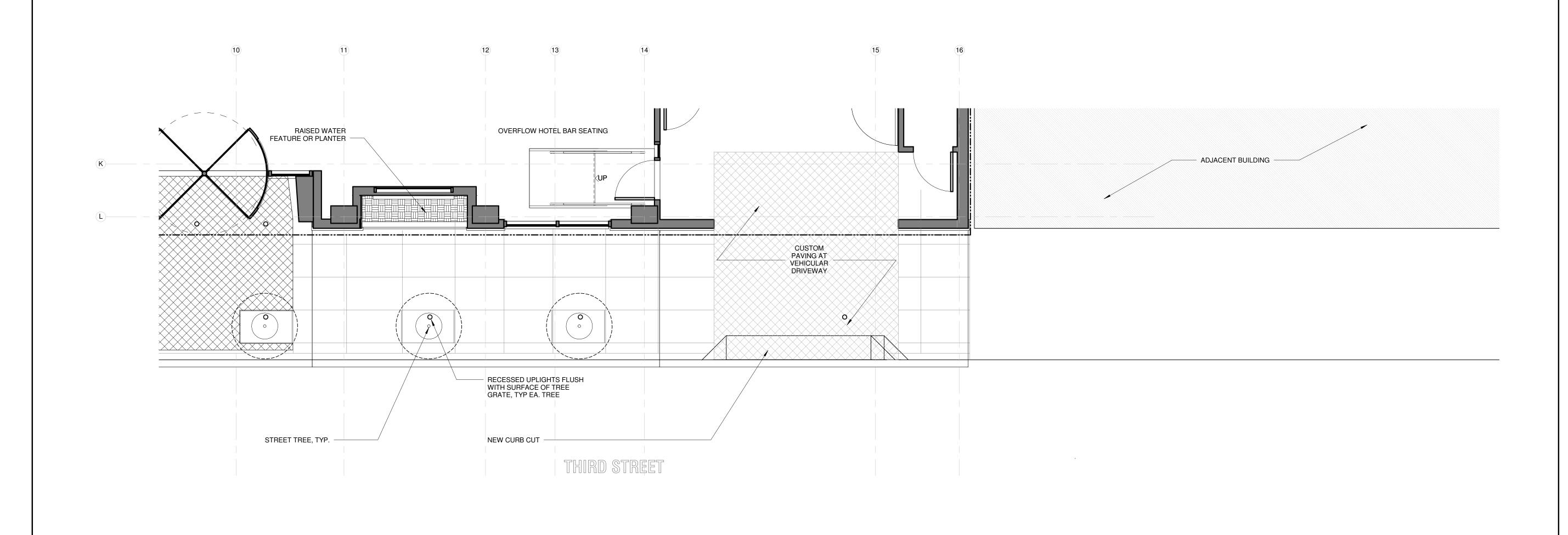
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DRAWING TITLELEVEL 1 STREETSCAPE DIAGRAM AND
DESCRIPTION

A104

PROJECT INFORMATION NTS 2





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DATE	ISSUE
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HOTEL 701 3RD STREET SAN FRANCISCO, CA 94107

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> JOB NUMBER 0914



PERMIT SUBMITTAL DATE

DRAWN BY

DRAWING TITLEENLARGED LEVEL 1 PLAN AT THIRD
STREET

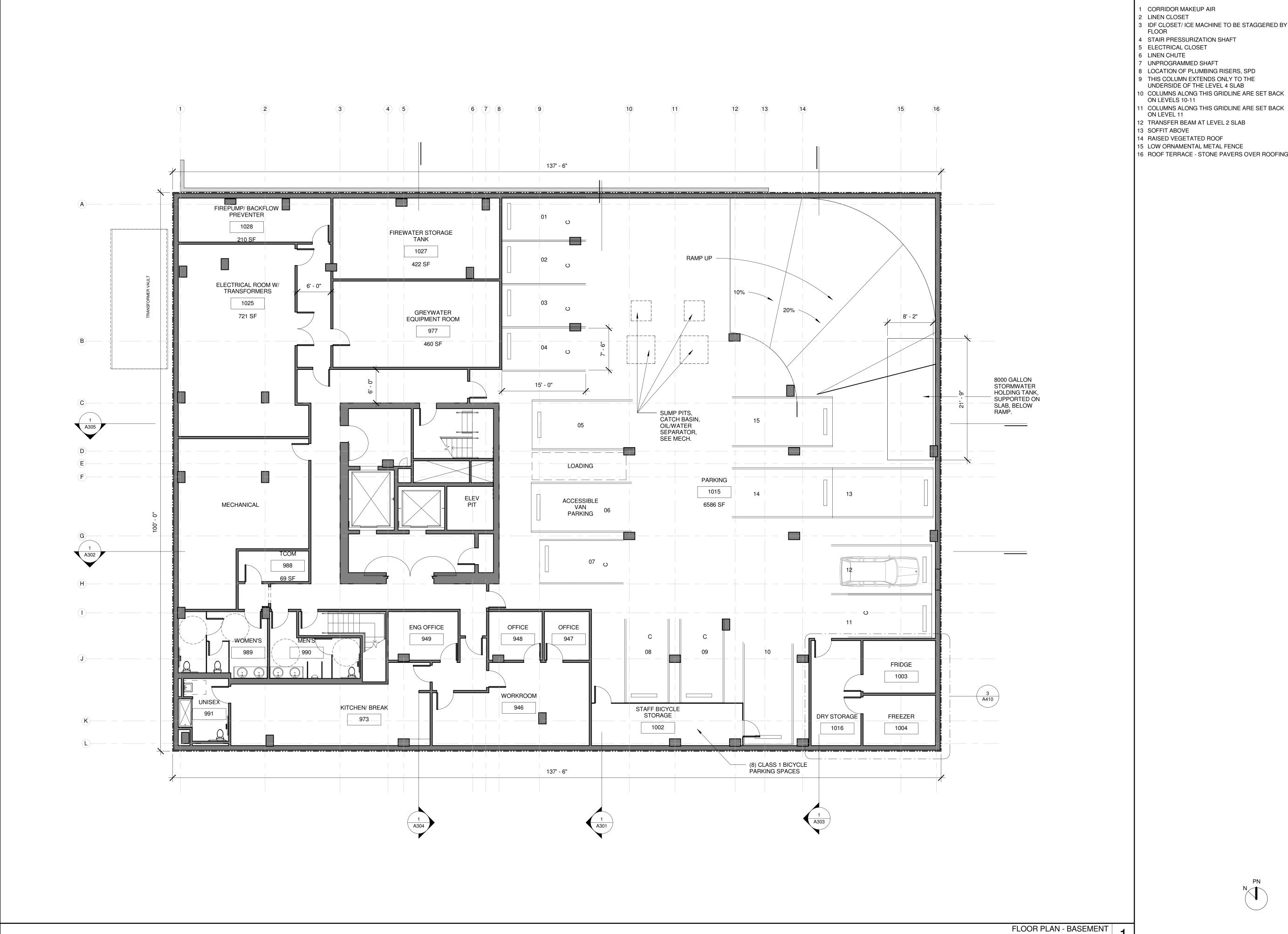
A105

ENLARGED LEVEL 1 PLAN AT THIRD STREET - SOUTH SIDE

ENLARGED LEVEL 1 PLAN AT THIRD STREET - NORTH SIDE

1/4" = 1'-0"

1/4" = 1'-0"





2 LINEN CLOSET

- 3 IDF CLOSET/ ICE MACHINE TO BE STAGGERED BY
- 4 STAIR PRESSURIZATION SHAFT
- 6 LINEN CHUTE
- 7 UNPROGRAMMED SHAFT 8 LOCATION OF PLUMBING RISERS, SPD
- 9 THIS COLUMN EXTENDS ONLY TO THE UNDERSIDE OF THE LEVEL 4 SLAB
- 10 COLUMNS ALONG THIS GRIDLINE ARE SET BACK
- ON LEVELS 10-11
- 12 TRANSFER BEAM AT LEVEL 2 SLAB

1/8" = 1'-0"

- 15 LOW ORNAMENTAL METAL FENCE
- 16 ROOF TERRACE STONE PAVERS OVER ROOFING

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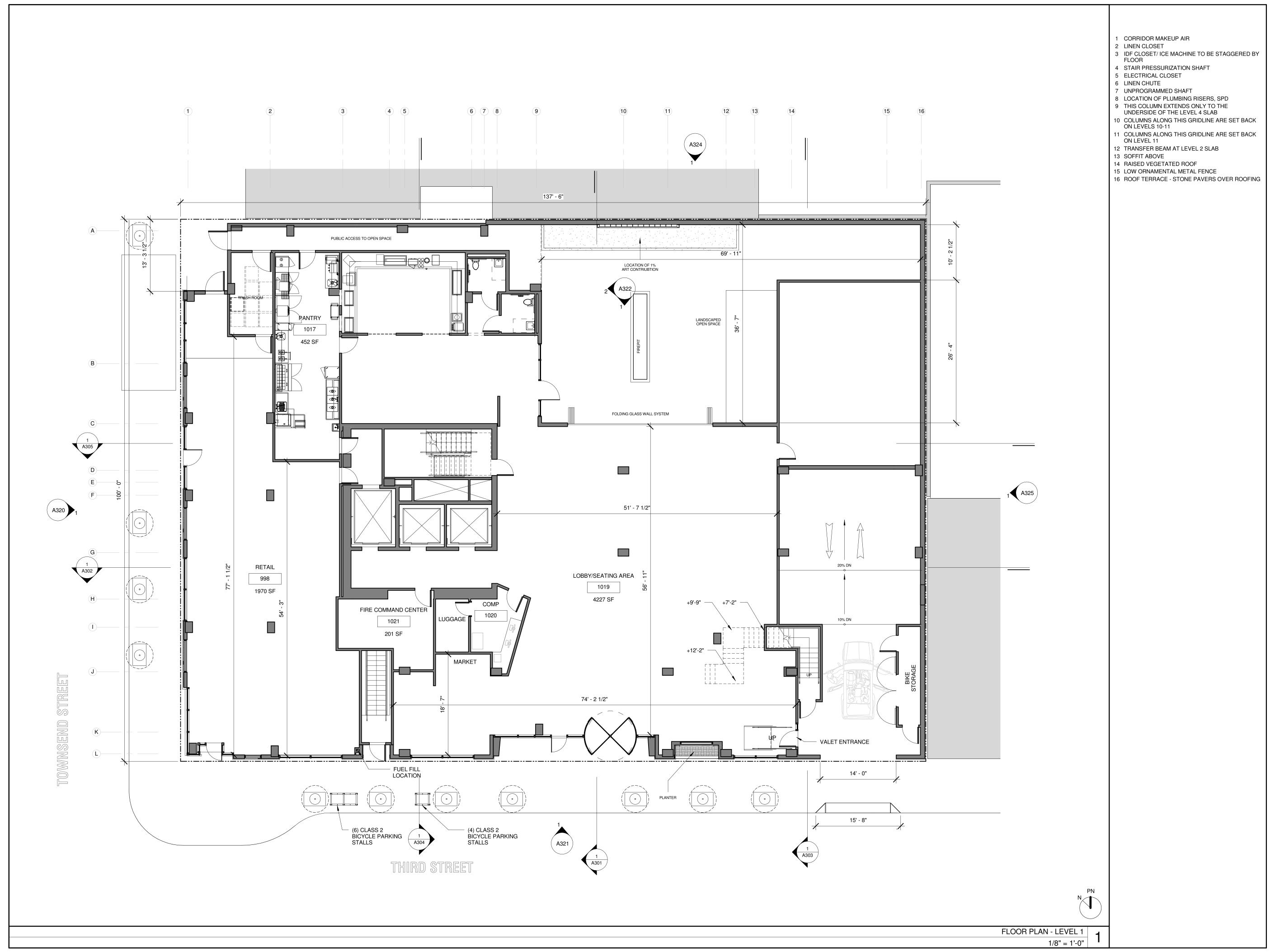
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DRAWING TITLE BASEMENT PLAN



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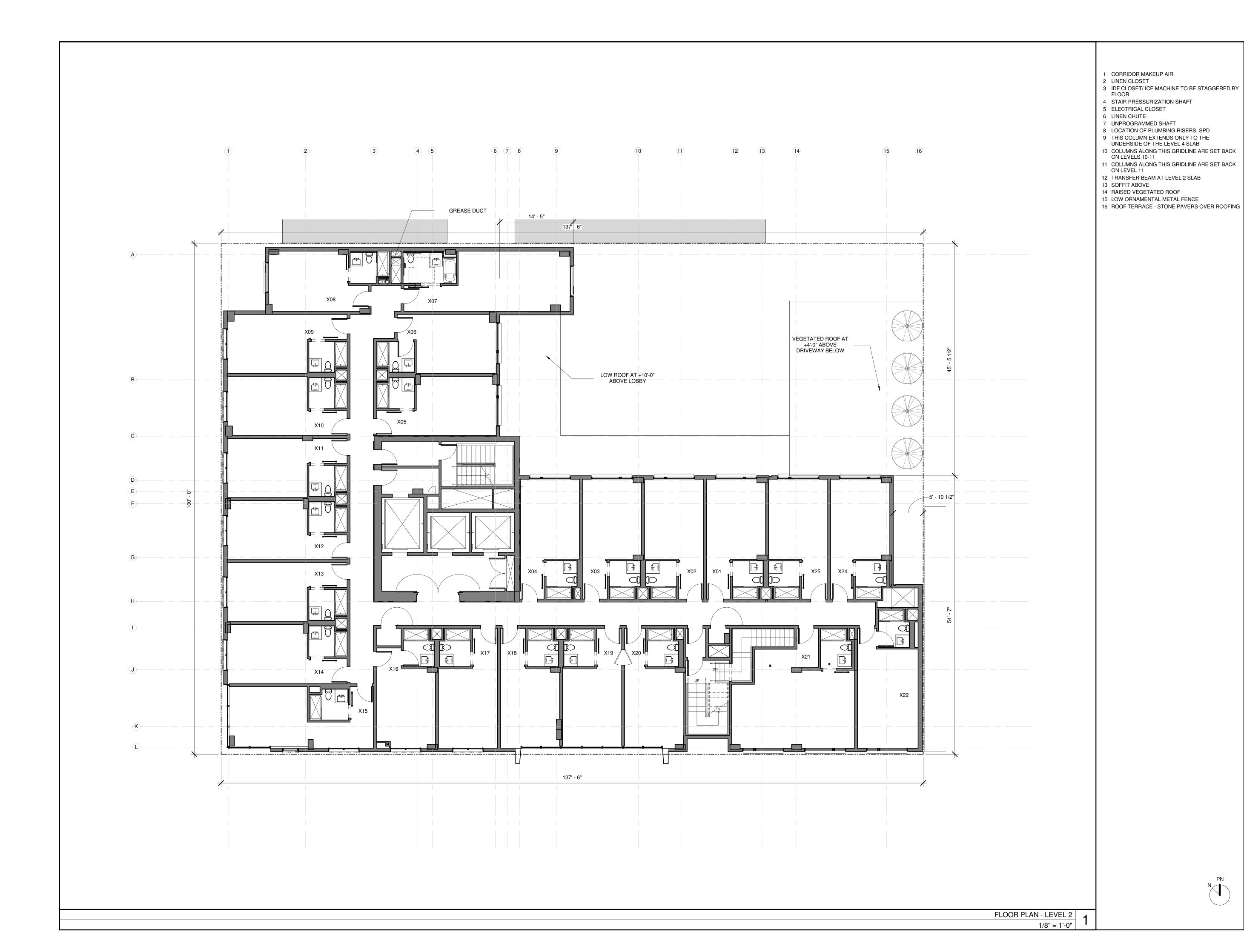
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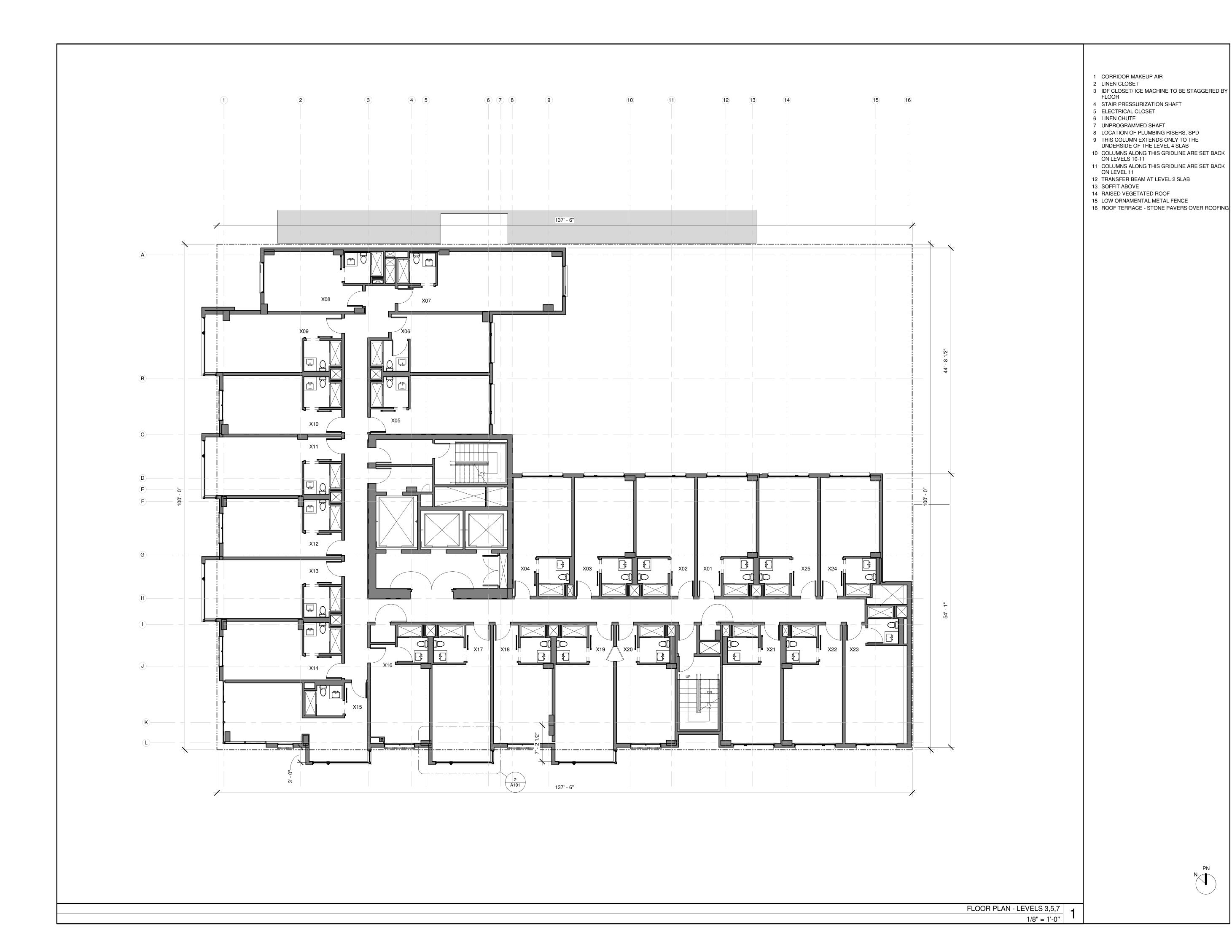
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DRAWING TITLELEVEL 2 FLOOR PLAN





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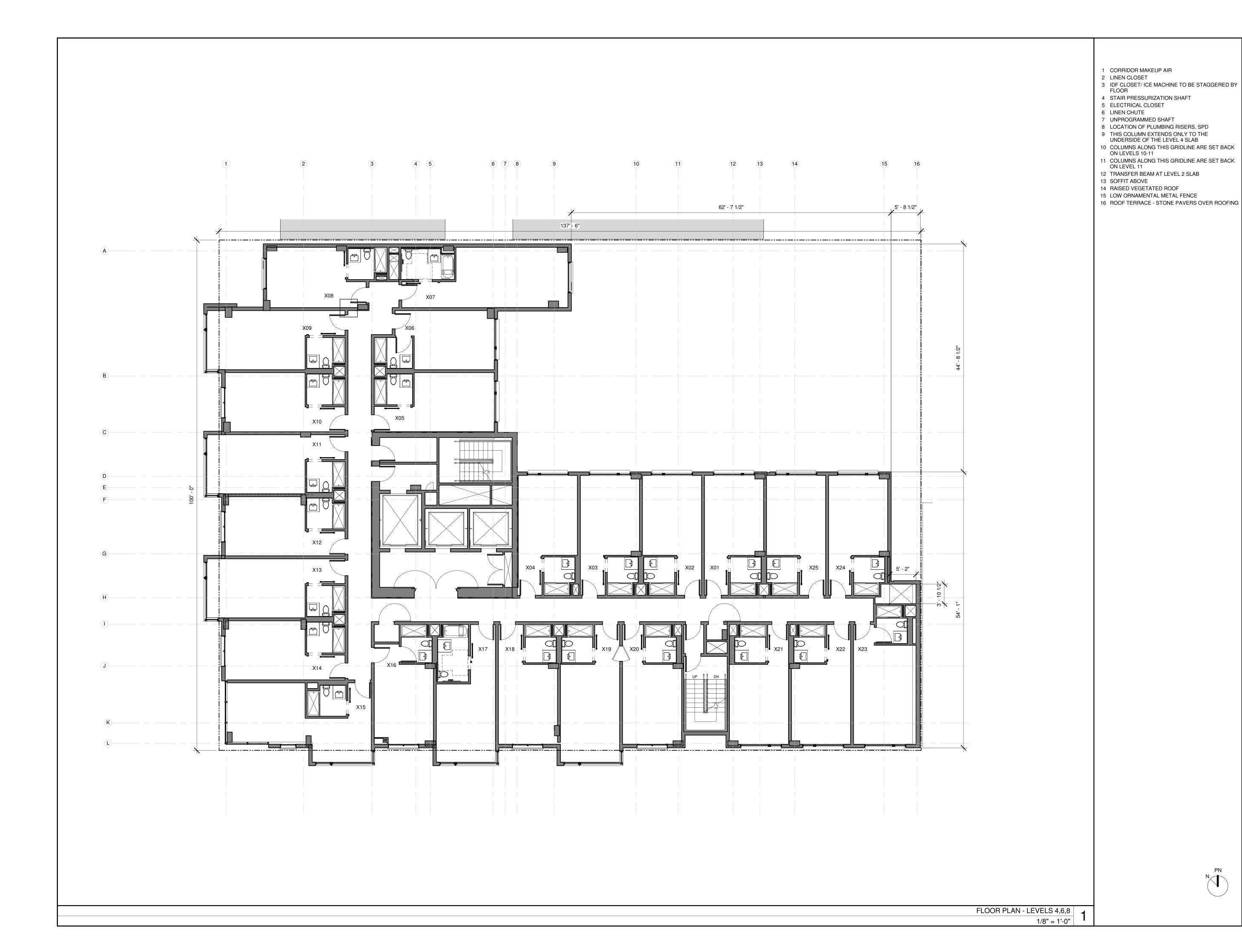
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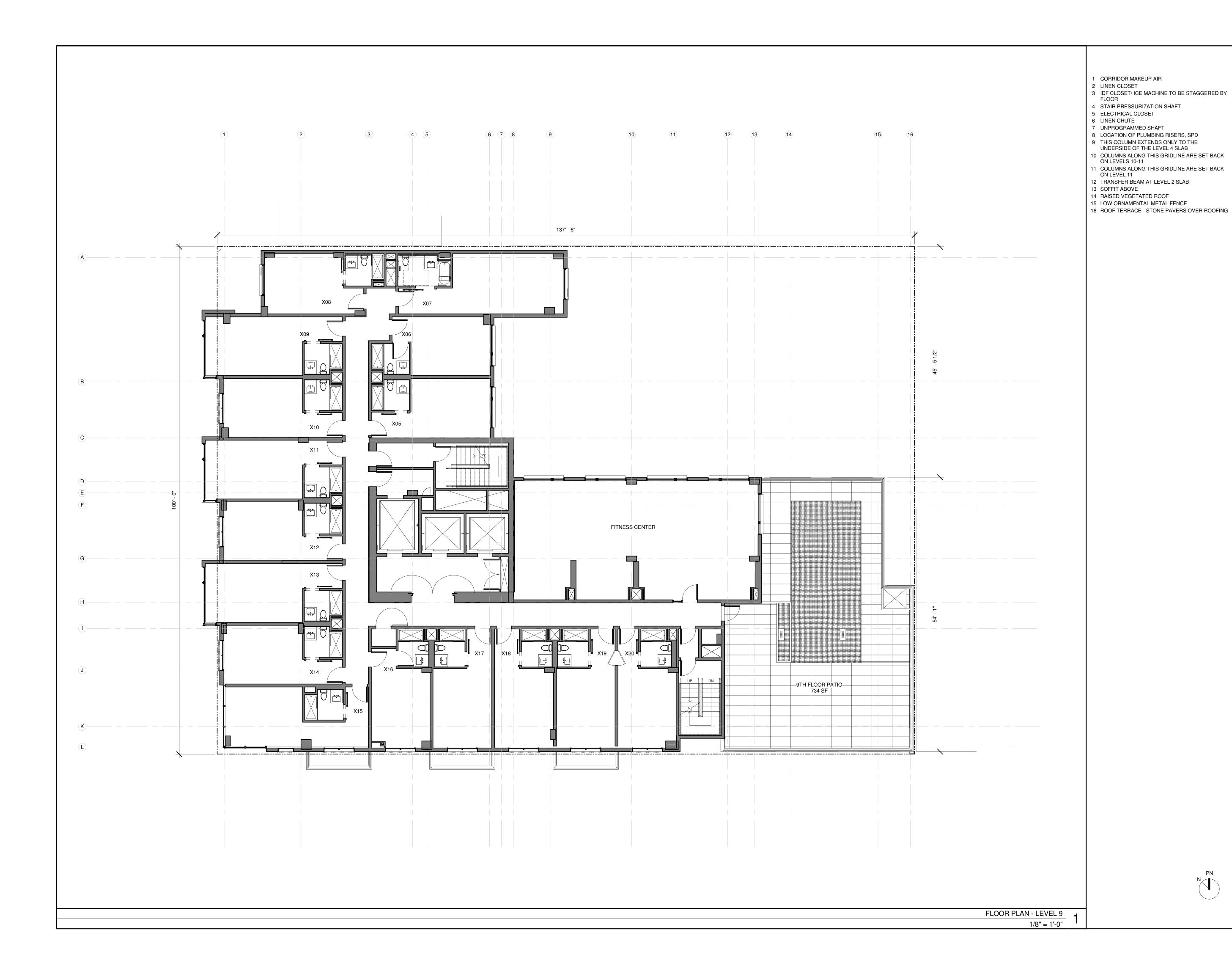
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DRAWING TITLE LEVELS 4,6,8 FLOOR PLANS





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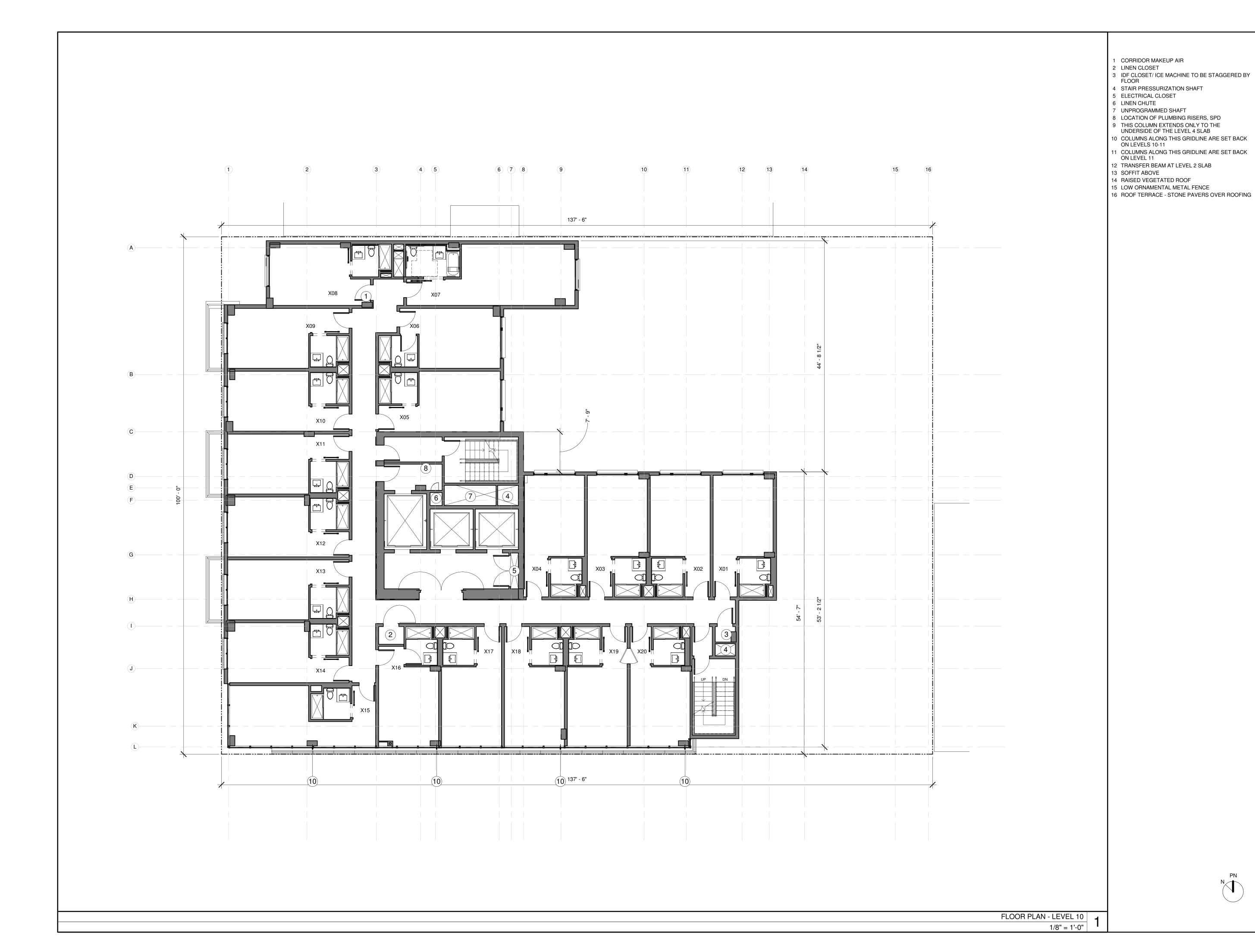
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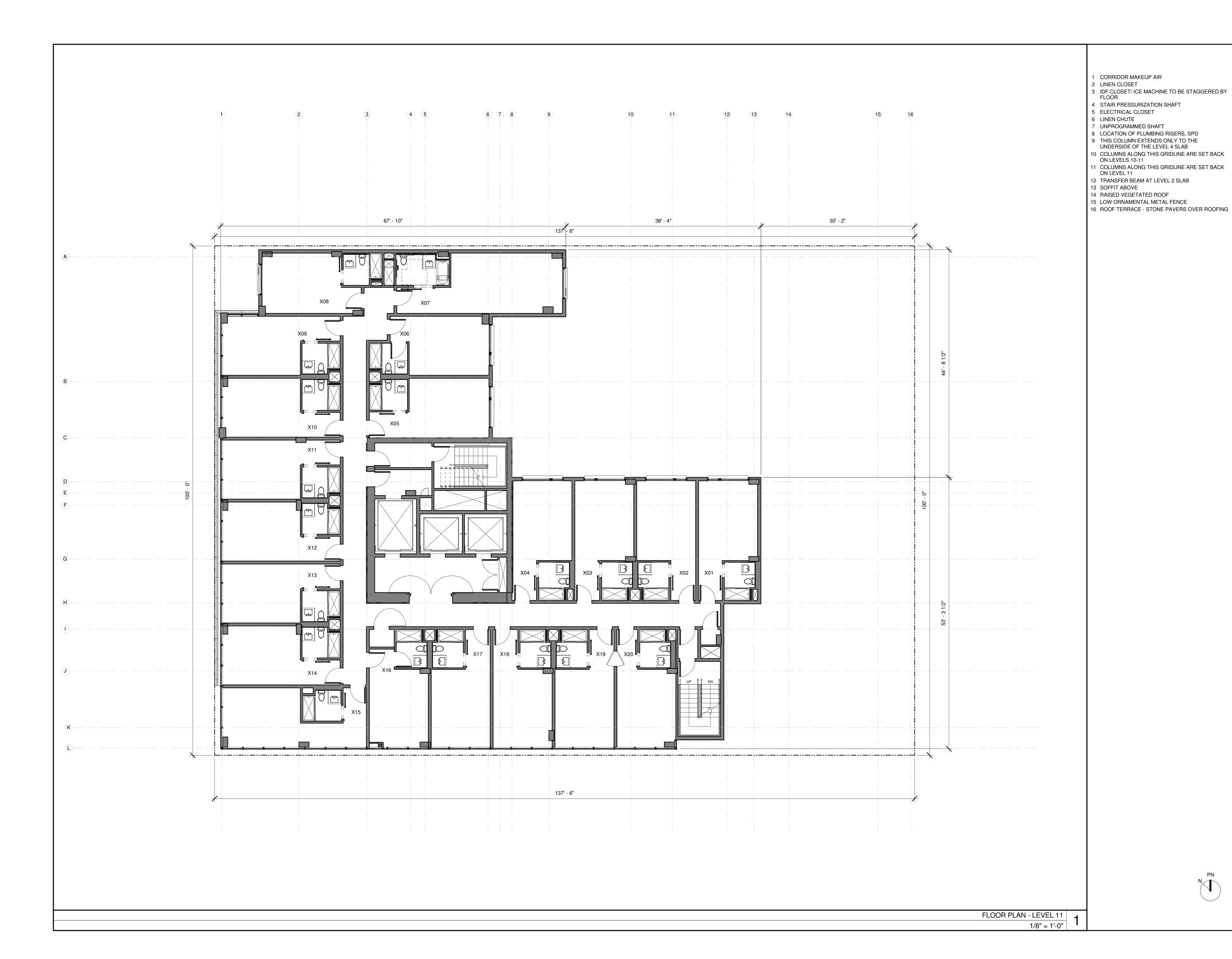
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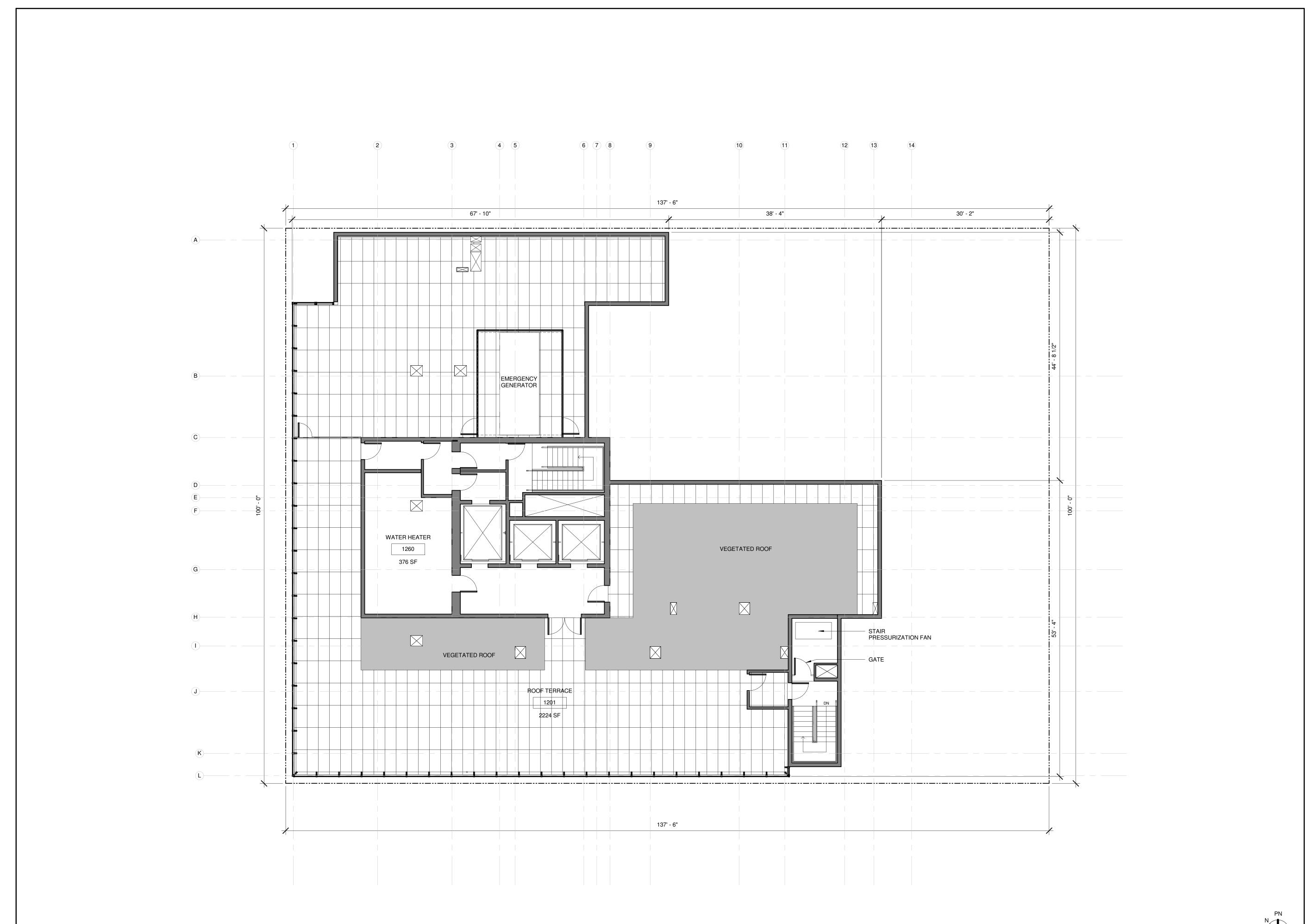
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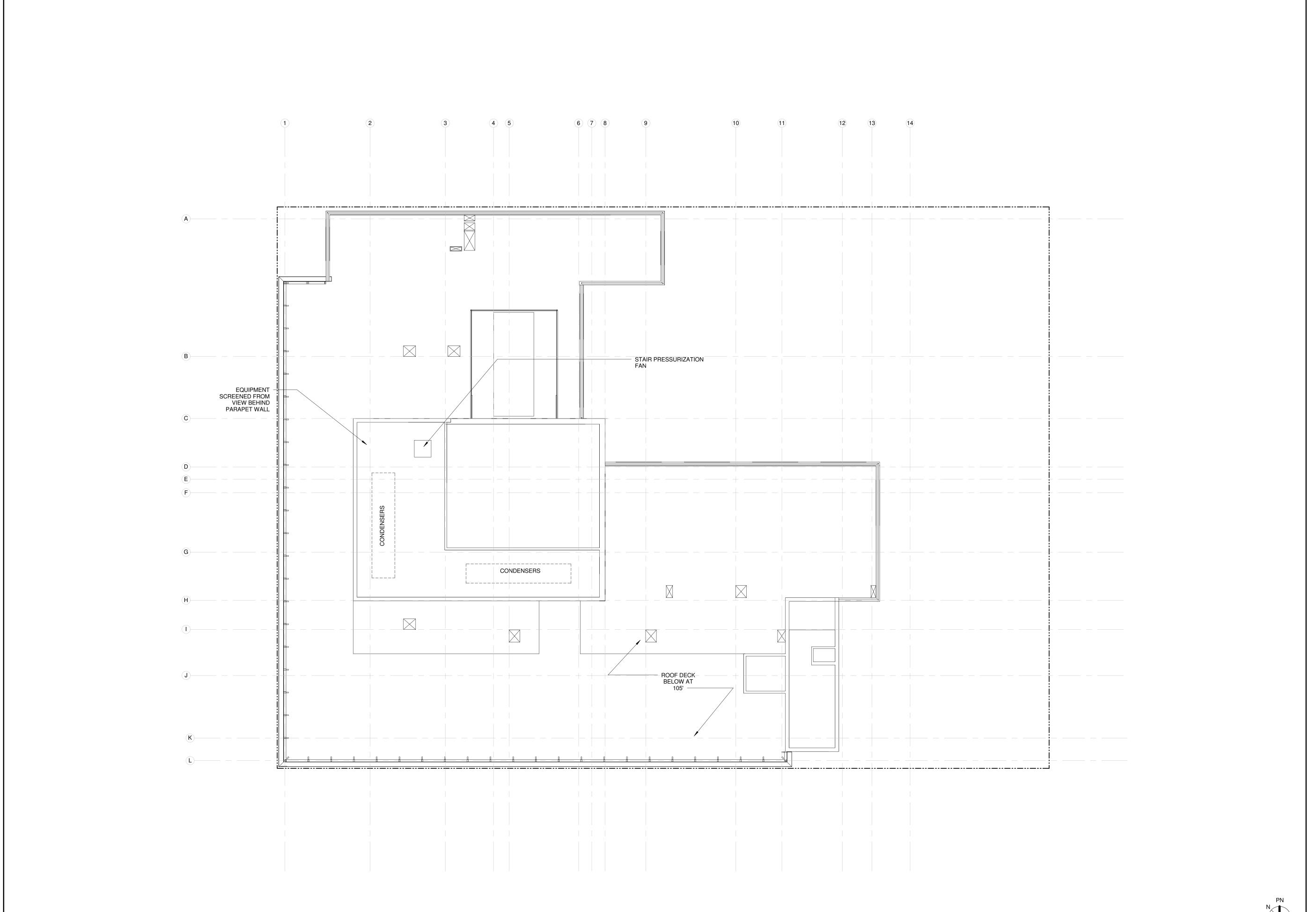
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DRAWING TITLE

ROOF PLAN

A208

FLOOR PLAN - ROOF 1/8" = 1'-0"





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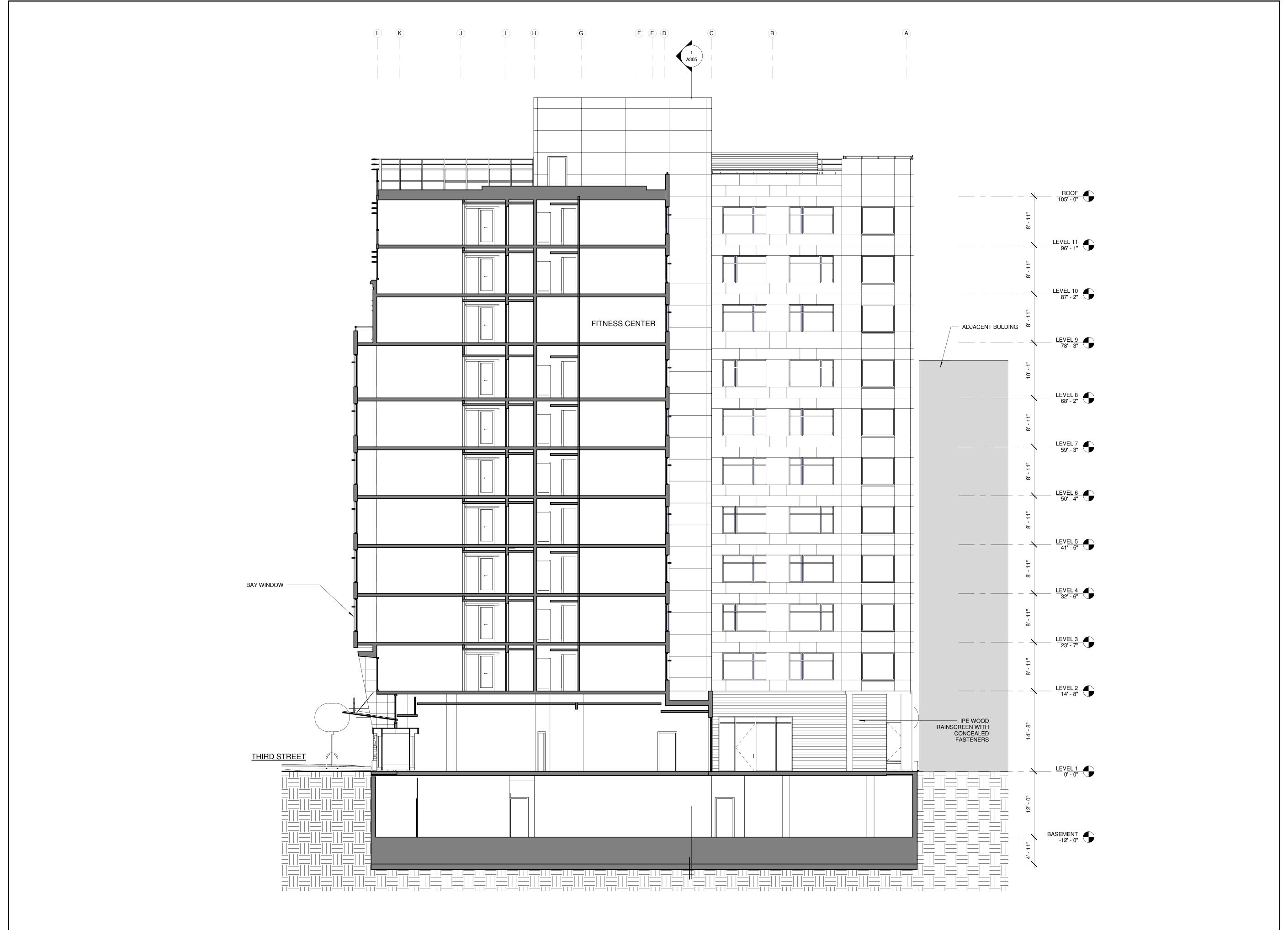
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DRAWING TITLEUPPER ROOF PLAN

A209

FLOOR PLAN - UPPER ROOF

1/8" = 1'-0"



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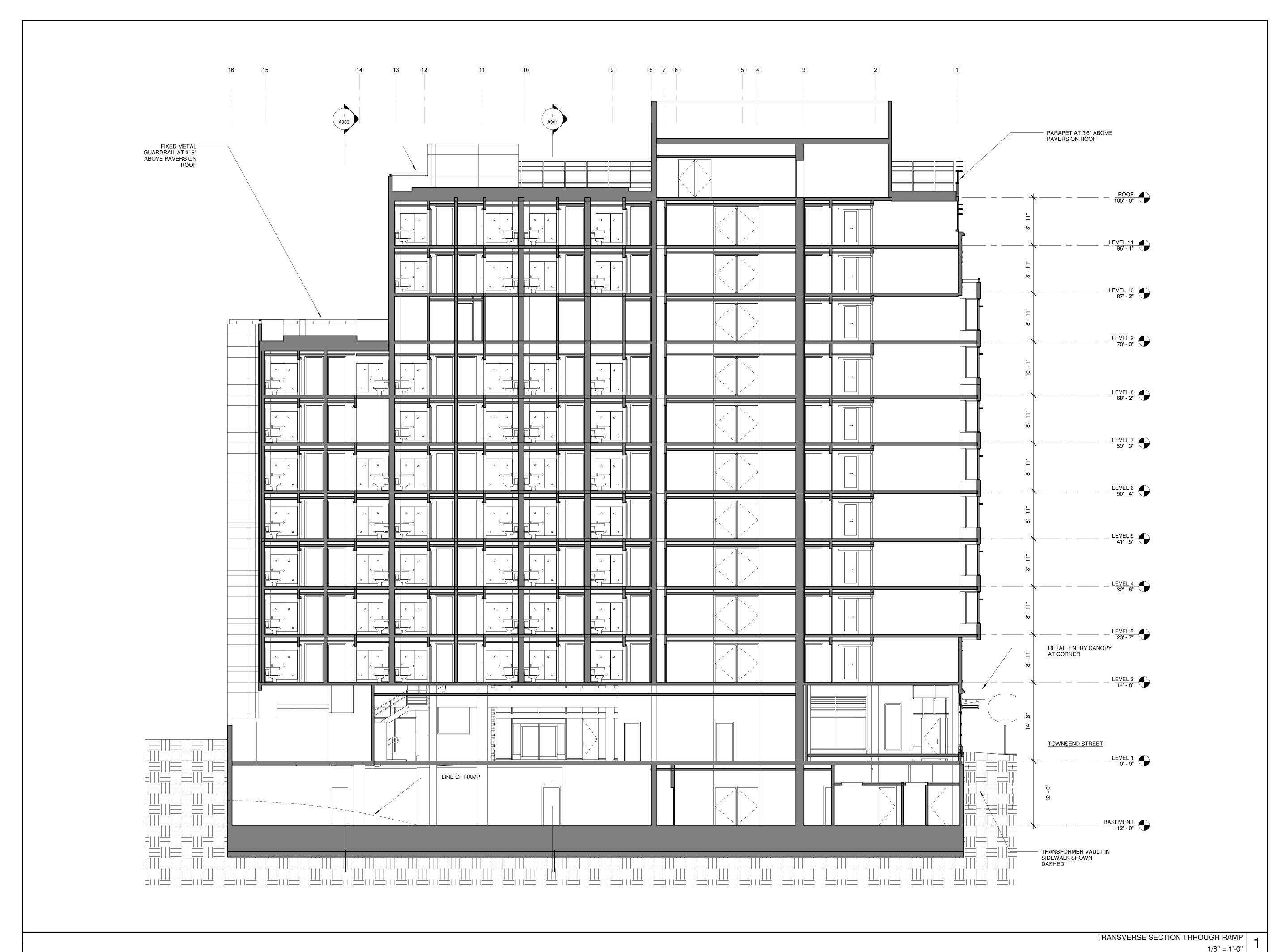
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A301

SECTION THROUGH HOTEL ENTRY

1/8" = 1'-0"





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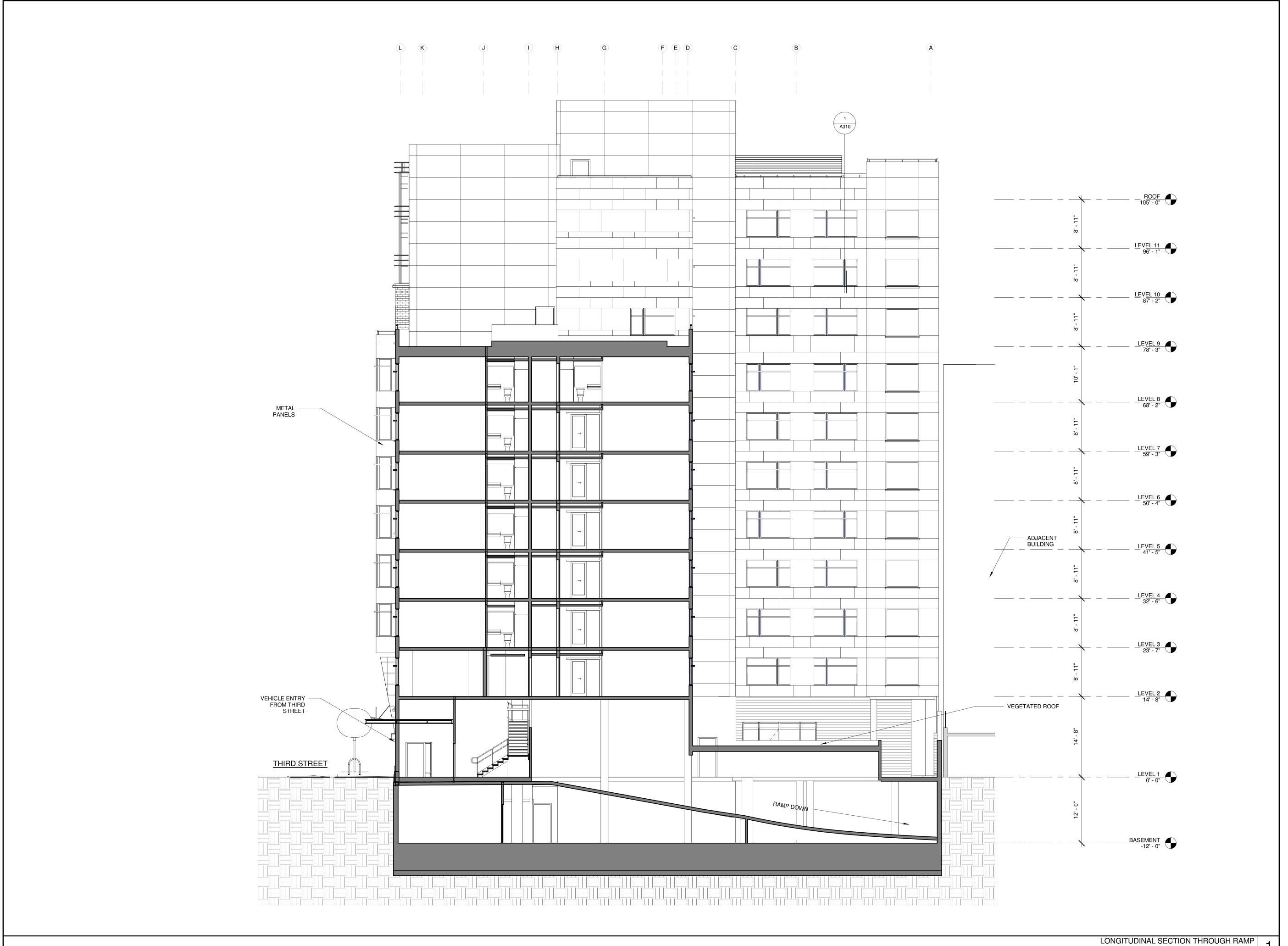
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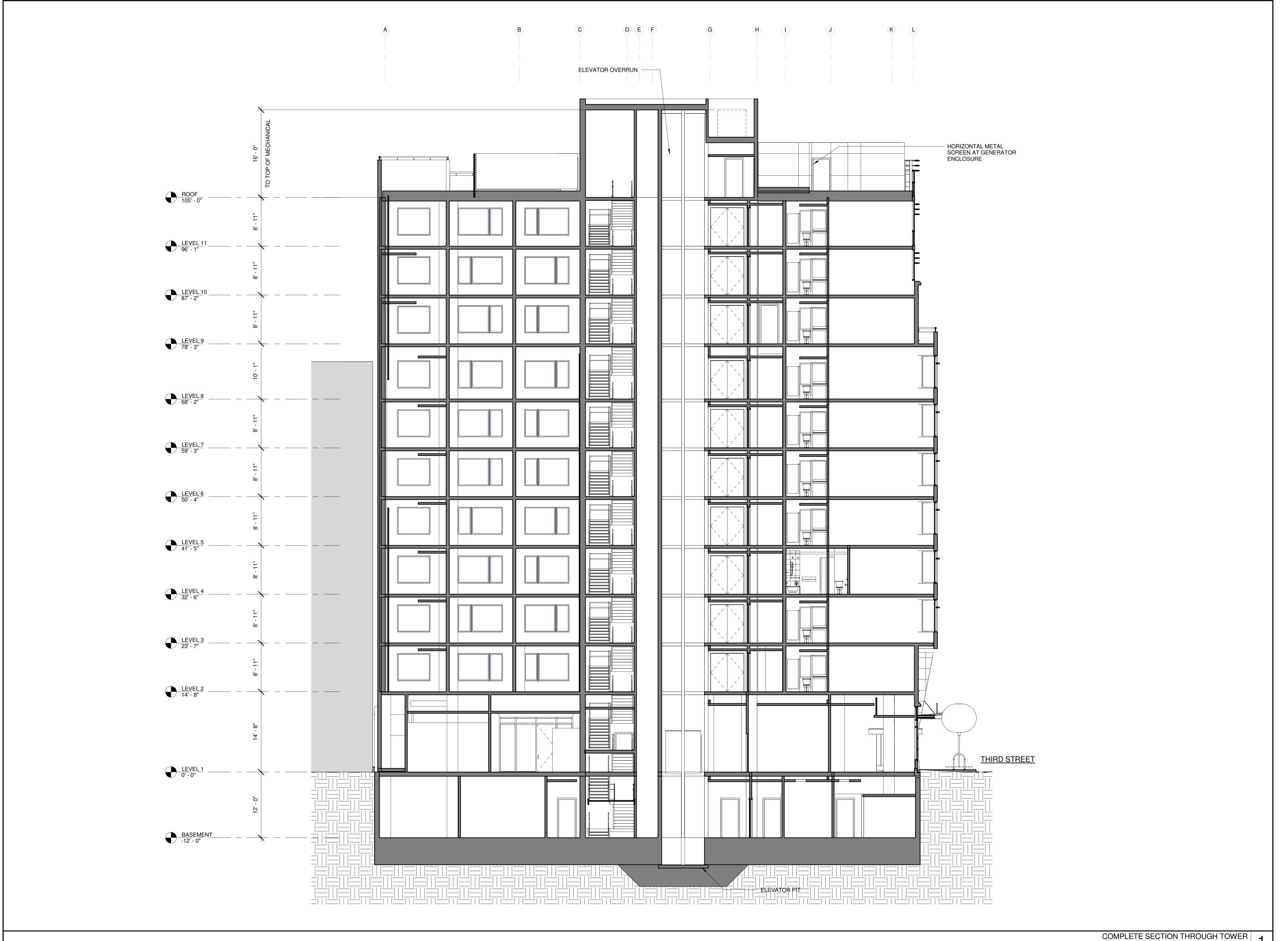
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A303

1/8" = 1'-0"





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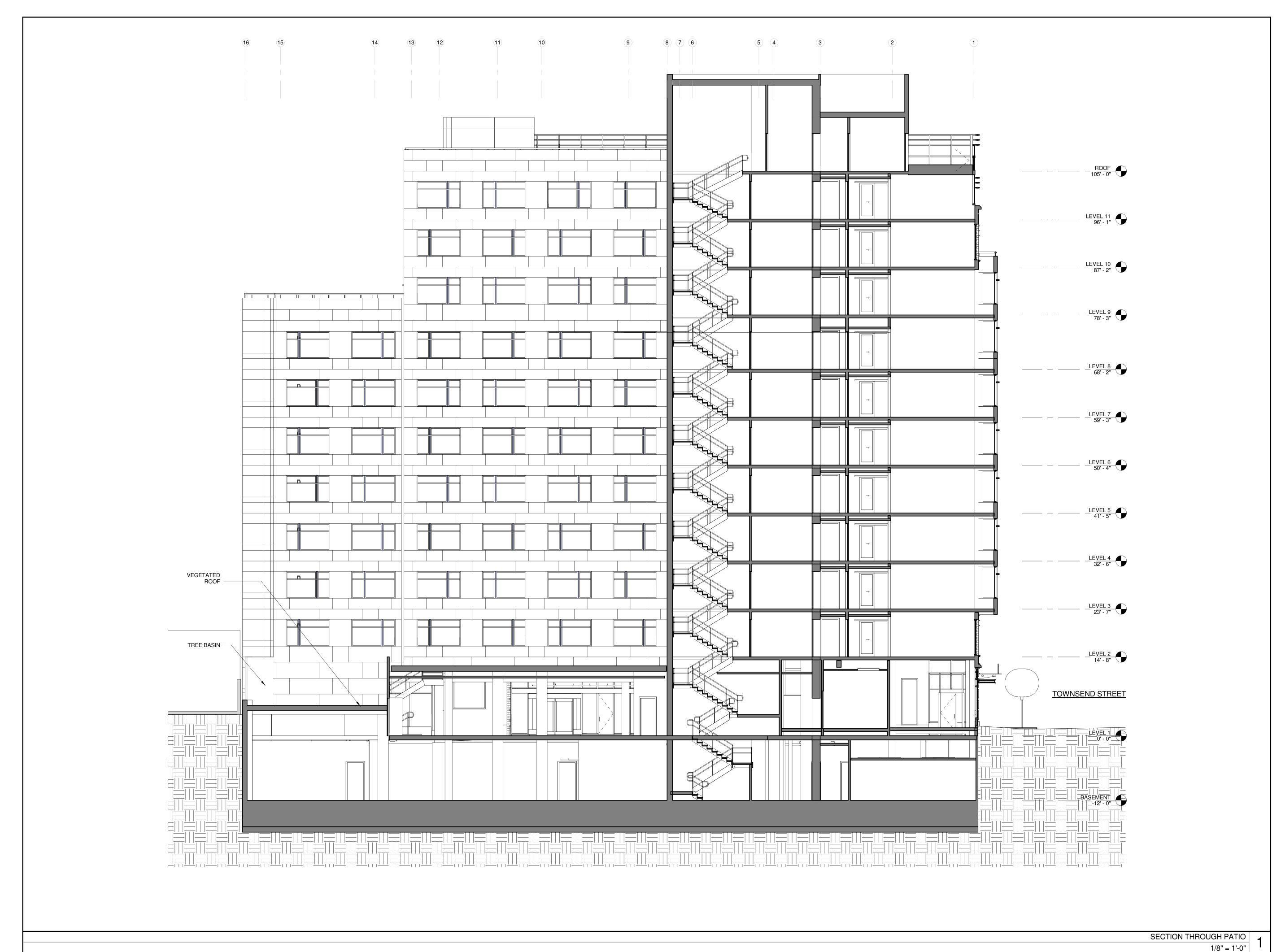
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A304

1/8" = 1'-0"



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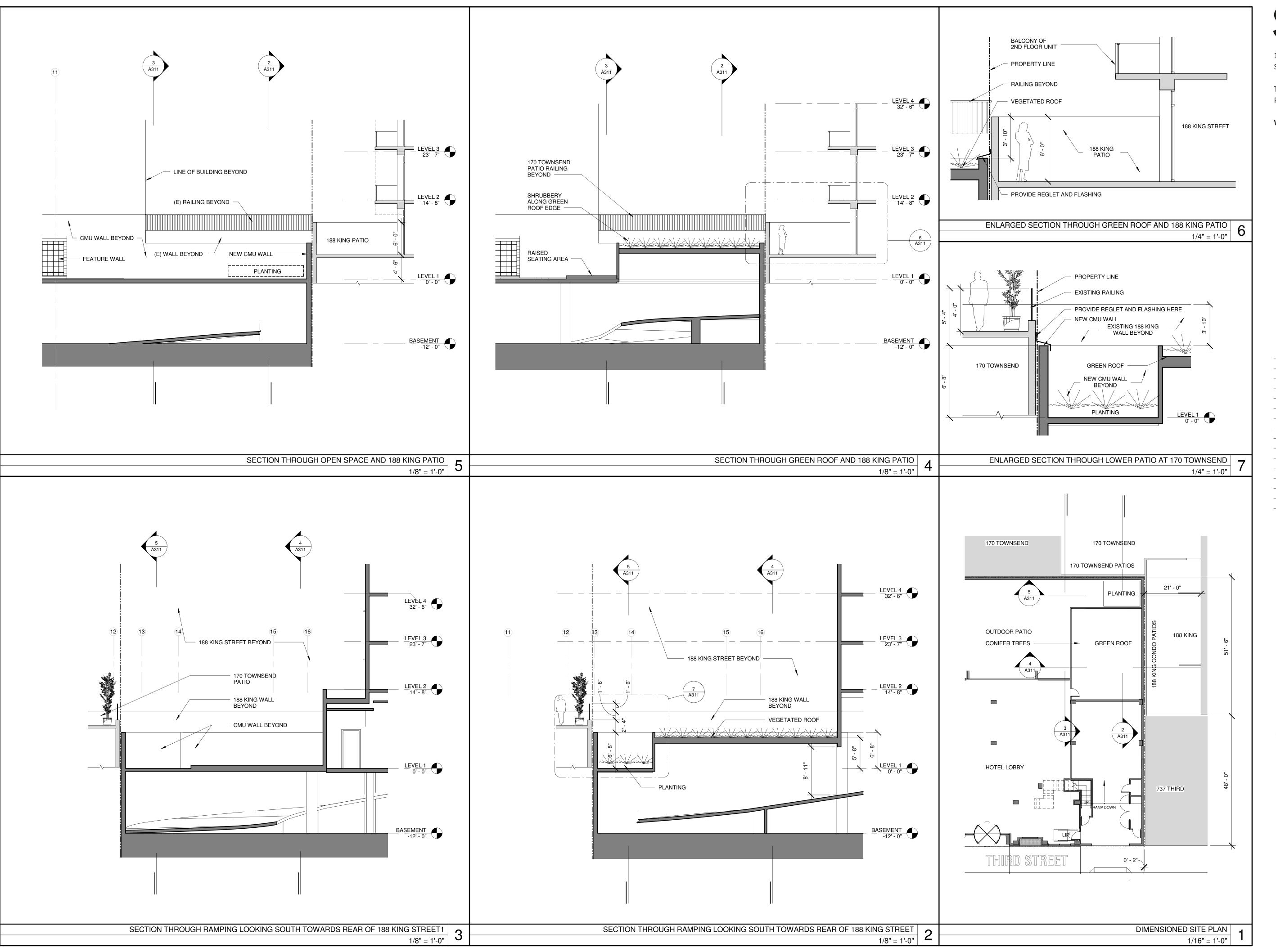
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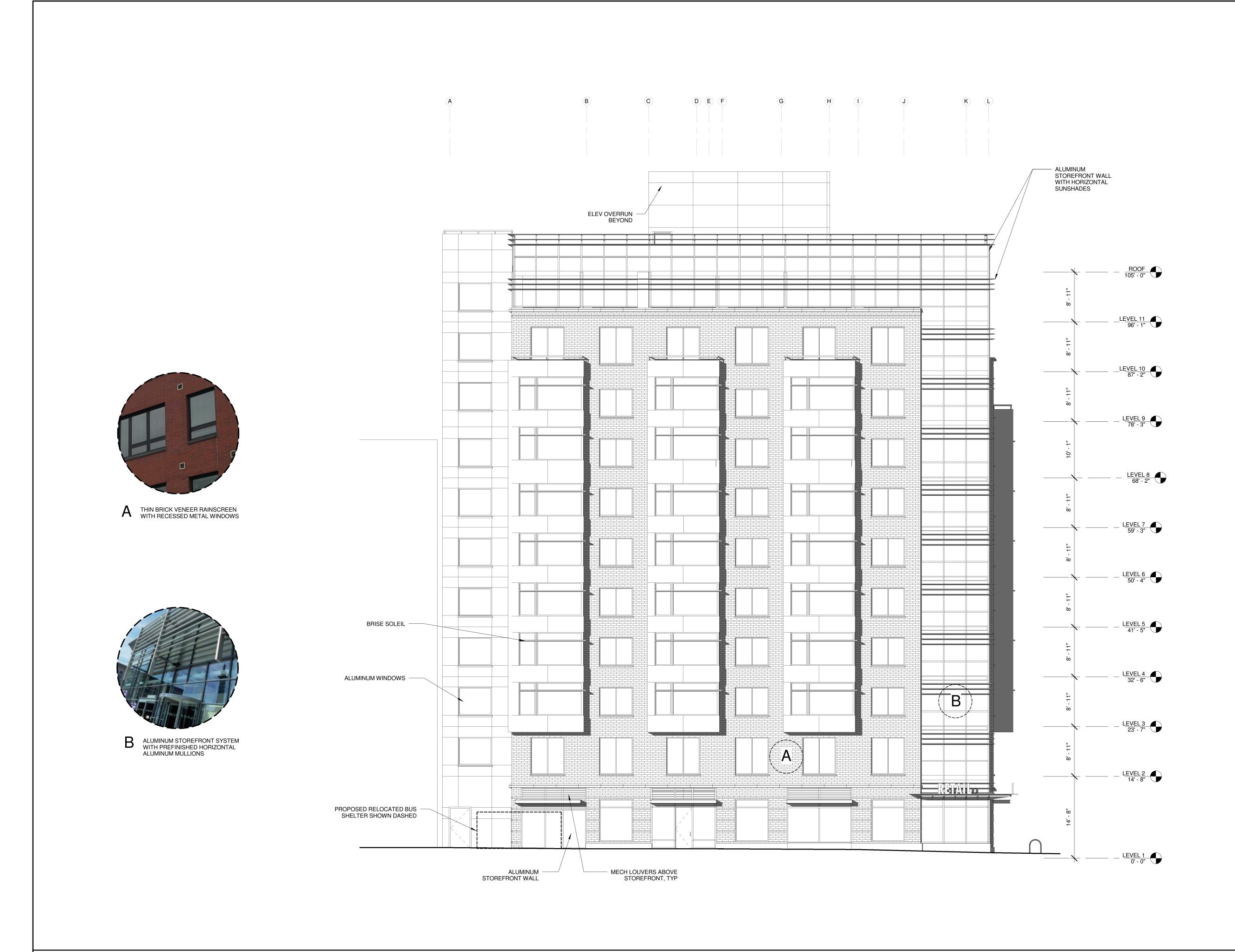
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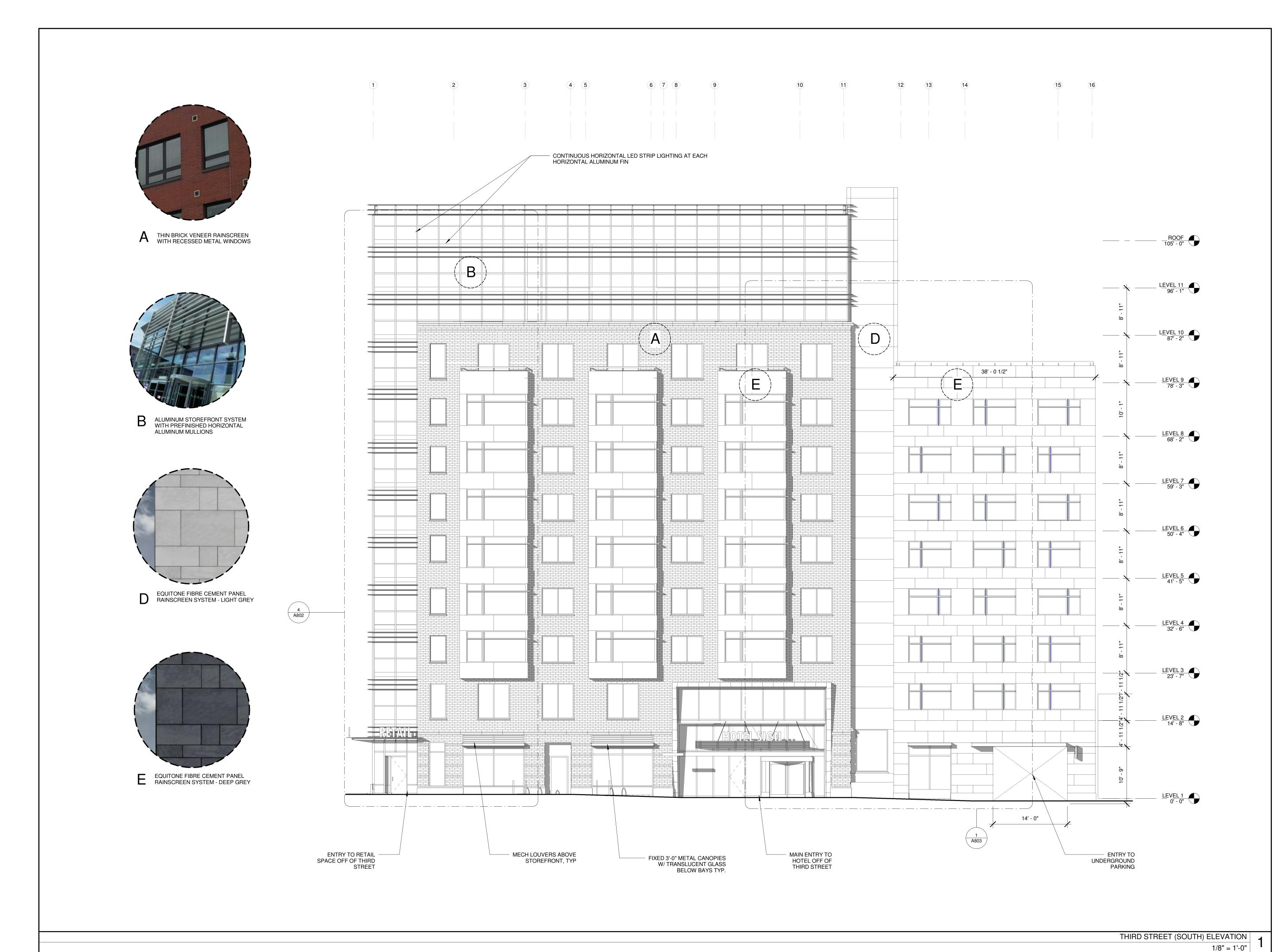
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DRAWING TITLETOWNSEND STREET (WEST)
ELEVATION

A320

TOWNSEND STREET (WEST) ELEVATION

1/8" = 1'-0"





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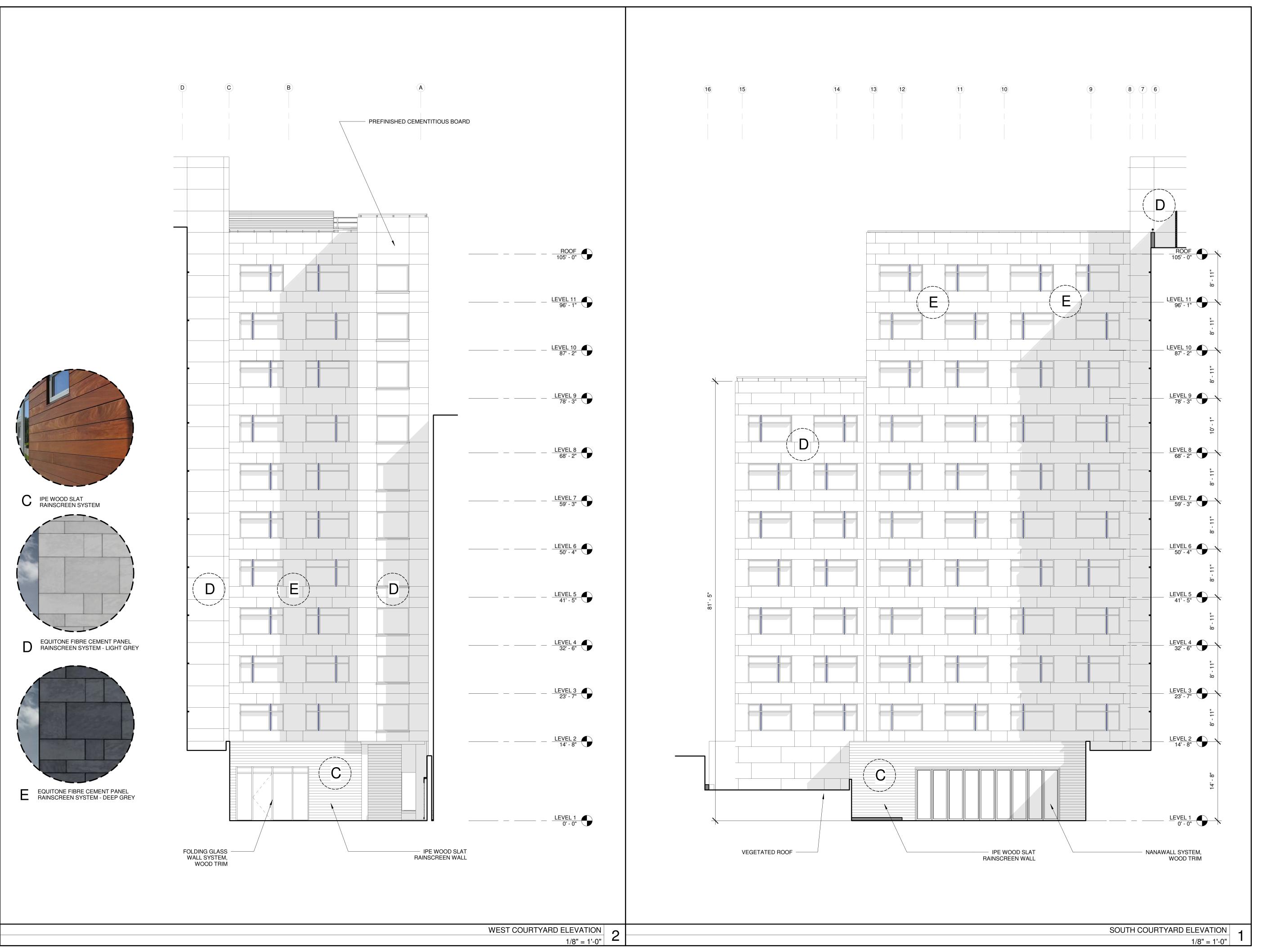
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DRAWING TITLETHIRD STREET (SOUTH) ELEVATION





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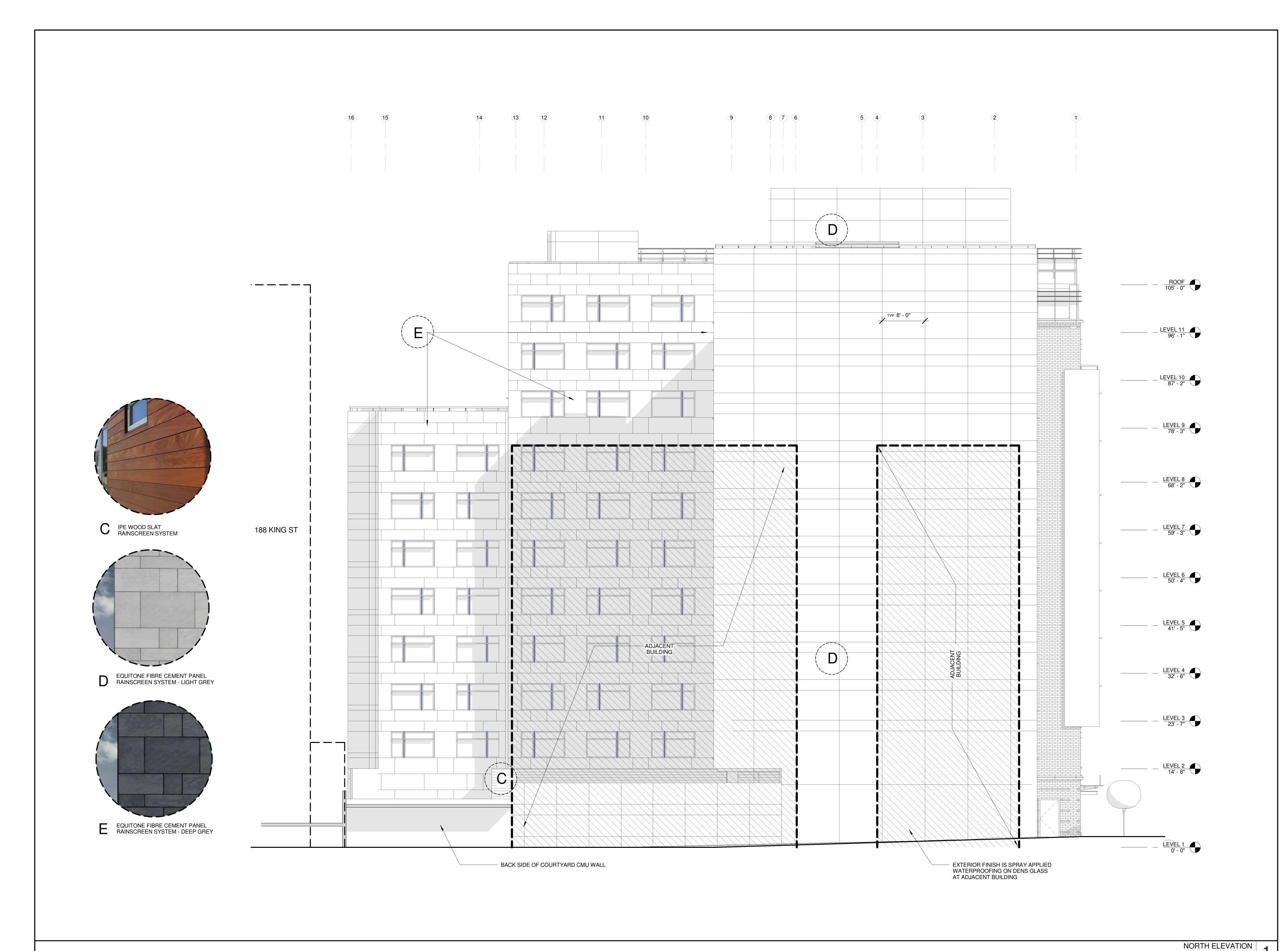
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DRAWING TITLECOURTYARD ELEVATION





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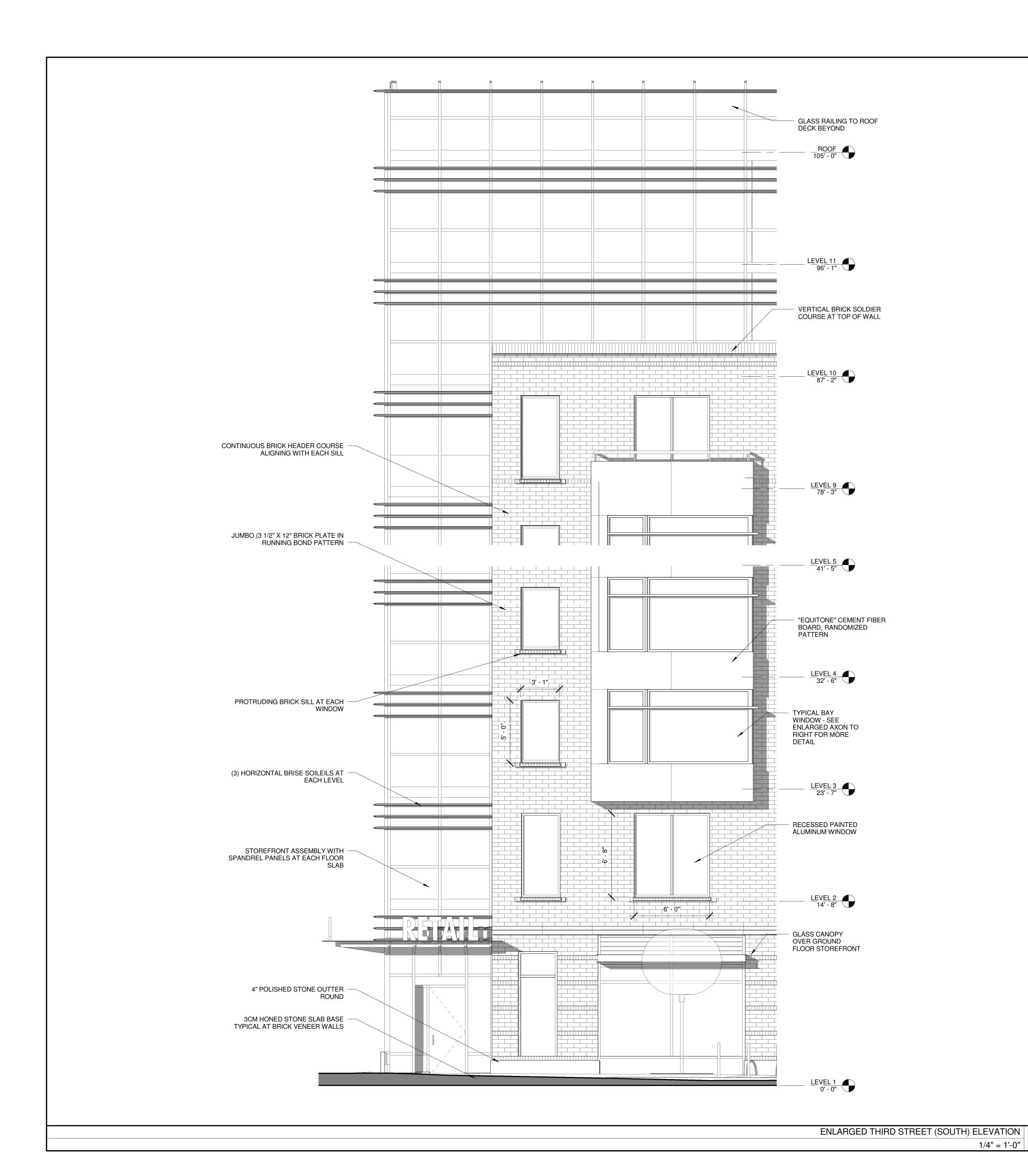
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A324

1/8" = 1'-0"





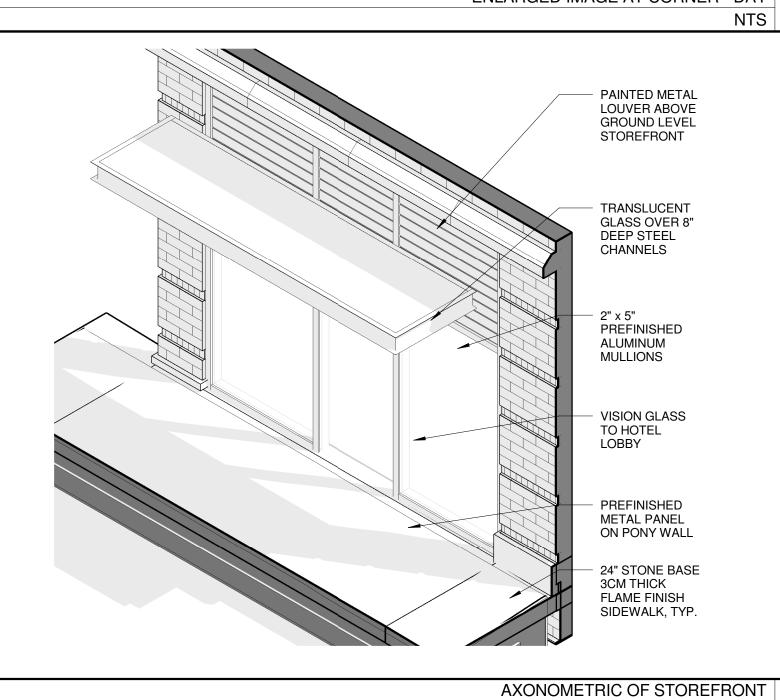
ENLARGED IMAGE AT CORNER - NIGHT

NTS



ENLARGED IMAGE AT CORNER - DAY

NTS



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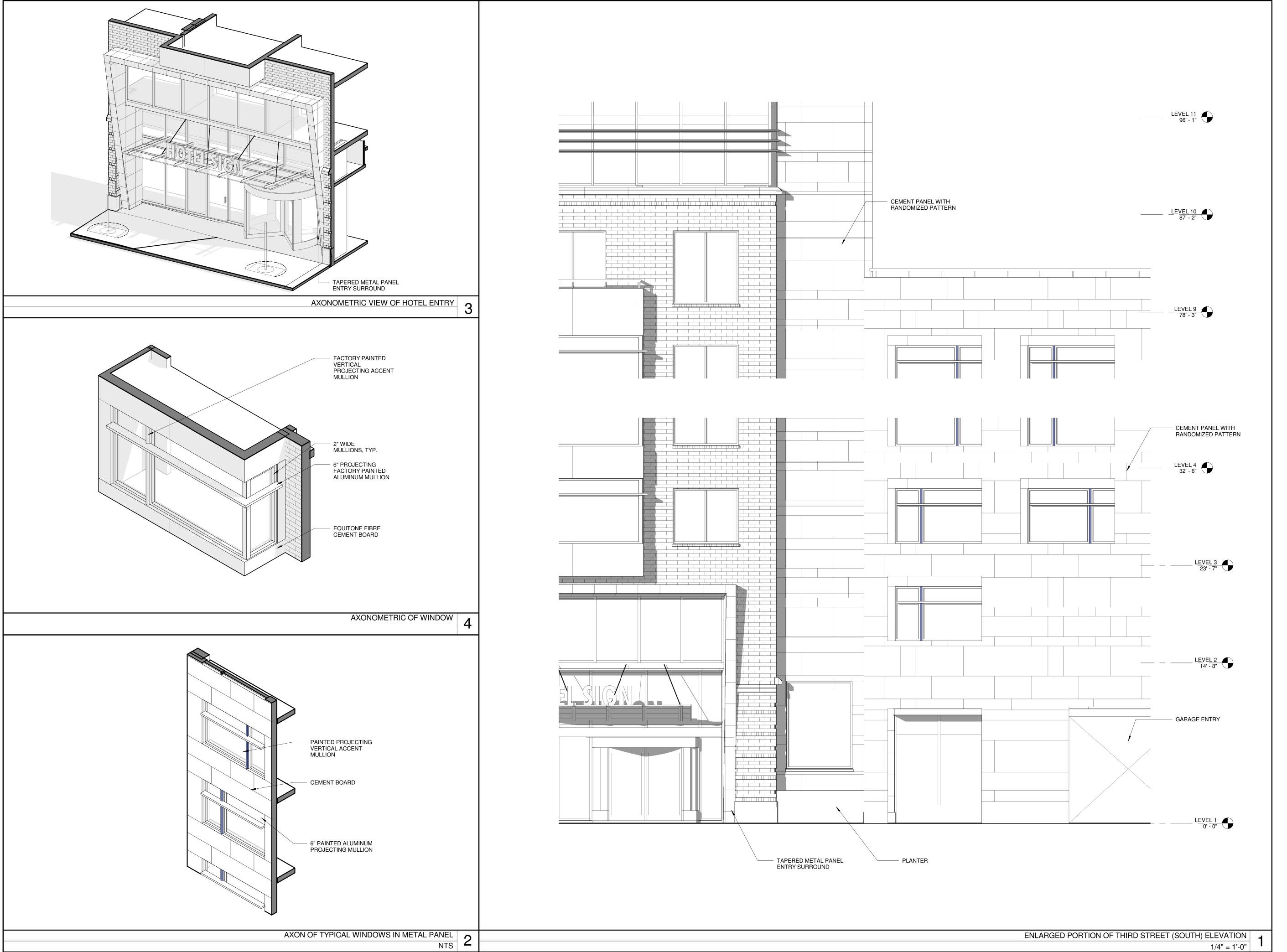
> JOB NUMBER 0914



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DRAWING TITLEENLARGED ELEVATION





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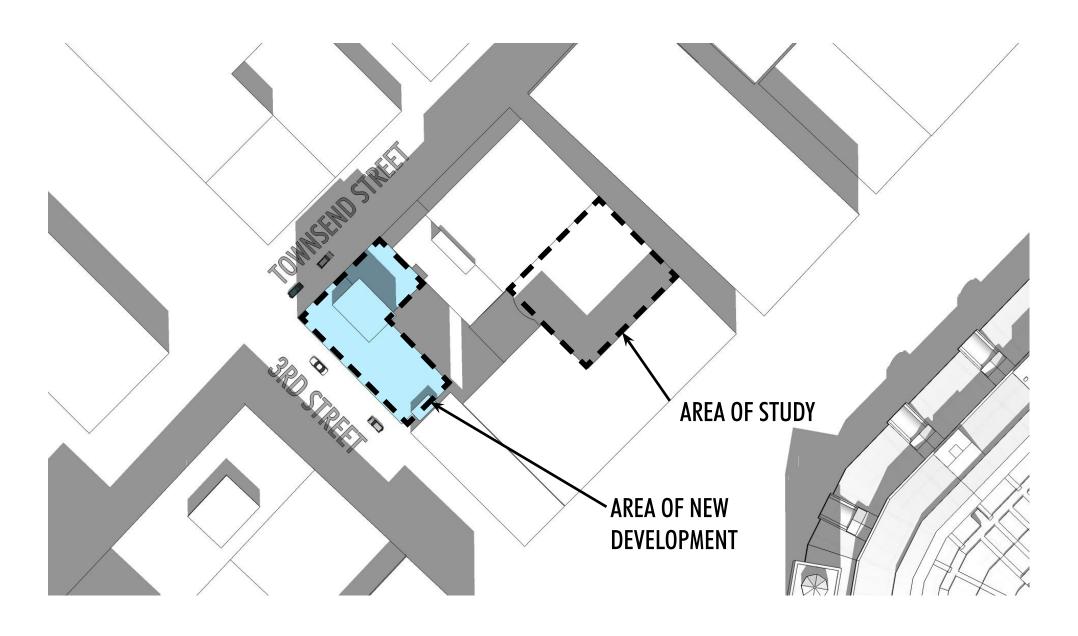


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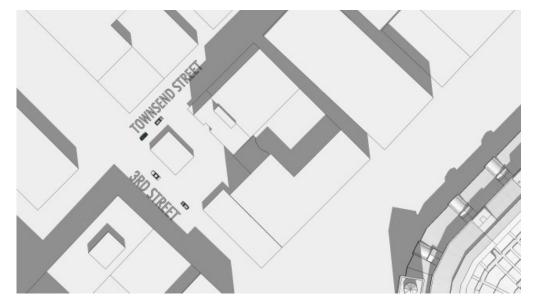
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ANALYSIS SUMMARY: At various times of the year, during early evening hours, the new development at 701 3rd street will partially shade the courtyard of 170 Off Third. The following diagrams illustrate the minimal shadow impact.

SHADOW STUDY LEGEND

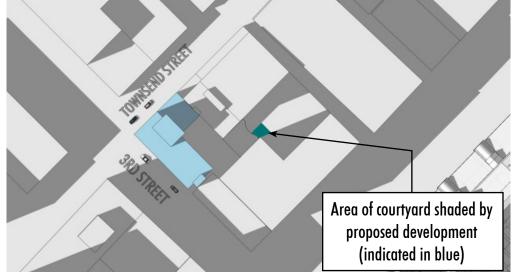


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12:00 PM - CURRENT BUILDING CONFIGURATION

04:00 PM - CURRENT BUILDING CONFIGURATION





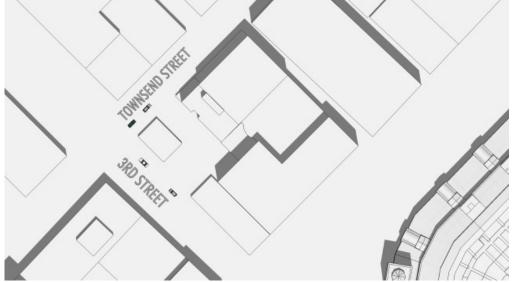
12:00 PM - PROPOSED BUILDING CONFIGURATION

04:00 PM - PROPOSED BUILDING CONFIGURATION

ANALYSIS SUMMARY: On the Spring Equinox, the new development at 701 3rd Street will have no shadowing effect on the courtyard of 170 Off Third from Sunrise until 3:22pm in the afternoon. The proposed development will begin to cast an additional shadow on the courtyard of 170 Off Third at 3:22pm. At that time, the courtyard of 170 Off Third is already 60% in the shade of its own structure. By 5:02pm, the courtyard will be in complete shadow.

MARCH 21ST - SPRING EQUINOX



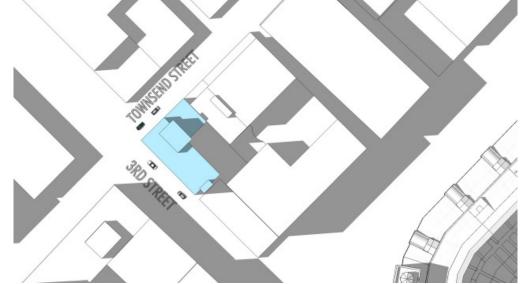


SAD OF THE RESERVENCE OF THE SERVENCE OF THE S

12:00 PM - CURRENT BUILDING CONFIGURATION

03:30 PM - CURRENT BUILDING CONFIGURATION





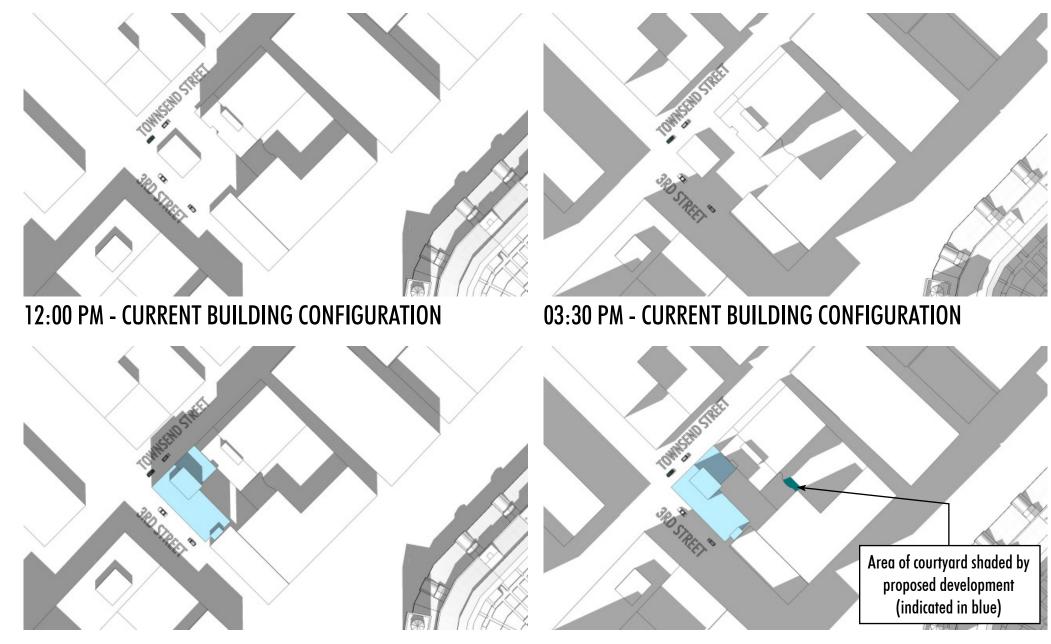
12:00 PM - PROPOSED BUILDING CONFIGURATION

03:30 PM - PROPOSED BUILDING CONFIGURATION

ANALYSIS SUMMARY: On the Summer Solstice, the courtyard of 170 Off Third is not affected by the proposed development. The courtyard of 170 Off Third begins to receive sunlight at 6:29am, and is in the full shade of its own structure on Townsend Street at 5:52pm. There is no new shading of this courtyard at any hour of the day caused by the proposed 701 3rd Street building.

JUNE 21ST - SUMMER SOLSTICE





12:00 PM - PROPOSED BUILDING CONFIGURATION

03:30 PM - PROPOSED BUILDING CONFIGURATION

ANALYSIS SUMMARY: On the Fall Equinox, the new development at 701 3rd Street will have no shadowing effect on the courtyard of 170 Off Third from Sunrise until 3:09pm in the afternoon. The proposed development will begin to cast an additional shadow on the courtyard of 170 Off Third at 3:22pm. At that time, the courtyard of 170 Off Third is already 60% in the shade of its own structure. By 5:02pm, the courtyard will be in complete shadow.

SEPTEMBER 21ST - FALL EQUINOX





Janos Andrews Comment of the Comment

12:00 PM - CURRENT BUILDING CONFIGURATION

02:50 PM - CURRENT BUILDING CONFIGURATION





12:00 PM - PROPOSED BUILDING CONFIGURATION

02:50 PM - PROPOSED BUILDING CONFIGURATION

ANALYSIS SUMMARY: On the Winter Solstice, most of the courtyard of 170 Off Third is shadowed all day by its neighboring King Street building. The proposed development begins to shade the courtyard at 2:23. At this time, the courtyard of 170 Off Third is already 75% shaded. The proposed development continues to shade the courtyard until 3:29pm when it is in full shadow.

DECEMBER 21ST - WINTER SOLSTICE





3/21 & 9/21 04:00 PM - PROPOSED BUILDING CONFIGURATION

At the Spring and Fall Equinoxes, the 170 Townsend Street facade is currently shadowed by existing structures after approximately 6:15pm. When 701 3rd Street is built, the shadowing of the 170 Townsend Street facade will begin at approximately 2:30pm and by 4:00pm, approximately half the facade will be in shadow. (See illustration above).



6/21 04:00 PM - PROPOSED BUILDING CONFIGURATION

At the Summer Solstice, this shadowing will begin at approximately 1:15pm. On the summer solstice, by 4:00pm, the first row of windows adjacent to 701 3rd Street will be in shadow. (See illustration above).



12/21 04:00 PM - PROPOSED BUILDING CONFIGURATION

On the Winter Solstice, the 170 Townsend Street facade is already in shadow from existing buildings for most of the day. The construction of 701 3rd Street will cast additional shadow on 170 Townsend for approximately Eighty additional minutes, from 3:30pm to 4:49pm.

ANALYSIS SUMMARY: A portion of the Townsend Street Facade of the 170 Townsend building is set back approximately 15 feet from the street. The new building proposed for 701 3rd Street will be built to its Townsend street property line and will partially shadow the Townsend Street facade of 170 Townsend each afternoon.

170 OFF THIRD - TOWNSEND STREET FACADE SHADOW ANALYSIS



Market Demand Analysis Proposed Hyatt Place San Francisco, California



Prepared For:

Mr. Scott G. McChesney Senior Vice President Real Estate and Business Development Stonebridge 9100 E. Panorama Drive, #300 Englewood, CO 80112

Prepared By:

CBRE Hotels San Francisco, California

Date of the Report:

March 9, 2016



Chris Kraus, MAI Managing Director CBRE Hotels



CBRE, Inc.

Valuation & Advisory Services
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San Francisco, CA 94111

+1 406 582 8189 Office +1 415 652 4483 Mobile

chris.kraus@cbre.com www.cbrehotels.com

March 9, 2016

Mr. Scott G. McChesney Senior Vice President Real Estate and Business Development Stonebridge 9100 E. Panorama Drive, #300 Englewood, CO 80112

Re: Market Demand Analysis
Proposed Hyatt Place
701 Third Street
San Francisco, California 94107
CBRE, Inc. File No. 16-490SF-0027

Dear Mr. McChesney:

In accordance with your request, we have completed our engagement contract, which is a study of the potential market demand for a proposed hotel (the "Subject" or "Hotel") to be located at 701 Third Street in San Francisco, California. Pursuant to our engagement, we have prepared this report summarizing our findings.

The conclusions set forth are based on an analysis of the existing and potential future supply and demand for the competitive lodging market as of the completion of our fieldwork in March of 2016. This report is intended for your internal management use and well as for presentation to representatives of the City and County of San Francisco for understanding the potential market demand for the proposed Hotel.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for

Stonebridge Proposed Hyatt Place – San Francisco, CA March 9, 2016 Page 2

revisions in view of changes in the economy or market factors impacting the competitive lodging market.

Since the proposed Hotel's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of this assignment and on our experience in the industry. This report is subject to the Certification and Assumptions and Limiting Conditions presented in the Addenda.

After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for the opportunity to work with you on this interesting engagement.

Yours sincerely,

CBRE HOTELS

By: Chris Kraus

Managing Director

chris.kraus@cbre.com I 415.652.4483

By: Stefanie Griffith Consultant

stefanie.griffith@cbre.com I 406.582.8189

A. INTRODUCTION

1. OVERVIEW OF THE MARKET STUDY

CBRE Hotels was formally retained on February 24, 2016, by Mr. Scott G. McChesney of Stonebridge to conduct a study of the potential market demand for a proposed hotel to be located at 701 Third Street in San Francisco, California. As a component of this analysis, we first determined the market potential for a hotel by evaluating supply and demand trends within the San Francisco lodging market. Based on the recent performance of comparable hotels in the market, we then provided our projections of the occupancy and average daily room rate ("ADR") the proposed Hotel could achieve for its first five years of operation. For the purpose of this analysis, we have assumed that the proposed Hotel would be open and available for occupancy by July 1, 2018.

2. METHODOLOGY

Specifically, in conducting the study of the potential market demand, we:

- Visited the proposed site and assessed the impact of its accessibility, visibility, and location relative to demand generators;
- Researched and analyzed current economic and demographic trends to determine their impact on future lodging demand in the market;
- Researched the competitive lodging supply in San Francisco, with a particular focus on the hotels that would compete most directly with the proposed Subject;
- Reviewed the historical performance of the competitive lodging market;
- Estimated the anticipated growth in supply and demand for lodging accommodations in the local market area;
- Prepared a forecast of future performance for the competitive lodging market;
- Evaluated the project's development plan for appropriateness within the market based on projected demand growth in San Francisco and the city's lodging needs; and,
- Prepared a forecast of the projected market penetration and the resulting occupancy levels and average daily rates ("ADR") for the proposed Subject's first five years of operation.

Several sources were used in compiling the background information and preparing the analyses contained in this report. These sources include CBRE's *Trends®* in the Hotel Industry, data gathered through direct interviews with representatives of local businesses, data provided by sources in the lodging chains with which the competitive properties are affiliated, and data from various local government agencies.

B. SUMMARY OF FINDINGS

Based on the preceding work program, we have made a determination of the market viability for the proposed Hotel in San Francisco, California. Presented below is a summary of the historical and projected future performance of the greater San Francisco lodging market, followed by a more detailed projection of the primary sample of hotels deemed most competitive to the proposed Hotel. We have also presented the potential market performance of the Subject.

1. SAN FRANCISCO LODGING MARKET

A summary of historical and projected future performance for the San Francisco lodging market for years 2009 to 2020 is presented below. It should be noted that this table includes hotels in San Francisco, San Mateo, and Marin Counties (totaling approximately 51,500 rooms) and is generally referred to as the San Francisco MSA lodging market.

HISTORICAL AND PROJECTED PERFORMANCE					
	Market		Percent		Percent
Year	Occupancy	ADR	Change	RevPAR	Change
2009	71.2%	\$135.74	-	\$96.65	-
2010	75.1%	\$135.98	2.0%	\$102.12	7.6%
2011	79.0%	\$154.79	13.8%	\$122.24	19.7%
2012	80.3%	\$171.64	10.9%	\$137.77	12.7%
2013	82.7%	\$187.30	9.1%	\$154.99	12.5%
2014	84.0%	\$207.93	11.0%	\$174.70	12.7%
2015	84.3%	\$222.82	7.2%	\$187.93	7.6%
CAGR/Avg.	78.8%	8.6%	-	11.7%	-
2016	85.0%	\$238.47	7.0%	\$202.78	7.9%
2017	84.4%	\$253.79	6.4%	\$214.22	5.6%
2018	83.3%	\$266.36	4.9%	\$221.82	3.6%
2019	81.2%	\$274.68	3.1%	\$223.10	0.6%
2020	79.9%	\$281.97	2.7%	\$225.19	0.9%
Source: CBRE Hotels					

The San Francisco Bay Area is one of the strongest lodging markets in the United States. Occupancy has quickly rebounded from a low of 71.2 percent during the recession in 2009 to 84.3 percent by 2015, and has been approximately 20 percentage points above national averages for each of the past seven years. ADR has also been very strong; it increased by a CAGR of 8.6 percent between 2009 and 2015, significantly higher than the national average growth rate of approximately 3.0 percent over the same period. ADR was reported as \$222.82 in 2015, more than \$100 above the national average of \$120. With strong occupancy and ADR growth, RevPAR growth rates have also been nearly double national averages over the past seven years. This high level of performance is attributed to the strength of the greater San Francisco Bay Area economy coupled with the lack of new hotel supply additions, putting hotel rooms in extremely high demand (particularly in the city of San Francisco).

Due to the strength of the local lodging market, occupancy is projected to remain in the low- to mid-80 percent range over the next five years, with continual ADR growth.

2. COMPETITIVE LODGING MARKET

Presented in the following table is a summary of historical performance for the 15 San Francisco hotels that comprise the Subject's competitive market from 2010 to 2015. We have also presented the market's projected performance between 2016 and 2022, coinciding with the proposed Subject's first five years of operation.

PROPOSED HYATT PLACE									
HISTORICAL AND PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET									
	Annual	Percent	Occupied	Percent	Market		Percent		Percent
Year	Supply	Change	Rooms	Change	Occupancy	ADR	Change	RevPAR	Change
2010	1,254,505	0.0%	986,041	-	78.6%	\$176.88		\$139.03	-
2011	1,254,505	0.0%	1,017,404	3.2%	81.1%	\$204.88	15.8%	\$166.16	19.5%
2012	1,254,505	0.0%	1,024,931	0.7%	81.7%	\$227.00	10.8%	\$185.46	11.6%
2013	1,254,505	0.0%	1,063,820	3.8%	84.8%	\$247.22	8.9%	\$209.64	13.0%
2014	1,254,505	0.0%	1,092,674	2.7%	87.1%	\$269.22	8.9%	\$234.49	11.9%
2015	1,281,150	2.1%	1,126,131	3.1%	87.9%	\$279.15	3.7%	\$245.37	4.6%
CAGR	0.4%	-	2.7%	-	-	9.6%	-	12.0%	-
2016	1,353,055	5.6%	1,186,100	5.3%	88%	\$296.00	6.0%	\$259.48	5.7%
2017	1,433,355	5.9%	1,238,700	4.4%	86%	\$311.00	5.1%	\$268.77	3.6%
2018	1,562,930	9.0%	1,305,900	5.4%	84%	\$323.00	3.9%	\$269.88	0.4%
2019	1,562,930	0.0%	1,312,900	0.5%	84%	\$333.00	3.1%	\$279.73	3.6%
2020	1,562,930	0.0%	1,312,900	0.0%	84%	\$343.00	3.0%	\$288.13	3.0%
2021	1,562,930	0.0%	1,312,900	0.0%	84%	\$353.00	2.9%	\$296.53	2.9%
2022	1,562,930	0.0%	1,312,900	0.0%	84%	\$364.00	3.1%	\$305.77	3.1%
CAGR	2.4%	-	1.7%	-	-	3.5%	-	2.8%	-

Note: Assumes opening of the 134-room Hotel Via and the Holiday Inn Express in mid-2016, and the 250-room

Marriott in mid-2017 Source: CBRE Hotels

As shown, the competitive market has achieved occupancy levels in the 80-percent range since 2010, near MSA averages. ADR has increased by a CAGR of 9.6 percent; while this growth rate is below city averages, rates are higher on a total-amount basis (\$279 in 2015 as compared to \$223 for hotels throughout the San Francisco MSA).

The performance of the hotels comprising the proposed Subject's direct competitive market is amongst the strongest in the nation, surpassing both national and regional trends by a significant margin. We are of the opinion that the addition of the proposed Hotel will not have any material impact on the overall market's performance; in fact, the City of San Francisco is vastly underserved with regard to hotel supply and generates a significant amount of unsatisfied demand that is displaced to other markets throughout the Bay Area such as the SFO market and Oakland/Emeryville market. As such, we project the market to achieve a very high stabilized occupancy of 84 percent beginning in 2018. While this occupancy is lower than levels experienced in recent years, we are of the opinion that this occupancy is more reasonable, given

the long-term average occupancy for this competitive market and continued strong ADR growth. This competitive market is expected to continue to experience strong ADR growth.

3. SUBJECT

Finally, we have presented our projections of future performance for the proposed Subject. We have assumed that the Subject will be open as of January 1, 2018, and will represent an upscale, Hyatt Place hotel.

PROPOSED HYATT PLACE PROJECTED PERFORMANCE					
	Hypothetical	Market			Percent
Year	ADR	Growth	Occupancy	RevPAR	Change
2015	\$285.00	-			
2016	\$302.00	6.0%			
2017	\$317.00	5.0%			
2018	\$330.00	4.0%	82%	\$270.45	-
2019	\$340.00	3.0%	85%	\$288,77	6.8%
2020	\$350.00	3.0%	85%	\$297.26	2.9%
2021	\$361.00	3.0%	85%	\$306.60	3.1%
2022	\$372.00	3.0%	85%	\$315.95	3.0%
Source	: CBRE Hotels				

If the Hotel were open as of year-end 2015 (the most recent period for which we have annual competitive market data), we believe that it could have achieved an ADR of \$285 based upon the performance of other nationally affiliated hotels of similar quality in the local market area. Applying the same growth rates as projected for the competitive market, we project an ADR of \$330 upon opening in 2018. We expect the proposed Subject to achieve a stabilized occupancy of 85 percent, slightly above levels projected for the competitive market. With this occupancy, the Hotel will be operating at functional capacity year-round.

C. SITE AND PROJECT DESCRIPTION

1. SITE DESCRIPTION

The site, which encompasses 0.32 acres (13,750 square feet), is located at the southeast corner of Townsend Avenue and Third Street, in the South of Market Street ("SoMa") area of San Francisco. The physical address of the site is 701 South Third Street. The existing improvements at this location consist of 14 surface parking spaces and a 3,200-square foot McDonalds restaurant.

The Subject site is located within two blocks of AT&T Park (Home to the World Champion San Francisco Giants major league baseball team), and the San Francisco Bay is approximately 0.16 miles east of the site. In addition, the primary San Francisco Caltrain station is located one block southwest of the Subject site, at Fourth Street and Townsend Avenue. The project site is near the junction of two of the City's roadway grid systems: South of Market and Mission Bay. Major roadways in the project vicinity include Second, Third, Fourth, Townsend, King, and Harrison streets. The nearest Bay Area Rapid Transit ("BART") stop is at Embarcadero and Main approximately one mile north of the site. The Subject site is within a few blocks of local transit lines, including: Muni bus routes 30 and 45 (Third and Brannan), 47, 82X, 83X (Fourth and Townsend); and night service lines N-Owl (Fourth and Townsend) and T-Owl (Fourth and King).

Surrounding uses consist of industrial, service, residential and commercial buildings, including banks, restaurants, bars, and a variety of retail establishments. Photographs of the site as it exists today are presented below.

PHOTOGRAPHS OF THE SITE

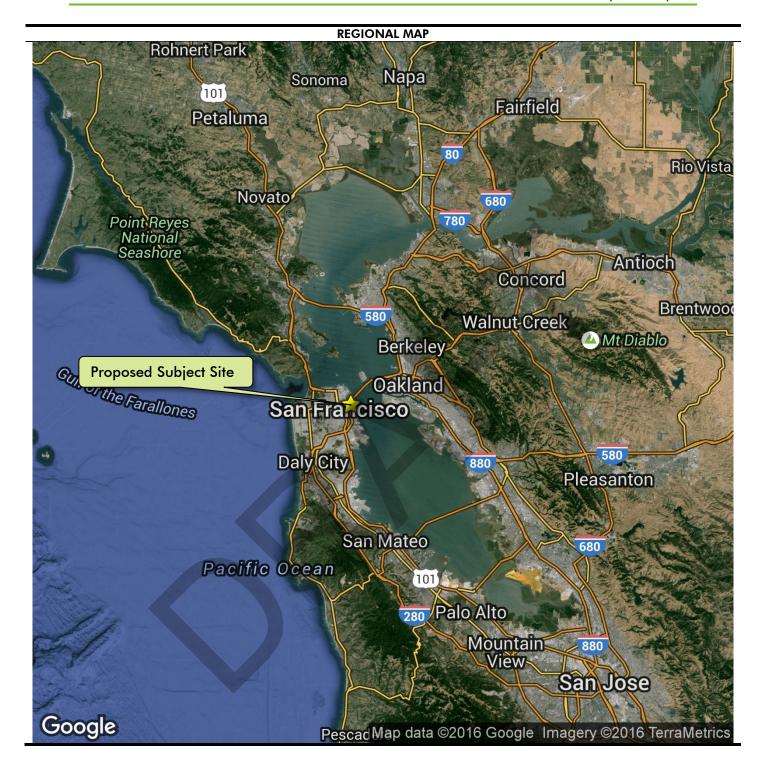


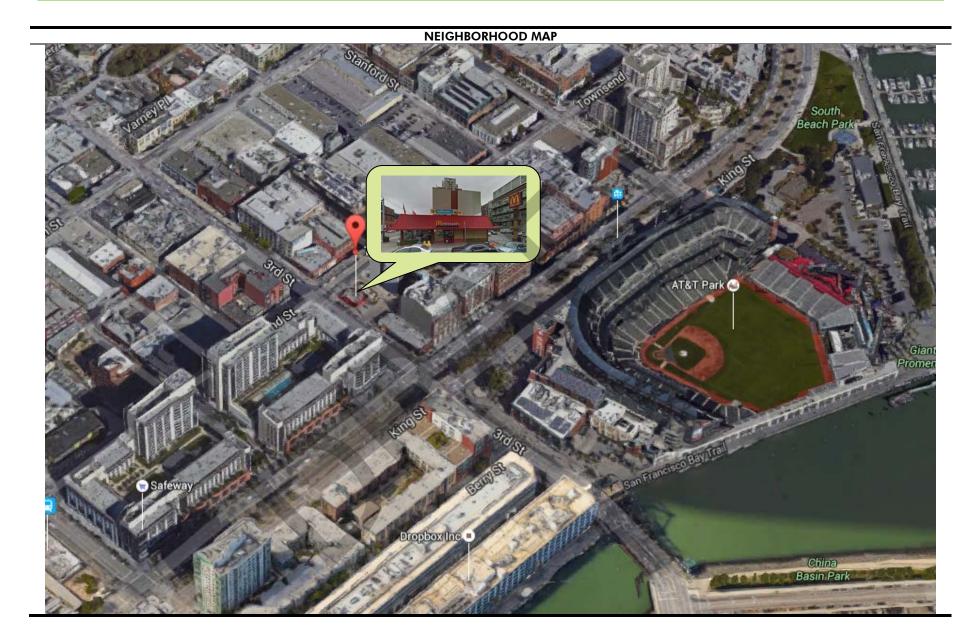


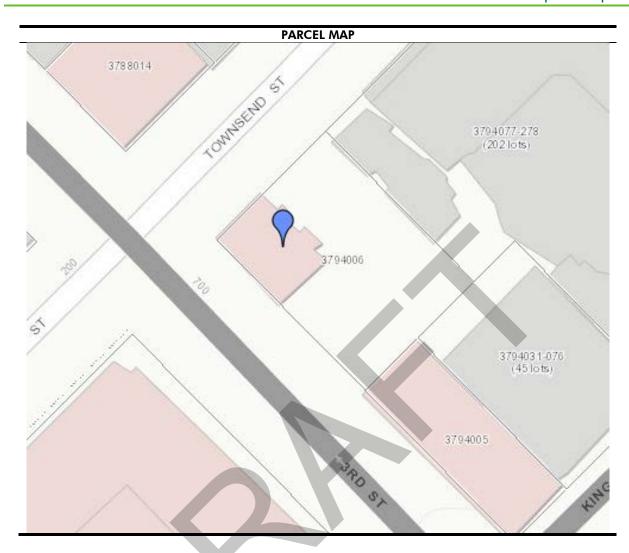


View of the Site Facing Northwest

A regional map, neighborhood map, and parcel map, all indicating the location of the Subject site, are presented on the following pages.







Overall, the location of the site is ranked "excellent," as outlined below.

SUBJECT SITE ANALYSIS						
	Excellent	Very Good	Good	Fair	Poor	
Accessibility	Х					
Visibility	X					
Proximity to Demand	Χ					
Long-term Strategic Potential	Χ					

2. PROPOSED PROJECT DESCRIPTION

As we understand it, the proposed Subject will represent an upscale, focus-service Hyatt Place hotel affiliated with Hyatt Hotels Corporation ("Hyatt"). The Hyatt Place brand, introduced in 2004, is geared toward the business traveler in search of a hotel with modern comfort and convenience. There are 262 Hyatt Place hotels in the world, including 232 in the United States and twelve in California.

We understand the proposed Subject will consist of 103,125 gross square feet, made up of 230 hotel rooms, a breakfast service space, a workout facility, and a basement level for parking. The

project will also include 2,000 gross square feet of commercial space and 1,850 square feet of public, open space at the back of the Hotel. The Hotel would be a single structure of two heights, one 11-story part with a rooftop terrace, and a shorter, 8-story part with frontage on Third Street and a vegetated rooftop and terrace. Guests would enter the property via Third Street with access to the underground parking. Renderings of the Hotel upon completion are provided below.

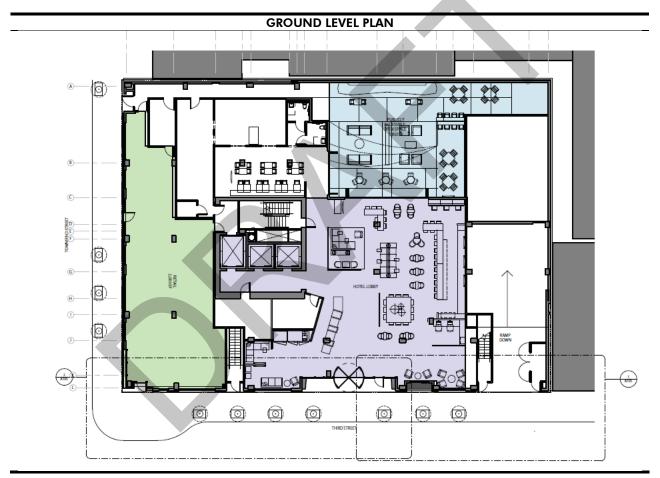


View from the Corner of Third and Townsend



View Looking Toward Townsend from King Street

The main entrance to the Hotel would be on Third Street, and would open up to the lobby and registration desk, as shown below. The breakfast service, retail space, and courtyard would also be located on the ground floor. An outdoor furnished open space patio would be located on King Street, with public access. The guestrooms would be located on levels two through eleven and would be comprised of 50 double queen and 180 single king rooms. Level two would have 24 rooms composed of two doubles and 22 singles, and provide guest laundry services. Levels 3, 5, and 7 would have 25 rooms composed of 8 doubles and 17 singles, while levels 4, 6, and 8 would have 25 rooms composed of 6 doubles and 19 singles. Level 9 would have 16 rooms composed of 4 doubles and 12 singles, and would provide a fitness center and access to a terrace with a vegetated roof. Levels 10 and 11 would have 20 rooms composed of one double and 19 singles.



According to the preliminary development timeline, the proposed Hotel is anticipated to be open and available for occupancy by January 1, 2018.

Based upon our understanding of the development program presented above, the proposed Hotel and support facilities and amenities should be well served by the City of San Francisco.

D. AREA REVIEW

The market and financial performance of a hotel are often influenced by factors that can be broadly categorized as economic, governmental, social, and environmental. It is therefore necessary to evaluate the dynamics of these factors within the local and primary feeder markets to understand their effect on the performance of a lodging property. In this section, we have presented a brief overview of the state of the national and local economies.

1. NATIONAL OVERVIEW

In analyzing the Subject, it is necessary to understand the current state of the U.S. economy. The United States fell into the worst recession since the 1930s beginning in December 2007. The downturn was exacerbated by the financial crisis that took hold of markets in September 2008. The U.S. economy was essentially in decline until approximately August 2009, when experts claim that the recession likely ended. Over this period, employers eliminated approximately eight million jobs, the largest drop in any post-World War II economic downturn. Credit was largely unavailable as banks worldwide recorded approximately \$1.6 trillion of losses and write-downs since the start of 2007.

Following the official end of the recession in August 2009, U.S. Gross Domestic Product ("GDP") posted an annually adjusted gain of approximately 3.8 percent in the fourth quarter of that year, though the annual GDP declined by 3.5 percent. GDP increased by an annualized rate of 3.0 percent in 2010, by just 1.8 percent in 2011 with an unexpected slowdown in the economy, and by 2.8 percent in 2012. Growth was only 1.9 percent in 2013, primarily as a result of a slowdown in business investment and federal government spending. The national GDP dropped 2.9 percent in the first quarter of 2014, contracting significantly more than originally expected and marking the worst drop since the first quarter of 2009. However, this contraction proved to be temporary, as GDP grew by 3.9 percent for the full year. Through the third quarter of 2015, GDP has grown by 3.1 percent, however, the fourth quarter estimate has come in at just 0.7 percent suggesting the annual growth in GDP will be closer to 2.5 percent.

Owing largely to the effects of a sequestration implemented in 2013, an improving economy, the expiration of stimulus measures, and tax increases on high-income households, the federal deficit decreased to \$680 billion in fiscal year 2013. The deficit fell further to \$483 billion in the 2014 fiscal year, \$930 billion below the deficit recorded in 2009. 2014 marked the lowest federal deficit since 2008 and represented just 2.8 percent of GDP, the lowest level since 2007. However, the Federal Reserve has expressed concerns that fiscal policy is restraining growth, and that deficits will fall so fast as to undermine recovery.

Another measure of economic health is an analysis of unemployment trends. The national unemployment rate has been gradually declining from a high of 10.0 percent in October 2009, and fell to 4.9 percent as of January 2016. As of the third quarter of 2015, the U.S. was

producing 3.3 percent more output (real GDP) than in the fourth quarter of 2007 prior to the Great Recession. Yet, the U.S. economy has been able to accomplish this with approximately 2.0 million fewer workers, providing one explanation for the surge in corporate profits over the last several years resulting from a more efficient workforce.

The U.S. economy has made broad gains since the Great Recession and companies are generally thriving. Payroll in 2015 expanded at the fastest pace since 1999, growing by an average of more than 230,000 jobs per month. As noted above, unemployment is it at its lowest level since May of 2008. Companies in the Standard & Poor's 500 Index are the healthiest in decades, with one of the lowest net debt-to-earnings ratios in at least 24 years, \$1.75 trillion in cash and marketable securities, and record earnings per share.

However, over the last 90 days, there have been signs of concern for both the U.S. and global economies. Due in large part to an over-supply and reduced international demand, the price of oil has dropped precipitously from nearly \$110 a barrel in early 2014 to \$70 a barrel in early 2015 and less than \$30 barrel today. In response to the decline in the price of oil as well as other domestic and international events, the U.S. Standard & Poor's and DJIA index have each experienced declines of nearly 10 percent to start the year, representing one of the worst Januarys in recent history, thus impacting consumer confidence.

With growth in China slowing, growing concerns about the economic health of the European Union, the strengthening of the U.S. dollar (which negatively impacts international travel to the U.S.) and the fact that 2016 represents a Presidential election year, there is a sense of caution regarding the direction of the U.S. economy, which could potentially impact the lodging industry in the years ahead.

2. STATE OF CALIFORNIA

Over the past decade, California has experienced the full spectrum of the economic cycle. It entered into a recession in the early 2000s, followed by a period of economic recovery and growth beginning in mid-year 2003. This recovery period was marked by a decline in the state's unemployment rate, an increase in the employment base, and strong growth in the state's gross domestic product, fueled by a diversifying knowledge-based economy. In conjunction with the strengthening of the national economy and a booming real estate market, California's economy prospered from mid-year 2003 through mid-year 2007. Beginning in the second half of 2007, the Californian economy slowed due to a national recession driven by the national mortgage credit crisis. This most recent recession lasted approximately 20 months and is believed to have ended in August 2009.

After multi-billion dollar shortfalls in recent years, including a \$26.6 billion budget gap in 2011, California ended the 2014/15 fiscal year with revenues for the General Fund totaling \$6.8 billion more than anticipated one year ago when the 2014/15 budget was enacted. This is 6.4 percent higher than projected. Compared to the previous fiscal year, California revenues were \$12.7

billion higher, an increase of 12.5 percent over prior year levels. For the entire 2014/15 fiscal year that ended June 30th, personal income tax led the surge, accounting for \$5.8 billion of the \$6.8 billion windfall. Corporation taxes beat projections by \$1.6 billion, while retail sales and use taxes for the year came in \$395.9 million lower than expected. Of the \$12.7 billion revenue increase over the 2013/14 fiscal year, \$10.1 billion or 80 percent consisted of personal income taxes.

3. CITY AND COUNTY OF SAN FRANCISCO

Overview: San Francisco is the focal point of the Bay Area and a major West Coast financial, retail, and transportation center, with an economy driven primarily by technology and tourism. Although the city was negatively impacted by the economic downturn, it has been quick to rebound. A knowledge-based economy, coupled with numerous developments within the city, will continue to support economic growth in the region.

Population: According to the U.S. Census Bureau, San Francisco had a population of approximately 845,602 as of January 2015. The population has grown at a compound annual growth rate ("CAGR") of just 0.6 percent over the past fifteen years, slightly below the statewide growth rate of 0.9 percent over the same period due primarily due to the city's density and high housing costs. San Francisco's population is projected to continue to trail that of the state for the next decade as residents relocate to more affordable areas in surrounding Bay Area cities.

Employment: According to the State of California Employment Development Department, San Francisco has an employment base of 533,400 as of January 2016. Major sectors within the city include professional and business services; trade, transportation, and utilities; government; and leisure and hospitality. However, San Francisco (and the entire Bay Area) is primarily known for its high-tech presence. The city has an estimated 60,000 tech employees overall, with approximately 38,000 employed within 75 major companies. A listing of the city's top ten tech employers as of 2015 is presented in the following table.

SAN FRANCISCO – TOP TECH COMPANIES					
Company	San Francisco Employees				
Salesforce.com, Inc.	5,000				
Twitter, Inc.	2,000				
Google	1,500				
Lucasfilm Ltd.	1,500				
Zynga	1,200				
Yelp Inc.	1,162				
Adobe Systems, Inc.	1,010				
Autodesk Inc.	1,007				
LinkedIn	1,000				
Square Inc.	900				

As with the rest of the nation, San Francisco's unemployment rate has fluctuated greatly over the past two decades, with peaks in the early 1990s, early 2000s, and late 2000s. During the recent economic recession, the city reported an annual unemployment rate of 9.4 percent in 2009 and

9.5 percent in 2010, with the latter representing San Francisco's highest unemployment rate of the past 20 years. This rate has dropped considerably in the years since, and was reported to be 3.3 percent as of January 2016, lower than the national rate of 4.9 percent and the statewide rate of 5.8 percent that same month due to the city's highly-trained workforce and concentration of high-growth technology companies.

Commercial Office Market: According to CBRE, Inc., the downtown San Francisco commercial office market consists of approximately 76.9 million square feet of net rentable area. The office market can be generally categorized into ten sectors, which consist of: 1) Financial District, 2) South Financial District, 3) North Waterfront & Jackson Square, 4) South of Market, 5) Yerba Buena, 6) South of Market West, 7) Mission Bay/China Basin, 8) Potrero Hill, 9) Civic Center & Van Ness, and 10) Union Square. The Subject is located in the South of Market sector.

The San Francisco office market continues to be fueled by the growth of its tech sector. Leasing activity was robust throughout 2015 and average asking rates surpassed Manhattan in the fourth quarter, making San Francisco the most expensive office market in the nation. This growth is driven primarily by the expansion and emergence of technology companies. The market experienced a total of 916,189 square feet of positive net absorption for 2015, with the overall vacancy rate declining to 5.6 percent for the year as companies expanded their footprint and several more than doubled their current space. 2015 marks the first time since 2010 that net absorption did not exceed 1.0 million square feet, due to a lack of available space as a number of new construction projects expected to be completed in 2015 experienced construction delays and were pushed out to 2016.

This limited availability has put upward pressure on asking rates, which broke \$72 for the first time since 2000. Given that no substantial new supply is expected to enter the market until 2017, this trend is expected to continue into 2016 and rents are projected to beat the all-time high of \$74 set in the third quarter of 2000.

Convention Center: San Francisco is home to the Moscone Convention Center, which is responsible for an estimated 21 percent of all tourism to San Francisco. The Center features three wings: Moscone North, South, and West. Moscone North offers 181,440 square feet of exhibit space in two halls and up to 53,410 square feet of flexible meeting space in 17 rooms. Moscone South offers 260,560 square feet of exhibit space, divisible into three halls, along with 60,580 square feet of meeting space within 41 flexible meeting rooms. The newest addition to the center, known as Moscone West, opened in June of 2003, and provides an additional 300,000 square feet of flexible exhibit and meeting space. Combined, the Center offers over 740,000 square feet of exhibit space, up to 106 meeting rooms, and as many as four ballrooms.

However, the city believes that this is insufficient to support local convention demand, and the San Francisco Travel Association estimates that the City will have lost nearly \$2.1 billion in meeting revenue between 2010 and 2019 as a result of space limitations. Thus, the Center is undertaking a \$500 million project to construct 515,000 square feet of contiguous exhibition

space. The project will also include the construction of two new pedestrian bridges connecting the upper levels of Moscone North and Moscone South, as well as an upgrade to the existing pedestrian bridge across Howard Street. Phase 0 of three phases began in December 2014 and includes all behind-the-scenes work in preparing for construction of the expansion. The actual ground-breaking of the project began in May of 2015, and is expected to be complete by the summer of 2018.

Based on recent discussions with representatives of the San Francisco Travel Association, we understand that in order to complete the expansion on time, the conference dates for several groups scheduled at Moscone have been moved between the dates of April and July of 2017, resulting in some cancellations. This rescheduling was for those meetings being held in Moscone North and South only. Moscone will experience significant closures during this time. In total, approximately 400,000 room nights have been cancelled in San Francisco as a result of this closure, and the majority of cancellations have occurred in 2017. Despite these cancellations, occupancy for the San Francisco hotel market is projected to remain strong given significant demand for hotel room nights in the city as well as the hotel market's ability to flex self-contained room nights.

Tourism: San Francisco is a world-class tourist destination and is widely appreciated for its numerous attractions, picturesque scenery, and diverse culture. It is consistently ranked as one of the top ten best cities to visit by the *Condé Nast Traveler's* Readers' Choice Awards, and has received a variety of additional accolades from other national and international publications.

San Francisco hosted approximately 18.01 million visitors in 2014 (the most recent data available), up 6.5 percent from 2013. These visitors spent \$10.67 billion in 2014, an increase of 13.7 percent from the previous year. This massive influx of visitor dollars has benefited hotels, restaurants, retail shops, local attractions, and cultural institutions, and has in fact bolstered practically every segment of the city's economy. It has also remained a positive influence on government finances, with tax and fee revenues totaling approximately \$665 million in 2014 – an increase of 8.0 percent over 2013 levels. Due to a high volume of visitation, the city's hotel rooms achieve one of the highest annual occupancy levels in the nation.

City Development: San Francisco continues to be involved in various medium- to large- scale development projects that will revive some underused areas and improve other already-popular districts of the city, such as the Embarcadero and Mission Bay. These projects are discussed further in the following paragraphs.

The continuous development of The Embarcadero, San Francisco's waterfront area between Mission Bay and Fisherman's Wharf, is part of a master plan known as the Waterfront Land Use Plan of 1997. This mixed-use plan emphasizes opening up the bay to residents and tourists and promoting the development of abandoned piers and buildings into more attractive uses. Between 1997 and 2014, 63 new acres of waterfront open space have been constructed, 19 historical resources have been rehabilitated, seven derelict piers and wharves have been

removed, and AT&T Park has been constructed. The Ferry Building, a San Francisco landmark, is the most visual of the numerous Embarcadero developments. After a comprehensive renovation and restoration in 2003, the Ferry Building now houses numerous restaurants, shops, and a popular farmers' market. Additional restaurants and retail outlets along Steuart Street (which runs parallel to the waterfront) and on the first and second floors of the Embarcadero Center have made this area a destination on evenings and weekends.

Current projects in the planning stages for the Embarcadero include the following:

- Construction of an affordable housing development and a new welcome center for the National Park Service at Alcatraz Landing;
- The re-purposing of Pier 29 to potentially include new retail facilities;
- Construction of a \$345 million residential and commercial development at 8 Washington Street;
- The repairing of the Pier 38 bulkhead;
- A redevelopment of Pier 48 to include a new brewery for Anchor Steam, a waterfront park, and 3.6 million square feet of retail, light manufacturing, commercial, and residential uses;
- Construction of the nine-acre Crane Cove waterfront park at Pier 70;
- Redevelopment of a 28-acre site at Pier 70, to potentially include the construction of 950
 residential units; 2.6 million square feet of office, retail, and commercial uses;
 rehabilitation of four historic buildings; seven acres of open space; and parking
 structures;
- The construction of an automobile import/export terminal at Pier 80; and,
- Development of cargo terminal at Pier 90 to facilitate the export of iron ore mining products.

Mission Bay, a 303-acre redevelopment area located just north of AT&T Park, is the city's largest raw land development project and is being promoted as the future headquarters to the world's biotechnology industry. When fully complete, the project could potentially include 6,000 housing units (including 1,700 designated affordable units), 4.4 million square feet of commercial space, a 2.65 million square foot UCSF research campus, a UCSF hospital complex (which opened its first phase in February), 500,000 square feet of retail space, a 500-room hotel, 41 acres of open space, a 500-student public school, a public library, a new fire and police station, and other community facilities. Mission Bay is expected to create more than 30,000 new jobs. Development began in 2000 and will take place over 20 to 30 years, and is expected to cost in excess of \$4 billion.

The ongoing development of Mission Bay has led to the revitalization of the nearby Rincon Hill and Dogpatch neighborhoods. A 49-story, 298-unit residential development at One Rincon Hill opened in 2014 as a companion to an existing 64-story, 390-unit tower. In addition, over 1,500 housing units are proposed or under construction in the Dogpatch area.

The Golden State Warriors basketball team has plans to relocate from Oakland to San Francisco, and hopes to begin construction soon on a privately-funded \$800 million arena. This arena would be built in Mission Bay on a 12-acre site bounded by South Street, Terry Francois Boulevard, 16th Street, an 3rd Street. The 18,000 seat structure would include a view deck and two public plazas, and would also host conventions and entertainment events. Completion is slated for the start of the 2018-19 NBA season, but will likely be completed by the 2017-18 season.

Redevelopment of the Transbay Terminal in San Francisco's SOMA neighborhood began in December 2008. This \$4.5 billion transportation and housing project will replace the current Transbay Terminal at First and Mission Streets with a modern regional transit hub connecting eight Bay Area counties through 11 transit systems. The project will consist of three elements: replacing the existing terminal; extending CalTrain and the California High Speed Rail underground; and creating a new neighborhood with homes, offices, parks, and shops surrounding the new Transit Center. The center could potentially include the construction of over six million square feet of new office space, 4,400 units of new housing (1,200 of which will be affordable), 100,000 square feet of new retail, 1,000 new hotel rooms, a 1,070-foot Salesforce Tower, and 11 acres of public parks. Once completed, the new Transit Center will accommodate over 100,000 passengers each weekday and up to 45 million people per year. Construction is scheduled to be complete by the fall of 2017.

Treasure Island, a former naval base, is currently in the early planning stages of conversion to civilian use and incorporation into the jurisdiction of San Francisco. Current plans for the \$1.5 billion project call for the development of approximately 8,000 residential units, 235,000 square feet of retail space, up to 500 hotel rooms, a marina, and a ferry terminal. Additional developments may include an organic farm, wind farm, parkland, and tidal marshes. While the project has been mired in lawsuits, we understand that the project is proceeding though the private developers still need approval for each sub-phase of the project.

The western and eastern spans of the Bay Bridge, which connect on Yerba Buena Island, are also currently undergoing a much-needed retrofit and the construction of a new eastern span. This infrastructure improvement will support the continuous growth of the Bay Area economy for the next 50 years. In addition, the Bay Bridge also installed a 1.8-mile LED lighting system as part of the retrofit. While this installation closed in March 2015, a sturdier set of lights will be installed in time for Super Bowl 50 in February 2016, which will be held at Levi's Stadium in Santa Clara.

San Francisco has long been known for its art and culture and is the home to a diverse selection of museums, many of which have undergone expansions or renovations in recent years. Notably

is the San Francisco Museum of Modern Art ("SFMOMA"), which closed in June 2013 to undergo a \$295 million expansion to triple the amount of gallery space; it is projected to re-open in 2016. In the meantime, SFMOMA is pursuing off-site, community-based programs in partnership with several local institutions and has also installed public art projects throughout the city.

The Hunters Point Shipyard, a former naval base, is a master-planned community of approximately 500 acres. A two-phase development program is planned for the area: Phase I will include the construction of 1,600 homes (27 to 40 of which will be affordable) and 26 acres of open space. Phase II provides for an additional 10,500 new housing units (32 percent of which will be affordable) and over three million square feet of research and development uses centered around green and clean technology uses. Phase I and II will generate hundreds of new construction jobs each year, and ultimately will create over 10,000 permanent jobs. The redevelopment project is projected to take seven years and \$15 billion to complete.

One of the fastest-growing neighborhoods in San Francisco is Mid-Market, which generally refers to the area bordered by Market, 5th, Mission, and 9th Streets. Approximately 35 projects are currently in varying stages of development in and around this fast-growing area, including multifamily residential, retail, office developments, and several boutique hotels.

Transportation: San Francisco has a well-developed transportation system with sophisticated air, highway, rail, trucking, and water infrastructure. Each is discussed in the paragraphs below.

The San Francisco International Airport ("SFO") is located approximately 15 miles south of San Francisco between the cities of South San Francisco and Millbrae. Passenger volume has increased steadily since 2004, aided by the expansion of services by Southwest Airlines and Virgin America in 2008. Overall, passenger traffic has increased at a CAGR of 1.5 percent since 1995, with 2014 representing the strongest year in terms of passenger counts. That year, SFO served 47,155,100 inbound and outbound passengers. Through year-to-date November 2015, passenger volume increased 10.6 percent over prior year levels, indicating that the 2015 calendar will set a new record for passenger volume at SFO.

A \$383 million renovation of Terminal 2 was completed in April 2011 that included a new control tower, the use of green materials, and a seismic retrofit. The newly-renovated terminal features permanent art installations from Janet Echelman, Kendall Buster, Norie Sato, Charles Sowers, and Walter Kitundu. Terminal 2 set accolades by being the first U.S. airport to achieve LEED Gold status. It is home to Virgin America and American Airlines, who share the 14-gate common-use facility. Additional airports that service the San Francisco Bay Area include the Oakland International Airport approximately ten miles east, and the San Jose International Airport approximately 40 miles south.

The major highways in and out of the city include Interstates 80 and 280 and Highways 1 and 101. Interstate 80 connects with the Bay Bridge and Oakland, and Highway 101 connects with the Golden Gate Bridge and Marin County. Bay Area Rapid Transit ("BART"), a high-speed rail

system, is a major commuter transportation system that links 43 stations in the Counties of Alameda, Contra Costa, San Mateo, and San Francisco. BART has had a tremendous impact on the Bay Area, transporting approximately 127 million passengers annually and, thus, facilitating the region's commercial and residential growth. The CalTrain system provides commuter rail service to Peninsula cities from San Francisco to Gilroy, and the MUNI light rail and bus systems facilitate transportation throughout the city.

Conclusion: While San Francisco was negatively impacted by the latest recession of 2008 and 2009, the City has rebounded quickly due to its economic diversity and knowledge-based employment. Furthermore, San Francisco's tourism industry is projected to remain healthy given its world-renowned reputation, ongoing improvements, and easy accessibility. As such, we are of the opinion that local demographic and economic conditions will continue to facilitate demand for the San Francisco hotel market.



E. HOTEL MARKET ANALYSIS

1. NATIONAL MARKET OVERVIEW

The research division of CBRE Hotels (formerly PKF Hospitality Research) owns the database for *Trends®* in the Hotel Industry, the statistical review of U.S. hotel operations, which first appeared in 1935 and has been published every year since. Beginning in 2007, the powerful Hotel Horizons® was unveiled. Hotel Horizons® is an economics-based hotel forecasting model that projects five years of supply, demand, occupancy, ADR, and revenue per available room ("RevPAR") for the U.S. lodging industry with a high degree of accuracy. Hotel Horizons® reports are published on a quarterly basis for 59 markets and six national chain-scales.

Based on the March – May 2016 National Edition of Hotel Horizons®, revenue per available room ("RevPAR") for the U.S. lodging market grew by 8.1 percent in 2011, 6.7 percent in 2012, 5.2 percent in 2013, 8.1 percent in 2014, and 6.3 percent in 2015. As a point of comparison, RevPAR declined by 16.7 percent in 2009, the largest percentage decline since PKF Hospitality Research began tracking lodging performance in 1935. This significant drop was a direct result of the severe national and global recession which began in the fall of 2007 and lasted well into 2009. Further, it resulted in a 40.0 percent decrease in hotels' net operating income ("NOI"), subsequently impacting hotel values throughout the nation.

For the following three years (2016, 2017, and 2018), the overall U.S. lodging market is projected to achieve RevPAR growth rates of 5.5 percent, 4.7 percent, and 3.8 percent, respectively, with ADR gains leading these increases. In addition, the national occupancy is projected to reach the highest level ever achieved, or 65.7 percent, in 2016. Beginning in 2019, RevPAR growth is anticipated to begin tapering to long-term averages. As a result of the strong national performance, 2015 is projected to represent the sixth consecutive year of double-digit net operating income percent gains, the longest such period on record.

Of the total 33,982 hotel rooms in San Francisco recorded by the San Francisco Convention and Visitors Bureau, we have categorized hotels totaling 25,191 available rooms as representing the city's primary hotel supply as of year-end 2015. The remaining 8,791 rooms (33,982 – 25,191 = 8,791) consist of small, limited-service motels and "residential" hotels. The primary hotel supply can generally be categorized into five lodging products or classifications: luxury, first-class/convention, boutique, middle-market, and limited-service. These hotels are generally located within five primary lodging sectors: Union Square/Moscone, Nob Hill, the Financial District, Fisherman's Wharf, and Civic Center/Van Ness Corridor. While these are distinct areas with their own supply and demand dynamics, there is often some market area overlap.

Luxury Hotels provide extensive and personalized services along with high-quality furnishings, superior food and beverage facilities, and extensive, varied guest amenities. The emphasis on personalized guest services results in a high employee-to-guest ratio, an intimate atmosphere, and high room rates. These properties provide meeting and banquet space; however, the

emphasis is on catering to small meetings of less price-sensitive, top-level professionals and executives.

Large First-Class/Convention Hotels have guest services, amenities, and product quality designed to appeal to middle and high-income convention and individual travelers. These are medium to large properties which offer high quality but less personalized service than luxury hotels. First-class hotels usually offer a variety of food and beverage facilities at varying price ranges. In San Francisco, they are located near the Moscone Convention Center, Financial District, or various tourist attractions. Meeting facilities are provided to accommodate the group and convention segment needs. Many first-class hotels provide designated floors with special services for the upscale executive traveler. Generally, these hotels are newer or well-maintained older properties. Room rates typically fall between luxury room rates and the citywide ADR.

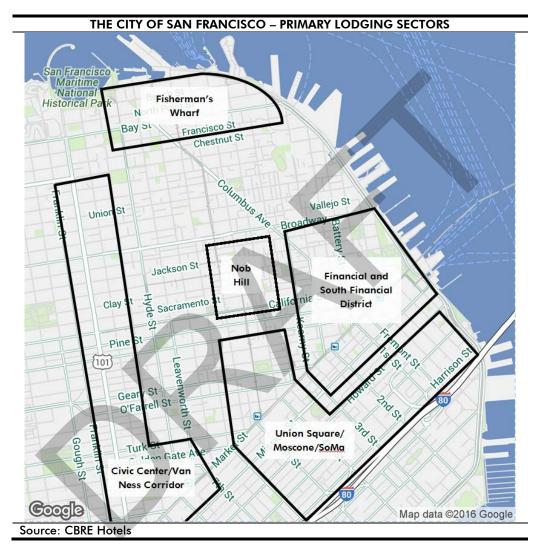
Boutique and Lifestyle Upscale Hotels are older buildings, typically ranging in size from 80 to 200 rooms. The majority of these hotels have been fully renovated within the last ten to 15 years. Because renovation or conversion of an existing hotel or office building is generally less expensive than building a new facility, these properties are able to offer below-market room rates for a high-quality product. In San Francisco, boutique and lifestyle hotels have developed a significant market presence, competing with the full-service hotels for the commercial and leisure traveler predominately and for group demand to a lesser extent. They typically have limited meeting space and small public areas, and have eliminated expensive overhead such as extensive food and beverage facilities. A number of boutique hotels do, however, have "signature" restaurants on-premises that are marketed independently of the hotel and have achieved a high level of recognition for quality and uniqueness. Lastly, there have been a number of new nationally affiliated hotels that have entered the San Francisco market over the last several years that also fall into this category. The proposed Subject, which represents a nationally affiliated, upscale hotel, falls within this category.

Middle-Market Hotels appeal to the middle-income individual and family traveler. Tour operators primarily book these hotels because they offer a good compromise among service, product quality, and room rate. Guest service is usually good, but with few frills. Food and beverage facilities are limited and more economical than in first-class hotels. Room rates are typically similar to the citywide average.

Limited-Service, Midscale and Economy Hotels generally range in size from 30 to 150 rooms. These properties offer room rates at the lower end of the scale and commonly do not offer on premise food and beverage facilities or recreational components. This lodging product type is located outside of the more highly trafficked areas such as the Financial District or Union Square, and is instead proximate to the Civic Center, SOMA, and Lombard Street. This product-type generally does not compete, directly or indirectly, with the four other lodging products discussed.

2. PRIMARY LODGING SECTORS

The five primary lodging sectors in San Francisco are: 1) Union Square/Moscone/SoMa; 2) Nob Hill; 3) the Financial District and South Financial District; 4) Fisherman's Wharf; and 5) Civic Center/Van Ness Corridor. While these are distinct areas with their own supply and demand dynamics, there is often some market area overlap. The map on the following page indicates the general location of these sectors within San Francisco.



Union Square/Moscone/SOMA: This sector's location makes it attractive to most lodging demand, as Union Square is proximate to the Financial District and the Moscone Convention Center. Union Square is one of the nation's most prestigious retail districts, continually attracting new retail shops and expanding its existing stores. Westfield San Francisco Centre is the largest shopping center in this district, as well as one of the largest in the country. This general area also includes the growing SOMA district and the Museum of Modern Art, Yerba Buena Gardens, the Sony Metreon, and AT&T Park and Mission Bay. The proposed Subject will be located within this lodging district.

Union Square contains the city's largest supply of hotel rooms and attracts a mix of commercial, leisure, and group travelers. This sector has benefited from the completion of Moscone West in 2003 and will benefit further from the Center's upcoming expansion.

Nob Hill: This lodging sector has the most prestigious location in the city, with luxury properties including the Ritz-Carlton, Renaissance Stanford Court, Fairmont Hotel, and the Mark Hopkins-InterContinental. However, it is also the smallest of the lodging sectors in terms of number of properties and number of guestrooms. The Ritz-Carlton, which opened in 1991, was the first addition to this sector's supply since the mid-1970s. Typical guests are upper-income corporate and leisure travelers, as well as the high-end group market.

Historically, this sector has commanded the highest ADR in the city, but with below-average occupancy. This is due to the higher cost of the hotel rooms and to their somewhat removed, hilltop location.

Financial and South Financial District: The major demand generator for the Financial District lodging sector is the high-density office population located within the area, both north and south of Market Street. The north is comprised of more traditional professional services firms while the south of market financial district is comprised of a higher concentration of technology companies. Typical guests in this sector are middle to high-income business, professional, and group travelers. Hotels in this neighborhood attract primarily commercial visitors due to their location. They experience their highest demand on weekdays, and obtain above-average occupancy and ADRs.

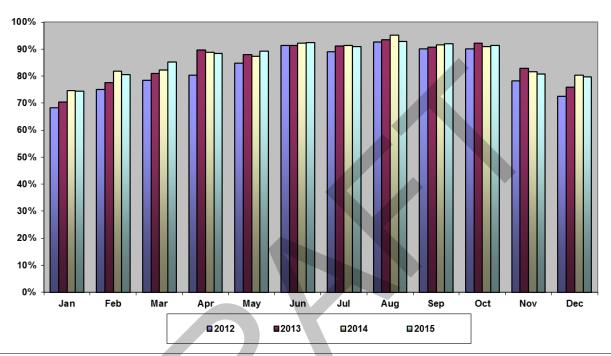
Fisherman's Wharf: This area is considered to be one of the top tourist attractions in Northern California. Its hotels are designed and oriented primarily to service middle-income families visiting San Francisco. However, given its proximity to the Financial District, the hotels attract a secondary share of business travelers. Most of the major U.S. lodging chains are represented in this sector by their respective mid-level products such as Best Western, Hilton, Holiday Inn, Hyatt, Marriott, Radisson, and Sheraton. Furthermore, this sector is family-friendly due to its convenience, price point, and proximity to venues and attractions. Consequently, families visiting San Francisco perceive a more casual and comfortable ambiance in the Fisherman's Wharf lodging sector as opposed to Nob Hill, Union Square, or the Financial District. Historically, this sector has achieved the highest occupancy of all the city's sectors. ADR, on the other hand, is typically below the overall average.

Civic Center/Van Ness Corridor: This lodging sector stretches along Van Ness Avenue, reaching south from the San Francisco Civic Center into SOMA, north to Fisherman's Wharf, and along Lombard Street into the Cow Hollow area. This lodging sector caters to the more price-sensitive visitors to San Francisco, as well as state and federal government employees. A number of the lodging products in this area have large meeting facilities geared toward the mid-market group segment. Historically, its composite occupancy and ADR tends to be the lowest of the five lodging sectors.

3. SEASONALITY OF DEMAND

The seasonality of demand in San Francisco is largely tied to leisure travel as well as the convention calendar. Presented in the following table is a graph summarizing the city's occupancy by month for the past four years.

THE CITY OF SAN FRANCISCO - OCCUPANCY BY MONTH BETWEEN 2012 AND 2015

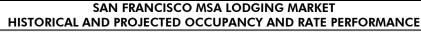


Source: CBRE Hotels

As noted, San Francisco hotels run a high occupancy year-round. However, the summer and fall months of June, July, August, September, and October are generally the strongest due to the seasonal increase of leisure travelers in the summer and to the high volume of conventioneers in the fall. March, April, and May are also strong months due to convention activity. January, February, November, and December are the slowest months, as both commercial and leisure travel declines during the holiday season. However, occupancy during these months still well exceeds national averages.

4. HISTORICAL PERFORMANCE

Presented in the chart below is a summary of the historical performance of the overall San Francisco MSA lodging market from 2001 through 2015, along with performance projections through 2020. This historical and projected future performance is compiled by CBRE Hotels, Americas Research. It should be noted that the historical and projected performance of the competitive market includes hotels located in San Francisco, San Mateo, and Marin Counties.





Source: CBRE Hotels and STR, Inc.

Occupancy has historically been strong for the San Francisco MSA lodging market, averaging 74.6 percent and ranging from a low of 61.5 percent in 2001 to a high of 84.3 percent in 2015. With occupancy levels this high, the MSA generated a significant amount of unsatisfied demand, or demand that was turned away to other Bay Area markets due to the limited supply growth during those years. This high demand allowed hotel managers to significantly increase room rates. Between 2011 and 2015, the San Francisco MSA achieved rate growth ranging between approximately 7.0 and 14.0 percent per year, resulting in a year-end 2015 ADR of \$223. It should be noted that hotels within the City of San Francisco achieve a premium in ADR over the markets comprising the San Francisco MSA, as well as an overall higher occupancy level.

Between 2016 and 2020, occupancy is projected to decrease from 85 percent to approximately 80 percent, which is still above the 15 year average. ADR growth of approximately 7.0, 6.4, and 5.0 percent is projected in 2016, 2017, and 2018, respectively. This rate growth results in a year-end 2018 ADR of \$266.36, which is the highest ADR level recorded for the San Francisco MSA. Lastly, it should be noted that the City of San Francisco is generally regarded as the strongest lodging market in the United States, achieving record occupancy levels and extraordinary average rate growth with very few projected additions to supply. In fact, lodging demand is forecast to remain so strong that the City of San Francisco has a significant undersupply of new rooms in the development pipeline, ensuring strong levels of occupancy, even during the downturns in normal economic cycles.

5. CHANGES TO SUPPLY

The strength of the local hotel market in the late 1990s resulted in the planning and development of numerous hotel projects, which have included building conversions, renovations, and new construction on sites throughout the city. However, as a result of the economic downturn in the early 2000s coupled with high construction costs, only seven hotels (with a total of 1,457 rooms) have opened since 2005. The most recent addition was the 166-room Courtyard by Marriott Union Square, which was a conversion from an independent hotel. Fifteen hotels (including the Subject) are currently proposed, two are under construction, and seven have completed or are currently undergoing conversions. We have provided a summary of these projects in the table below.

	NEW AND UPDATED HOTEL	SUPPLY - SAN FRANCISCO, CA						
No.	Project Name	Address	Room Count					
	Under Construction							
1.	Holiday Inn Express	235 O'Farrell Street	57					
2.	Hotel Via	144 King Street	134					
	Subtotal:		191					
	Pl	anning						
3.	Standard Hotel	950-974 Market Street	212					
4.	Luxury Hotel	88 First Street	169					
5.	Hotel SoMa	690 5th Street	75					
6.	Marriott	1000 Channel Street	250					
7.	Hyatt Place (Proposed Subject)	701 3rd Street	230					
8.	Unnamed Hotel	250 4th Street	215					
9.	Unnamed Hotel	439 Washington Street	189					
10.	Moxy Fisherman's Wharf	1196 Columbus Avenue	65					
11.	YOTEL	1095 Market Street	203					
12.	Building 105 Hotel	The Presidio	40					
13.	Unnamed Hotel	1053-55 Market Street	155					
14.	Unnamed Hotel	72 Ellis Street	156					
15.	Unnamed Hotel	5 3 rd Street	N/A					
16.	Unnamed Hotel	1125 Market Street	160					
17.	Teatro ZinZanni Hotel	Embarcadero & Broadway	170					
18.	Cort Furniture Building	447 Battery Street	144					
	Subtotal:	,	2,433					
	Con	iversions	·					
19.	Renoir Hotel (San Francisco Proper)	45 McAllister Street	135					
20.	New Central Hotel	1412 Market Street	120					
21.	Hotel Des Arts	447 Bush Street	52					
22.	Mithila Hotel	972 Sutter Street	30					
23.	Union Square Plaza Hotel	432 Geary Street	69					
24.	Hotel Fusion	54 4 th Street	124					
25.	Mosser Hotel	140 Ellis Street	201					
-	Subtotal:		731					
Grand Tota	al:		3,335					

As shown, 191 hotel rooms are under construction in San Francisco. First is a 57-room Holiday Inn Express located at 235 O'Farrell Street above Johnny Foley's Irish House. Second is a 134-room boutique hotel just across from AT&T Park at 144 King Street. This 12-story hotel, which is being developed by David O'Keeffe and designed by Stanton Architecture, will include a first floor restaurant and bar. It is projected to open in mid to late-2016.

In addition to these hotels, 2,433 (including the proposed Subject) rooms are currently proposed. As mentioned earlier in this report, other hotels have been discussed as part of the master plan for various large-scale development projects throughout the city (i.e. Mission Bay and the Transbay Terminal); however, no developer or programming has yet been selected and/or the project is not deemed to be competitive to the Subject. As such, we have not included them in our analysis.

Finally, the Renoir Hotel is undergoing an approximately \$100 million renovation into the San Francisco Proper hotel, a luxury boutique hotel with a rooftop bar. In addition, six properties (Projects 19-24) are slated to undergo conversions from transient/residential hotels into transient-only hotels between 2017 and 2020.

A brief summary of each project is presented in the following paragraphs. It should be noted that the new hotel supply landscape is constantly changing as projects are added, abandoned, or changed on a frequent basis. Accordingly, the descriptions and understanding of the supply additions presented herein is based upon our market research as of the date of this report.

- 1. 235 O'Farrell St: A 57-room Holiday Inn Express is under construction at 235 O'Farrell Street, above Johnny Foley's Irish House. We project the hotel will be open and available for occupancy by January 1, 2016.
- 2. 144 King St: A 12-story, 132-room boutique hotel is being developed by David O'Keeffe on a site across from AT&T Park. This 12-story hotel will offer a roof garden, a bar, and views of the downtown skyline.
- 3. 950-974 Market St: This project, tentatively planned to be a Standard Hotel, is being developed by Mid-Market Center, LLC and the architect is Bjarke Ingels Group. The 212-room hotel will be constructed as part of a mixed-use development which will include 250 condominium units and retail. It is projected that the hotel will open by July 1, 2018.
- 4. 88 First St: A 169-room luxury hotel has been proposed at this location as part of the mixed-use Oceanwide Center development.
- 5. 690 5th St: Townshend Associates, LLC has plans to demolish an existing office building and construct the 75-room Hotel SoMa with a 5,000 square foot café.
- 6. 1000 Channel St: This three-acre site, known as Block 1, will be developed by the Strada Investment Group and Stanford Hotels Corporation into a \$220 million hotel and residential complex. The hotel portion will encompass an estimated 250 rooms and 15 floors, with construction expected to begin in the fourth quarter of 2015. It will be branded as a full-service Marriott.
- 7. 701 3rd St: Stonebridge Corporation has plans to build a 230-room, 11-story hotel on a 13,750 acre site which is currently improved with a McDonald's restaurant. This proposed hotel is the subject of this report.

- 8. 250 4th St: Developer Jay Singh has plans to demolish an existing three-story office building in SoMa and develop an 11-story, 215-room hotel.
- 9. 439 Washington St: A group called Peninsular Realty LLC has submitted plans for a 189-room hotel with ground floor retail at 439 Washington Street. This project would demolish an existing two-story office and retail building to make way for the 22-story hotel.
- 10.1196 Columbus Ave: J Street Hospitality is planning to develop a 75-room Moxy Hotel in the Fisherman's Wharf neighborhood.
- 11. 1095 Market St: A historic building in the Mid-Market neighborhood may be converted into a 203-room YOTEL.
- 12. The Presidio: Presidio Trust intends to convert an existing building (Building 105) into a 38-room hotel to open in spring 2017.
- 13. 1053-55 Market St: G and M Hospitality (the developers of the Hampton Inn) have plans to demolish the Kaplan's Surplus store and construct a 10-story hotel with 155 rooms and ground floor retail.
- 14.72 Ellis St: Plans have been extended by the city for demolition of an existing parking lot and the construction of an 11-story, 156-room hotel with ground floor retail.
- 15.5 3rd Street: Hearst Corporation, which currently owns the Hearst Building at 5 3rd Street, is considering leasing the building to a to-be-formed joint venture of JMA Ventures and Mr. Darius Anderson to redevelop the building and operate it as a boutique hotel.
- 16. 1125 Market St: A proposed 160-room hotel is currently in the early planning stages at this site in the Mid-Market area of San Francisco.
- 17. Embarcadero & Broadway: A 170-room boutique hotel is proposed as part of a mixed-use development that will also include the Teatro ZinZanni Dinner Theatre and ten artist studios.
- 18.45 McAllister St: The historic Renoir Hotel will be converted to the San Francisco Proper, a 135-room luxury hotel focused on food and beverage.
- 19. 447 Battery St: A new 144-room hotel is being proposed for the Financial District in what is now the Cort Futniture building at 447 Battery Street. The building will rise 198 fee for 18 stories and will include ground level retail, nine residential units, the hotel and residential lobby, and parking underneath the structure.
- 20. 1412 Market St: The New Central Hotel is located at 1412 Market Street in the Mid-Market District. This four-story hotel features 105 tourist and 15 residential guestrooms, for a total of 120 rooms. It is currently closed to occupants in order to undergo a renovation prior to re-opening as a budget transient-only hotel. The renovation began in May of 2015, and the hotel is anticipated to be open as a transient hotel by June 1, 2016.
- 21.447 Bush St: The Hotel Des Arts is a budget boutique hotel located at 447 Bush Street in the western edge of San Francisco's Financial District. This property consists of 13 tourist and

- 38 residential rooms, for 51 total guestrooms. However, one additional room will be added to inventory, increasing the property's total size to 52 rooms.
- 22.972 Sutter St: The Mithila Hotel is a budget boutique hotel located in the Lower Nob Hill District at 972 Sutter Street. This property features 11 transient and 19 residential guestrooms, for a total of 30 rooms. It consists of four floors: its first floor features approximately 3,000 square feet of retail space, and its upper three floors have the hotel guestrooms.
- 23.432 Geary St: The Union Square Plaza Hotel is a transient/residential hotel in the Mid-Market district which has eight transient rooms and 61 tourist rooms. It is set to undergo a renovation to be converted into a 69-room transient-only property; we have assumed that this conversion will be complete by 2017.
- 24.54 4th St: The Hotel Fusion is a third transient/residential hotel with 112 transient and 12 residential rooms. It is expected to convert to a 124-room transient hotel by 2017.
- 25.140 Ellis St: 120 Ellis St: This 69-room residential hotel will undergo an extensive renovation in order to convert into a transient-only property. We have assumed that this project will be complete by 2020.

If all these hotels were to open by 2020, they would result in a net increase of 3,355 new rooms within the San Francisco market, bringing San Francisco's total "primary" hotel inventory to 28,546. However, these additions only represent a supply CAGR of approximately 3.0 percent from 2016 to 2020. Meanwhile, demand for rooms in the market is projected to exceed this rate. As demand growth will likely continue at this pace, if not at a stronger rate, the new supply would not likely have a significant impact on occupancy for the overall San Francisco lodging market. In addition, and more importantly, due to the high costs of construction and difficulty of obtaining city approval and financing, it is unlikely that most of these projects will come to fruition in the near-term, and supply growth is estimated to actually be less than 1.0 percent per year for the next five years.

For the purpose of this analysis, we have accounted for the addition of the 57-room Holiday Inn Express, the 134-room Hotel Via, and the 250-room Marriott in our future supply and demand analysis for the proposed Subject hotel.

6. COMPETITIVE LODGING MARKET OVERVIEW

Within the San Francisco lodging market, the Subject will primarily compete with other upscale and upper upscale hotels located in the SoMa area of San Francisco. Based on our research and our understanding of the proposed improvements, we have identified 15 properties (totaling 3,611 rooms) as representing a reasonable competitive market for the proposed Hotel located at 701 Third Street. Competitive properties were identified on the basis of location, room product offered, guest type, rate structure, and overall quality. The tables on the following two pages provide a summary of the competitive hotels.

		TELS IN THE PRIMARY COMPET		I
Property	Hotel ABRI	Hotel Zelos (Formerly Hotel	The Marker San Francisco	Galleria Park Hotel
		Palomar)	(Formerly Hotel Monaco)	
Address	127 Ellis St.	12 4 th St.	501 Geary St.	191 Sutter St.
Distance from Subject	1.2 miles	1.0 mile	1.4 miles	1.0 mile
Year Opened	1906	1999	1995	2007
Number of Rooms	91	202	208	177
Affiliation	N/A	Kimpton Hotels & Restaurants	Kimpton Hotels & Restaurants	Joie de Vivre Hospitality
Amenities Restaurant Recreation Meeting Space Other	Puccini & Pinetti N/A 400 SF Sundry shop	Dirty Habit N/A 3,000 SF Wine reception	N/A Fitness center 7,000 SF Wine reception, in-room spa services	Gaspar N/A 2,000 SF Wine reception, concierge
Property	Hotel Diva	Hotel Zetta	Villa Florence Hotel	Clift Hotel
			KULETOS	
Address	440 Geary St.	55 5 th St.	225 Powell St.	495 Geary St.
Distance from Subject	1.3 miles	1.1 miles	1.2 miles	1.4 miles
Year Opened	1912	1913	1915	1915
Number of Rooms	116	116	189	372
Affiliation	Personality Hotels	N/A	N/A	Morgans Group
Amenities Restaurant	Colibri Mexican Bistro, Starbucks	S&R Lounge, The Cavalier	Kuleto's, Bar Norcini	Redwood Room, Living Room
Recreation	Fitness center	ARKE Fitness	Fitness center	Fitness center
Meeting Space	700 SF	1,300 SF	1,600 SF	6,100 SF
Other	Sake reception	Burke Williams Spa	Concierge	N/A

	SUMMARY OF HO	TELS IN THE PRIMARY COMPETI	TIVE LODGING MARKET	
Property	Serrano Hotel	Hotel Adagio	W Hotel San Francisco	Courtyard San Francisco Downtown
	SFRANCINOTEL			
Address	405 Taylor St.	550 Geary St.	181 3 rd Street	299 2 nd St.
Distance from Subject	1.3 miles	1.4 miles	0.6 miles	0.7 miles
Year Opened	1999	1929	1999	2001
Number of Rooms	236	171	404	405
Affiliation	Access Hotels & Resorts	Marriott International	Starwood Hotels & Resorts	Marriott International
Amenities Restaurant	Jasper's Corner Tap & Kitchen	The Mortimer Bar & Lounge, Green Room	TRACE Restaurant, Bar & Lounge	N/A
Recreation	Fitness center	Fitness center	FIT Gym	Fitness Center/Pool
Meeting Space	3,000 SF	5,500 SF	10,000 SF	12,150 SF
Other	Wine reception	N/A	Bliss San Francisco Spa	
Property	Hotel Vitale	InterContinental San Francisco	Hampton Inn San Francisco Downtown Convention Center	
			Vision Vision Control of the Control	
Address	8 Mission St.	888 Howard St.	942 Mission St.	
Distance from Subject	1.3 miles	0.9 miles	1.2 miles	
Year Opened	2005	2008	2015	
Number of Rooms	200	550	174	
Affiliation	Joie de Vivre Hospitality	InterContinental Hotels Group	Hilton Worldwide	
Amenities				
Restaurant	Americano Restaurant & Bar	Luce/Bar 888	N/A	
Recreation	N/A	Fitness Center	Fitness Center	
Meeting Space	4,200 SF	43,000 SF	N/A	
Other	Spa Vitale	Spa	N/A	

7. HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET

The following table summarizes the historical performance of these 15 hotels between 2010 and 2015. It should be noted that the most recent addition is the 174 room Hampton Inn & Suites which opened in mid-2015 and this hotel addition has been annualized between 2015 and 2016.

PROPOSED HYATT PLACE HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET									
-	Annual	Percent	Occupied	Percent	Market		Percent		Percent
Year	Supply	Change	Rooms	Change	Occupancy	ADR	Change	RevPAR	Change
2010	736,570	-	578,944	-	78.6%	\$176.88	-	\$139.03	-
2011	736,570	0.0%	597,358	3.2%	81.1%	\$204.88	15.8%	\$166.16	19.5%
2012	736,570	0.0%	601,778	0.7%	81.7%	\$227.00	10.8%	\$185.46	11.6%
2013	736,570	0.0%	624,611	3.8%	84.8%	\$247.22	8.9%	\$209.64	13.0%
2014	736,570	0.0%	641,552	2.7%	87.1%	\$269.22	8.9%	\$234.49	11.9%
2015	763,215	3.6%	670,866	4.6%	87.9%	\$279.15	3.7%	\$245.37	4.6%
CAGR	0.7%	-	3.0%	-	-	9.6%	-	12.0%	-
YTD Jan '15	63,601	-	50,118	-	78.8%	\$301.23	-	\$237.37	-
YTD Jan '16	69,593	9.4%	56,231	12.2%	80.8%	\$304.05	0.9%	\$245.67	3.5%
Source: STR In	ı.c								

- Source: STR, Inc.
 - Demand for room nights at these properties has increased moderately, though consistently, over the past six years. However, there is little room for demand growth within the competitive market as hotels are operating at functional capacity given market seasonality and demand segmentation, with occupancy levels having been in the high-70 to high-80 percent range since 2010. The 15 competitive hotels achieved occupancy levels ranging from 78.6 in 2010 to 87.9 percent in 2015, showcasing the strength of the San Francisco lodging market and the large amount of demand from the leisure, group, and commercial segments.
 - With hotels operating at such high occupancy levels, managers have had the ability to significantly increase ADR. As shown, ADR has increased at a CAGR of 9.6 percent since 2010, well above the increase in ADR recorded by the national hotel market during this time frame. The Hotel Vitale and the W Hotel achieve the highest ADR levels within the competitive set.
 - With consistent gains in both occupancy and ADR, RevPAR has grown by double-digits over each of the past five years, representing one of the strongest performing submarkets in the country.

8. PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET

Presented in the following table is a summary of our occupancy and ADR projections for the competitive market for the years 2016 through 2022, coinciding with the proposed Subject's first

five full years of operation. As will be discussed, we have assumed that the proposed Hotel would be open and available for occupancy by January 1, 2018 and will contain 230 guestrooms.

PROPOSED HYATT PLACE
PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET

	Annual	Percent	Occupied	Percent	Market		Percent		Percent
Year	Supply	Change	Rooms	Change	Occupancy	ADR	Change	RevPAR	Change
2015	1,281,150	2.1%	1,126,131	3.1%	88%	\$279.15	3.7%	\$245.37	4.6%
2016	1,353,055	5.6%	1,186,100	5.3%	88%	\$296.00	6.0%	\$259.48	5.7%
2017	1,433,355	5.9%	1,238,700	4.4%	86%	\$311.00	5.1%	\$268.77	3.6%
2018	1,562,930	9.0%	1,305,900	5.4%	84%	\$323.00	3.9%	\$269.88	0.4%
2019	1,562,930	0.0%	1,312,900	0.5%	84%	\$333.00	3.1%	\$279.73	3.6%
2020	1,562,930	0.0%	1,312,900	0.0%	84%	\$343.00	3.0%	\$288.13	3.0%
2021	1,562,930	0.0%	1,312,900	0.0%	84%	\$353.00	2.9%	\$296.53	2.9%
2022	1,562,930	0.0%	1,312,900	0.0%	84%	\$364.00	3.1%	\$305.77	3.1%
CAGR	2.4%	-	1.7%	-	-	3.5%	-	2.8%	-

Source: CBRE Hotels

- Supply is projected to increase by 5.6 percent in 2016, 5.9 percent in 2017, and 9.0 percent in 2018, representing the annualized addition of the Hampton Inn in late 2015, the additions of the Hotel Via and the Holiday Inn Express in 2016, the Marriott on Channel Street in 2017, and the proposed Subject in 2018. Due to a significant amount of unsatisfied demand in the city, it is anticipated that these additions to supply will have only a minimal impact on the overall market's occupancy levels.
- As noted in the table above, occupancy for the competitive market is projected to be 88 percent in 2016, consistent with the aggregate occupancy achieved by these hotels in 2014 and 2015. Consistent with projections for the overall San Francisco MSA projections and historical averages, we project occupancy will decrease to 86 percent in 2017 and 84 percent in 2018. It is at this occupancy level we project the competitive market to stabilize. It should be noted that this slight decline in occupancy is more a function of normal economic cycles as ADR levels continue to increase and demand and occupancy performance backs slightly off current record levels. However, a stabilized occupancy of 84 percent is still well above long term averages and is indicative of the continued strength of the local market.
- With such a high level of demand for room nights in San Francisco, we project strong ADR growth of approximately 6.0 percent in 2016, above levels achieved in 2015, but below levels achieved in 2013 and 2014. We expect ADR to taper slightly to approximately 5.0 and 4.0 percent in 2017 and 2018, respectively, before stabilizing at growth of 3.0 percent each year beginning in 2019, in line with our long-term outlook for inflation.

F. PROJECTED PERFORMANCE OF THE SUBJECT

Based upon our analysis contained herein, including a review of the overall competitive market and of each identified hotel, we have provided our occupancy and ADR projections for the proposed Subject's first five years of operation, as stated in calendar years.

Assuming that the Subject will be a newly-constructed, 230-room upscale, focus-service hotel with an excellent location only minutes from AT&T park and Mission Bay, we assume that it will be able to achieve slightly above its fair share of demand, after an initial ramp up period. We believe that it could achieve an occupancy of 82 percent as it is introduced into the market in 2018. As it gains recognition, we project occupancy to increase to 85 percent in 2019, the level at which we project the Hotel to stabilize. Our projected stabilized occupancy for the proposed Subject is slightly above our stabilized estimate for the competitive market, as the proposed Hotel will represent a brand new, high-quality hotel with an excellent location.

While we project a stabilized occupancy of 85 percent for a 230-room upscale hotel, ADR levels will be dependent on the proposed Hotel's positioning. Based on the individual attributes and performance levels of the individual competitive hotels (and other branded upscale hotels in particular), we believe that the proposed Subject could achieve an ADR of \$285 under the hypothetical condition that it was open and stabilized in 2015, the most recent full year for which we have competitive market performance data. This ADR is approximately \$5 above the market's 2015 aggregate as the proposed Subject will benefit from an excellent location, and will be the newest hotel in the competitive market.

We project ADR to grow at rates in line with our projections for the competitive market, such that the Subject is projected to open with an ADR of \$330 in January of 2018. Our projections for both occupancy and ADR for the proposed Subject's first five years of operation are presented in the following table.

			HYATT PLACI	_	
	Hypothetical	Market			Percent
Year	ADR	Growth	Occupancy	RevPAR	Change
2015	\$285.00	-			
2016	\$302.00	6.0%			
2017	\$317.00	5.0%			
2018	\$330.00	4.0%	82%	\$270.45	-
2019	\$340.00	3.0%	85%	\$288.77	6.8%
2020	\$350.00	3.0%	85%	\$297.26	2.9%
2021	\$361.00	3.0%	85%	\$306.60	3.1%
2022	\$372.00	3.0%	85%	\$315.95	3.0%
Source	: CBRE Hotels				

Of particular note is that, given the previously discussed strong fundamentals of the greater San Francisco lodging market along with the proposed Subject's assumed quality new improvements, the proposed new 230-room Hotel will open with very strong levels of performance and with minimal impact on the greater competitive San Francisco lodging market.

While it is possible that the proposed Hotel will experience growth in occupancy and ADR above those estimated in the report, it is also possible that sudden economic downturns, unexpected additions to the room supply, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the proposed Subject over the projection period based on our analysis of the market as of the date of the report.

This completes our analysis of the potential market demand for a proposed new Hotel on the identified site in downtown San Francisco. After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for this opportunity to work with you on this engagement. Please let us know should you have any questions or should you require any further information.

Yours sincerely,

CBRE HOTELS

By: Chris Kraus

Managing Director

chris.kraus@cbre.com | 415.652.4483

By: Stefanie Griffith

Consultant

stefanie.griffith@cbre.com I 406.582.8189





Certification

We, Chris Kraus and Stefanie Griffith, certify that, to the best of our knowledge and belief:

- 1. The statements of fact contained in this report are true and correct.
- 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- 3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
- 4. We have performed no (or the specified) services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5. We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- 6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
- 7. We have made a personal inspection of the identified hotel site.
- 8. No one has provided significant professional assistance to the persons signing this report.
- 9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- 10. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
- 11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 12. As of the date of this report, Chris Kraus has completed the continuing education program for Designated Members of the Appraisal Institute.
- 13. Chris Kraus is a Certified General Real Estate Appraiser in the State of California.

Chris Kraus Managing Director chris.kraus@cbre.com

415.652.4483

Stefanie Griffith Consultant

stefanie.griffith@cbre.com

406.582.8189

Addendum B

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

- CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
- 2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
- 3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.
- Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.
- 4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
- CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
- 6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
- 7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
- 8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
- 9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
- 10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
- 11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

- 12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
- 13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
- 14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
- 15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.





AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM Administrative Code Chapter 83

1650 Mission Street, Suite 400 • San Francisco CA 94103-2479 • 415.558.6378 • http://www.sfplanning.org

Section 1: Project Information

PROJECT ADDRESS		BLOCK/LOT	(S)			
701 Third Street			3794/006			
BUILDING PERMIT APPLICATION NO.	CASE NO. (IF APPLIC	CABLE)	MOTION NO	D. (IF APPLICABLE)		
		2014-0	02024			
PROJECT SPONSOR		MAIN CONTACT		PHONE		
Four One Five LLC Scott McC		Chesney	303-785-3113			
ADDRESS						
9100 E Par	norama Drive	- Suite 300				
CITY, STATE, ZIP			EMAIL			
Englewood, CO	80112			twilson@sbcos.com		
ESTIMATED RESIDENTIAL UNITS	ESTIMATED SQ FT C	OMMERCIAL SPACE	ESTIMATED HEIGHT	T/FLOORS	ESTIMATED CONSTRUCTION COST	
0	102,676		105/11		\$22mm	
ANTICIPATED START DATE						
Septem	nber 2016					

Section 2: First Source Hiring Program Verification

CHECK	ALL BOXES APPLICABLE TO THIS PROJECT
	Project is wholly Residential
X	Project is wholly Commercial
	Project is Mixed Use
	A: The project consists of ten (10) or more residential units;
\boxtimes	B: The project consists of 25,000 square feet or more gross commercial floor area.
	C: Neither 1A nor 1B apply.

NOTES

- If you checked C, this project is NOT subject to the First Source Hiring Program. Sign Section 4: Declaration of Sponsor of Project and submit to the Planning Department.
- If you checked A or B, your project S subject to the First Source Hiring Program. Please complete the reverse of this document, sign, and submit to the Planning Department prior to any Planning Commission hearing. If principally permitted, Planning Department approval of the Site Permit is required for all projects subject to Administrative Code Chapter 83.
- For questions, please contact OEWD's CityBuild program at CityBuild@sfgov.org or (415) 701-4848. For more information about the First Source Hiring Program visit www.workforcedevelopmentsf.org
- If the project is subject to the First Source Hiring Program, you are required to execute a Memorandum of Understanding (MOU) with OEWD's CityBuild program prior to receiving construction permits from Department of Building Inspection.

Continued...

Section 3: First Source Hiring Program - Workforce Projection

Per Section 83.11 of Administrative Code Chapter 83, it is the developer's responsibility to complete the following information to the best of their knowledge.

Provide the estimated number of employees from each construction trade to be used on the project, indicating how many are entry and/or apprentice level as well as the anticipated wage for these positions.

Check the anticipated trade(s) and provide accompanying information (Select all that apply):

TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS	TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS
Abatement Laborer			N/A	Laborer	Union		3
Boilermaker			N/A	Operating Engineer	V		1
Bricklayer	Union		2	Painter			
Carpenter		1	8	Pile Driver			N/A
Cement Mason			3	Plasterer			N/A
Drywaller/ Latherer		1	6	Plumber and Pipefitter	Union		4
Electrician		1	5	Roofer/Water proofer			4
Elevator Constructor		1	3	Sheet Metal Worker			2
Floor Coverer			5	Sprinkler Fitter			2
Glazier		1	5	Taper	V		6
Heat & Frost Insulator			2	Tile Layer/ Finisher			
Ironworker	V	1	8	Other:			
		TOTAL:	47			TOTAL:	22
	777777777777777777777777777777777777777		I			YE	s no
1. Will the antic	ipated employee o	compensation	by trade b	e consistent with a	area Prevailing Wa	ge?	
Will the awar California's D	ded contractor(s) epartment of Indu	participate in Istrial Relation	an apprent is?	iceship program a	pproved by the St	ate of	Ś 🗆
3. Will hiring an	d retention goals f	or apprentice	s be establ	ished?		D	S □

Section 4: Declaration of Sponsor of Principal Project

4. What is the estimated number of local residents to be hired?

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	EMAIL	PHONE NUMBER
Scott McCHES NEW	Snechesnay @SBO	303- cos.com 785-3130
I HEREBY DECLARE THAT THE INFORMATION PROVIDED HEREIN IS CITYBUILD PROGRAM TO SATISFY THE REQUIREMENTS OF ADMIN		AND THAT I COORDINATED WITH OEWD'S 4/18/16 (DATE)

5

FOR PLANNING DEPARTMENT STAFF ONLY: PLEASE EMAIL AN ELECTRONIC COPY OF THE COMPLETED AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM TO OEWD'S CITYBUILD PROGRAM AT CITYBUILD@SFGOV.ORG

Cc: Office of Economic and Workforce Development, CityBuild
Address: 1 South Van Ness 5th Floor San Francisco, CA 9.

Address: 1 South Van Ness 5th Floor San Francisco, CA 94103 Phone: 415-701-4848

Website: www.workforcedevelopmentsf.org Email: CityBuild@sfgov.org

San Francisco Planning Commission 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Members of the San Francisco Planning Commission:

I am an enthusiastic supporter of the proposed 701 Third Street hotel project project, because I believe that once built it represents a substantial improvement over the existing use of the lot. However, I ask that at your May 5, 2016, hearing you request additional information from the project's developer before approving the requested Conditional Use Authorization and Large Project Authorization.

Specifically:

- A revised plan for the hotel that will eliminate, or at minimum further mitigate, the shadow impact of the hotel on the north/Townsend Street face of the neighboring building at 177 Townsend Street and 170 King Street ("170 Off Third")
- II. Studies for the revised plan that clearly illustrate:
 - A. Sunrise-to-sundown shadow impacts to 170 Off Third, at one-hour increments, at the summer and winter solstices and the spring/fall equinoxes
 - B. The difference in shadowing at the solstices and equinoxes between existing and proposed from the hour first shaded to the hour fully shaded for
 - 1. The north/Townsend Street face of 170 Off Third,
 - 2. The external common areas of 170 Off Third on the 2nd and 4th floors, and
 - 3. All windows on the west faces of 170 Off Third closest to the property line shared with 701 Third Street, including those inset into such face
- III. A commitment from the developer:
 - A. To propose options for treatment of the east-facing wall of the Townsend side of the project to the homeowners at 170 Off Third whose windows face west toward such wall, and
 - B. To apply the option preferred by a simple majority of such affected homeowners who respond within a reasonable period of time to a survey of their opinions; or, if no proposed option is acceptable to a majority of the affected homeowners,
 - 1. To collaboratively design an acceptable treatment for such wall with those affected homeowners who are willing to participate
- IV. A commitment from the developer to compensate residents of 170 Off Third whose livelihood and quiet enjoyment will be affected by the demolition/construction, including:
 - A. Those who normally work from home and will incur costs to work in other locations due to noise from the project
 - B. Those whose indoor air quality will be adversely affected by the dust and debris of the project through z-ducts

These accommodations are reasonable because:

- The developer of 170 Off Third was required by the Planning Commission to set back the
 mass of the building from the Townsend Street property line due to Planning Department
 priorities at the time of development. While priorities of the Planning Department may have
 changed in the interim, it is appropriate for the Department and the Commission to consider
 design elements for new development within the context of constraints placed by the
 Commission on prior developments.
- Individuals who made an investment in the neighborhood, and whose investments will be affected by this hotel project for the foreseeable future, have a right to be fully informed about the impact of the project.
- The developer of the hotel project has indicated that it has a desire to demonstrate good-faith effort to accommodate the neighbors of the project. These accommodations represent such good faith.

The 170 Off Third Owner's Association board of directors, independent of the association's membership, have endorsed the currently-submitted plan for the hotel project. That endorsement was provided without input from the members of the association and does not represent the association members. The hotel project's developers and the Planning Commission cannot rely on the board's endorsement as an endorsement by any individual owner at 170 Off Third. Many members, such as myself, support the project in principle and still feel that the specific plan submitted to the Planning Department does not adequately address reasonable concerns of the project's neighbors...neighbors whose reasonable concerns the project's developers have specifically indicated they wish to address.

Please request this additional information from the hotel project's developer before approving the Conditional Use Application and Large Permit application, and allow the project's neighbors additional time to come to a mutually-agreeable plan for the project.

Respectfully,

Susan Barrows 170 Off Third homeowner

Sucre, Richard (CPC)

From: Mari Bernasconi

 bernasconi.mm@gmail.com>

Sent: Friday, March 25, 2016 5:32 PM

To: Sucre, Richard (CPC)

Subject: Re: Contact Info: 701 3rd St Project (McDonald's)

Hello Rich,

I apologize for the delay in my email.

Attached I'm sending a couple of pictures of the building. I don't know if these are the best, but you can see the building and the recess from the sidewalk on the right side, right next to McDonald's.

The first column of windows, the one that is going to be next to the new hotel, is the open floor living and kitchen. The layout of the apartments is all the same. That window is the only one we have for the entire room, what makes it the only source of natural light. That column, according to the architect, is going to be affected directly by the shadow of the hotel. Also, as the architect said, we will see a wall instead of the view we have, and he was not sure if they were going to put windows in it. If they do, whomever is there could see right inside the apartment!! That does not make sense.

The second column of windows is the bedrooms. The architect said that the shadow will also affect those rooms, during certain hours a day, that is precisely the only time we have direct sunlight inside the apartment.

The third column of windows is from different apartments.

So, all the column of apartments right next to the hotel is going to have a wall built covering not only the view, but also the only source of light we have. Again, there are no other Windows on those apartments.

I asked the architect when they first presented the project one year ago, and again a couple of weeks ago about this because of the obvious concern, and the first time he said he didn't realize about the recess in the existing building, which is kind of confusing coming from an architect; and the second time he said he didn't care if our apartments were left in the shadow. He also said, call the constructor of your building and ask him to extend the length of your apartment. Not a very friendly response.

I don't consider those to be good answers to give. I asked him if the hotel could have a column recessed as well, as the people who is going to use those rooms won't care as they won't stay living there, as we owners do, and he said that the city required them to build close to the sidewalk. So even if he was willing to recess one column in order not to harm our units that much, that the City wouldn't allow him to do so. But then he also said he didn't want to recess it, so... I don't know.

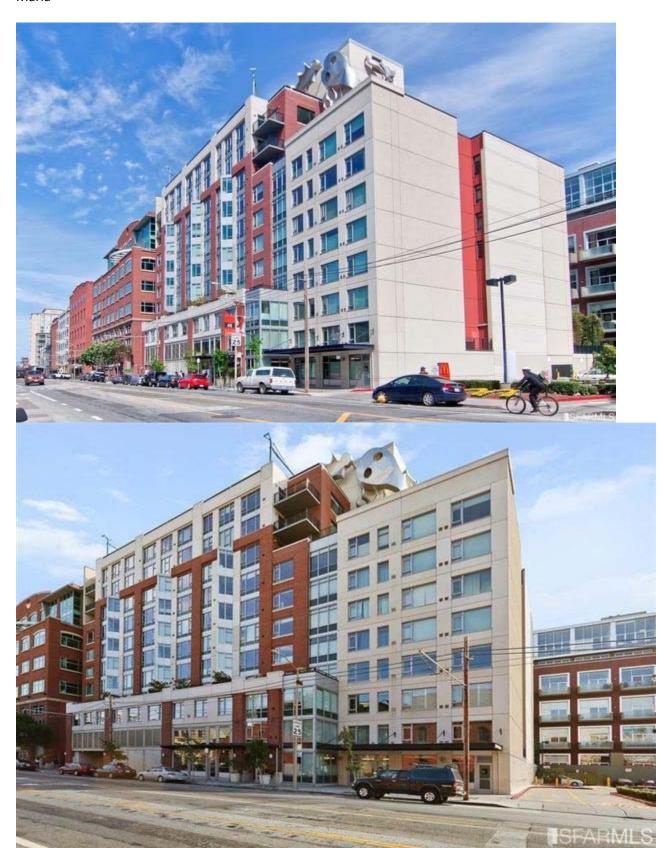
I hope there's anything that could be done. I hope my email is clear with the concern and I'm willing to help if there's anything you might need. It would make a difference in our day to day living if we could avoid having shadow from a brick wall every day once the hotel is finished.

I look forward to hearing from you, and please, let me know if you need anything else.

(Sorry for the long email!)

Thank you,

Maria



On Mar 24, 2016, at 3:42 PM, Sucre, Richard (CPC) < richard.sucre@sfgov.org > wrote:

Hello Maria,

To follow-up on our phone call, my contact information is listed below. Please feel free to email me any material, which helps to illustrate your concerns.

Thank You,

Rich

Richard Sucre

Preservation Technical Specialist/Planner, Southeast Quadrant, Current Planning

Planning Department | City and County of San Francisco 1650 Mission Street, Suite 400, San Francisco, CA 94103

Direct: 415-575-9108 | Fax: 415-558-6409

Email: richard.sucre@sfgov.org Web: www.sfplanning.org

<image001.png> <image002.png> <image003.png> <image004.png>

Sucre, Richard (CPC)

From: Sent: To:	Mari Bernasconi Vednesday, April 27, 2016 2:54 PM Sucre, Richard (CPC)
Subject:	Re: Contact Info: 701 3rd St Project (McDonald's)
•	
Hello, Rich,	
Hope you're d	oing well.
l was wonderii	ng if you could also add this email to the packet for the Commission to consider.
	floor plan with a friend and neighbor, who is also an architect, and I have a question regarding the bay at Sponsor agreed to set back.
will represent does not know condition of th	It still measures 4 ft. Is it possible to reduce the length of the hotel room by 2 ft. at least? I don't think it a big difference for a guess who might stay 1, 2 or maybe 3 nights, who has never been there before and the initial measurements of the room; compared to the big difference it would make in the daily living ne owners/occupants of this building, who stay at the same place every day, some of us including the tonly at night just to sleep).
appreciate yo	our help one more time.
Thank you,	
Maria	
On Apr 26, 201	16, at 2:22 PM, Sucre, Richard (CPC) < richard.sucre@sfgov.org wrote:
Hi Ma	ri,
	roject will be considered by the Planning Commission next Thursday. They are the deciding body e project.
The Co	comments are always factored by the Commission both verbally (in person) and electronically. In person will have copies of your electronic correspondence and anything else that you want to consider.
Ultima	ately, it is your decision if you want to attend the public hearing or not.
Thank	s,
Rich	
Acting	rd Sucre g Team Leader & Preservation Technical Specialist, least Quadrant, Current Planning Division

Planning Department | City and County of San Francisco 1650 Mission Street, Suite 400, San Francisco, CA 94103

Direct: 415-575-9108 | Fax: 415-558-6409

Email: <u>richard.sucre@sfgov.org</u>
Web: <u>www.sfplanning.org</u>

<image001.png> <image002.png> <image003.png> <image004.png>

From: Mari Bernasconi [mailto:bernasconi.mm@qmail.com]

Sent: Tuesday, April 26, 2016 12:19 PM

To: Sucre, Richard (CPC)

Subject: Re: Contact Info: 701 3rd St Project (McDonald's)

Rich,

Thank you for sending me this information.

You can include both emails, please. As the proposed modification still affects us with the shadow, even though is less than the original proposal.

The hearing is at the City Hall? If I go and express my concerns, would it be of any help? Or if the project is already accepted there's nothing to do but to waste time? Please, give me your honest opinion.

As I mentioned, the biggest impact is precisely in the main living area. I think I can live with the construction noise, even having a 1 year old baby and a second one on the way, just because it's temporary. But living with a wall and in the shadow it's not what I was expecting when we decided to buy this unit. And I think it will also get the price of this unit down:(

Thank you,

Mari

On Apr 26, 2016, at 9:18 AM, Sucre, Richard (CPC) < richard.sucre@sfgov.org > wrote:

Hi Mari,

My apologies for not responding earlier.

The hotel development is allowed to proceed as proposed, as it meets the Planning Code's requirements for height and bulk. The shadow provisions in the Planning Code only require additional review for projects owned by the Recreation and Parks Commission.

From what I understand, the Project Sponsor has agreed to set back a bay closest to the your building in order to mitigate some of the shadow impacts (see the attached drawing).

The project is scheduled for the Planning Commission on May 5th. You are welcome to attend the public hearing in order to express your concerns to the Planning Commission, who will deliberate on the project. I will include your original email in the Commission packet for their consideration. If you have any other correspondence that you would like the Commission to consider, please feel free to send it forward by 5pm on Wednesday April 27th, and I will include in the Commission packet. Anything that I receive after April 27th, I'll present to the Commission at the public Hearing on May 5th.

Let me know if you have any other questions.

Thank You,

Rich

Richard Sucre
Acting Team Leader & Preservation Technical Specialist,
Southeast Quadrant, Current Planning Division

Planning Department | City and County of San Francisco 1650 Mission Street, Suite 400, San Francisco, CA 94103

Direct: 415-575-9108 | Fax: 415-558-6409

Email: <u>richard.sucre@sfgov.org</u>
Web: <u>www.sfplanning.org</u>

<image001.png> <image002.png> <image003.png> <image004.png>

From: Mari Bernasconi [mailto:bernasconi.mm@gmail.com]

Sent: Monday, April 25, 2016 8:26 PM

To: Sucre, Richard (CPC)

Subject: Re: Contact Info: 701 3rd St Project (McDonald's)

Hello Rich,

I'm following up with you regarding the email I sent almost a month ago.

Today I got the copies of the shadow impact on our building. I'm sending the original version and the proposed version after the concern of the building occupants.

As you can see, the first column of windows, which is the living area, is almost the whole year in the shadow. Not to mention that the whole year is going to be facing a brick wall.

I hope to hear from you soon.

Thank you,

Maria Bernasconi 415.632.7227

<image005.jpg> <image006.jpg>

On Mar 24, 2016, at 3:42 PM, Sucre, Richard (CPC) < richard.sucre@sfgov.org > wrote:

Hello Maria,

To follow-up on our phone call, my contact information is listed below. Please feel free to email me any material, which helps to illustrate your concerns.

Thank You,

Rich

Richard Sucre Preservation Technical Specialist/Planner, Southeast Quadrant, **Current Planning**

Planning Department | City and County of San Francisco 1650 Mission Street, Suite 400, San Francisco, CA 94103 Direct: 415-575-9108 | Fax: 415-558-6409 Email: richard.sucre@sfgov.org

Web: www.sfplanning.org

<image001.png> <image002.png> <image003.png> <image004.png>

<1600329 Alternate Scheme Sketches.pdf>

From: Carmen M <lotus4me@hotmail.com>
Sent: Wednesday, April 27, 2016 3:43 PM

To: Sucre, Richard (CPC)

Subject: hotel @ 701 3rd st case 2014-002024CUA

Hi Richard,

I'm currently an owner at 177 Townsend and writing in complete opposition to the proposed hotel at 701 3rd St where McDonalds is currently located - block 3794/006 and case #2014-002024CUA.

I oppose this project completely due to the following concerns:

1. Increased traffic and congestion

The 3rd/ Townsend Street area are already having difficulties to deal with daily local traffic and seasonal traffic such as Giants' baseball season which runs from March to Oct every year (seven out of twelves months within one year). The situation is going to get much worse if there's a hotel operating at the exact location. There will be an additional increase in traffic picking up and dropping off guest 24/7 (which is the corner of 3rd and Townsend). In addition, tour bus or private cars will park on 3rd street (double-park illegally) and potentially blocking traffic that turns left from King Street onto 3rd street.

Seasonal Traffic Challenge

As a current resident in that area, we are already being challenged by the seasonal traffic congestion and city restrictions on parking and street turning during baseball season. As a friendly reminder, we are not allow to make a right turn from 3rd street onto Townsend st., one hour after the baseball game ends), and restricted meter hours in order to park around that area.

Local Traffic Challenge

The current right lane on 3rd Street is painted RED as designated lane for Muni bus and taxis to drive on 3rd Street. The Muni buses will have additional challenge to drive pass the area if the hotel is there.

The San Francisco City decided to remove one lane on Townsend Street (a year ago) and created the bike lane on the right side of Townsend St and a middle lane for people to make turns to left or right. Numerous delivery trucks and construction trucks have been parking on the middle lane at any given time during the day especially in the morning. There were multiple times that I couldn't get into the middle lane to make a left turn to go to work after exiting my own garage. I have to make a right turn and go around the block to avoid the parked trucks to get onto the freeway.

Then the worst of all, the hotel apparently wants to take over some of the parking spots on 3rd St, pushing the side walk out further and creating a "bulb" on the corner. This will make it even more difficult to turn on to Townsend to get home or to 2nd/1st street, especially when cars are idling at the hotel sticking out into traffic lanes. This creates a danger and unsafe zone.

In addition, Muni buses travel on Townsend Street, heading down to 2nd and 1st; and currently stops outside of McDonalds. The hotel had already requested to move the bus stop from the corner next to our residential building. It will create unnecessary traffic jam going into our own garage.

I urge the city to further evaluate the proposal on the hotel as it will create increased traffic and congestion which the city does not have a back-up plan to relief the traffic in that area. Should get a detailed study done on traffic congestion in that area before approving the hotel proposal.

2. Increased noise and transient visitors

The neighborhood is highly residential and high value condos. Adding a hotel here is going to increase the amount of transient visitors and the likelihood for more noise and problems throughout the day.

I appreciate you taking the time to hear these concerns.

Thanks,

Carmen Chan

From: Dan Gillette <dan@gillettedesign.com>
Sent: Wednesday, April 27, 2016 3:47 PM

To: Sucre, Richard (CPC)

Subject: Comments for inclusion in the 701 Third St. Hotel Planning Department's Large Project

Authorization and Conditional Use Authorization Package

Members of the San Francisco Planning Commission:

I am excited to that about the proposed hotel 701 Third St.; I think it will be a great improvement to the corner. That said, I also have some concerns that I believe have not been addressed by the current plan. I ask that at your May 5, 2016, hearing you request additional information from the project's developer before approving the requested Conditional Use Authorization and Large Project Authorization.

Specifically:

- 1. What is the smoking policy for the hotel? I have two concerns. First, as a second floor resident with a bedroom window and Z duct just a few feet from the property line, I am concerned that my family's health may be impacted if residents are allowed to smoke in the proposed courtyard that would be right by our window (please note that I firmly support the courtyard configuration, I just want to make sure there will be no smoking).
- 2. Related to my first concern, what will be done to mitigate the potential health consequences of the demolition and construction process?
- 3. The current plan for a loading zone on thirds street seems to not take into account the safety of cyclists. Does this plan fit with San Francisco's commitment to save and equitable transit?
- 4. What is the impact of proposed changes to sidewalks and bus stops to pedestrian patterns, especially during event days at AT&T Park.
- 5. The current plan needs to be better reviewed regarding shadow impact on courtyards and units with Windows near the property line of the proposed project. This should include studies that clarify the following:
- 1. Sunrise-to-sundown shadow impacts to 170 Off Third, at one-hour increments, at the summer and winter solstices and the spring/fall equinoxes.
- 2. The difference in shadowing at the solstices and equinoxes between existing and proposed from the hour first shaded to the hour fully shaded for:
- 1. The north/Townsend Street face of 170 Off Third.
- 2. The external common areas of 170 Off Third on the 2nd and 4th floors.
- 3. All windows on the west faces of 170 Off Third closest to the property line shared with 701 Third Street, including those inset into such face.
- 6. A commitment from the developer is needed to address the following:
- 1. To propose options for treatment of the east-facing wall of the Townsend side of the project to the homeowners at 170 Off Third whose windows face west toward such wall.
- 2. To apply the option preferred by a simple majority of such affected homeowners who respond within a reasonable period of time to a survey of their opinions; or, if no proposed option is acceptable to a majority of the affected homeowners.
- 1. To collaboratively design an acceptable treatment for such wall with those affected homeowners who are willing to participate.
- 7. A commitment is needed from the developer to compensate residents of 170 Off Third whose livelihood and quiet enjoyment will be affected by the demolition/construction, including:

- 1. Those, such as myself, who normally work from home and will incur costs to work in other locations due to noise from the project.
- 2. Those whose indoor air quality will be adversely affected by the dust and debris of the project through z-ducts.

These accommodations are reasonable because:

- 1. The developer of 170 Off Third was required by the Planning Commission to set back the mass of the building from the Townsend Street property line due to Planning Department priorities at the time of development. While priorities of the Planning Department may have changed in the interim, it is appropriate for the Department and the Commission to consider design elements for new development within the context of constraints placed by the Commission on prior developments.
- 2. Individuals who made an investment in the neighborhood, and whose investments will be affected by this hotel project for the foreseeable future, have a right to be fully informed about the impact of the project.
- 3. The developer of the hotel project has indicated that it has a desire to demonstrate good-faith effort to accommodate the neighbors of the project. These accommodations represent such good faith.

The 170 Off Third Owner's Association board of directors, independent of the association's membership, have endorsed the currently-submitted plan for the hotel project. That endorsement was provided without input from the members of the association and does not represent the association members. The hotel project's developers and the Planning Commission cannot rely on the board's endorsement as an endorsement by any individual owner at 170 Off Third. Many members, such as myself, support the project in principle and still feel that the specific plan submitted to the Planning Department does not adequately address reasonable concerns of the project's neighbors...neighbors whose reasonable concerns the project's developers have specifically indicated they wish to address.

Please request this additional information from the hotel project's developer before approving the Conditional Use Application and Large Permit application, and allow the project's neighbors additional time to come to a mutually-agreeable plan for the project.

Respectfully,	
Dan Gillette	
170 Off Third homeowner	

Dan Gillette
Research Specialist, CITRIS
Research Scientist, Social Apps Lab
UC Berkeley
650.269.7609

From: terry huang <usa.terry@gmail.com>
Sent: Tuesday, April 26, 2016 6:41 PM

To: Sucre, Richard (CPC)

Subject: concerns of project of 701 3rd street hotel

We are strongly opposed to this hotel project.

Why?

Reasons for the public:

- 1. Poor planning for there to be two hotels within half a block.
- 2. There are 4 building garage entrances/exits within half a block. Jeopardizes safety of pedestrians on sidewalk.
- 3. Fully booked hotels will draw around 2000 people to the area. This overcapacity is dangerous during emergencies (e.g. fires,earthquakes, etc.)
- 4. Inadequate space for hotel facilities. Not enough space for big trucks to deliver hotel supplies daily.
- 5. Environmental issues. Influx of vehicles within half a block leads to an increase in gas emissions and air pollution.
- 6. Increase in traffic during baseball season.

Reasons for 170 Off Third:

- 1. Loss of direct and/or reflected sunlight. Reduced natural light.
- 2. Obstructs view from windows.
- 3. Disrupts the quiet and peaceful area for the residents.
- 4. Fourth-common area courtyard will be shaded.

From: Katy Liddell <clliddell@me.com>
Sent: Sunday, April 17, 2016 1:35 PM

To: planning@rodneyfong.com; Richards, Dennis (CPC); wordweaver21@aol.com; Johnson,

Christine (CPC); mooreurban@aol.com; richhillissf@yahoo.com;

cwu.planning@gmail.com

Cc: Rahaim, John (CPC); Sucre, Richard (CPC); PIC, PLN (CPC)

Subject: Support for Proposed Hotel at 701 3rd Street

April 18, 2016

San Francisco Planning Commission

1650 Mission Street, #400

San Francisco, CA 94103

Subject: 701 3rd St Hotel

Dear President Fong and Commissioners Antonini, Hillis, Johnson, Moore, Richards, and Wu:

I am writing in support of the hotel being proposed for 701 3rd Street at Townsend where a McDonald's currently exists.

I have lived in the neighborhood for over 20 years and have always been committed to making this very dynamic part of San Francisco a great place to live and visit. Over the years, I have watched 3rd Street between King and Townsend become dirtier and downright unpleasant. Many of us have complained about the filthy sidewalks at 3rd and King by the Louisiana Fried Chicken / Donut Shop. The set-in on 3rd at the Wells Fargo ATMs is a congregation spot for drug dealers and other unscrupulous characters. Put simply, most of us avoid walking on that side of the street or that block altogether.

The hotel being proposed for this site will significantly upgrade this block and neighborhood. My personal wish would be that the property owner(s) adjacent to this site work with the new hotel operators to assure the sidewalks are clean and safe for pedestrians going forward.

I have met with Suzan Canli, the HOA Board President for the 170 Off Third Owners Association. Their residents support this new hotel with a few simple conditions. Ms. Canli's letter outlines those three conditions in detail. They are regarding design changes to the northeast corner of the project to mitigate shadows cast on 177 Townsend, an upgraded east wall to approve its appearance, and the condition that construction deliveries are made on 3rd Street rather than Townsend. These are all reasonable requests, which should be granted.

request of OEWD. As you know, we San Franciscans truly appreciate being contacted before there is a change in the neighborhood! Mr. McChesney has made every effort to keep me and others updated as Stonebridge plans for their project.
This new hotel will truly be a great addition to our neighborhood. Please approve this project. Thank you.
Sincerely,
Katy Liddell
403 Main Street #813
San Francisco, CA 94105
415.412.2207
For Information Only:
President, South Beach / Rincon / Mission Bay Neighborhood Association <u>www.sbrmbna.com</u>
Co-Chair, Central Waterfront Advisory Group (Port)
Cc: John Rahaim
Richard Sucre

I have also met several times with Scott McChesney of Stonebridge. Mr. McChesney has made a sincere effort to reach out to the neighborhood. I am the President of the South Beach / Rincon / Mission Bay Neighborhood Association, and he contacted me at the

From: Amanda Mathews <amandal.mathews@gmail.com>

Sent: Wednesday, April 27, 2016 2:32 PM

To: Sucre, Richard (CPC)

Subject: Third and Townsend construction-AGAINST!!!

Hello,

I would like my husband and I to be added to those who wish for the hotel construction, where the current McDonald's is located, to NOT take place!

We are owner in the 177 Townsend building whose windows lead down to McDonald's parking area.

We expect to be greatly impacted by this work and new hotel in a NEGATIVE way and would like to help in any way to prevent it from happening!!!

Thank you for your concern, Kyle & Amanda Mathews 177 Townsend St Unit 336 SF, CA 94107 (330)703-4545

From: eve menger <emenger@gmail.com>
Sent: Wednesday, April 27, 2016 2:41 PM

To:Sucre, Richard (CPC)Cc:Veronica MekonnenSubject:701 Third St aProject

As a home owner in 170 Off Third, I wish to explicitly support the April 15 letter of my home owners association regarding the planned hotel on 701 Third St. To the third point in that letter, I would like to add that "Deliveries *and trash pick up*" be restricted to Third St. Thank you, Eve Menger

From: Arte Merritt <amerritt@gmail.com>
Sent: Wednesday, April 27, 2016 12:27 PM

To: Sucre, Richard (CPC)

Subject: hotel @ 701 3rd st case 2014-002024CUA

Hi Richard,

I'm writing in opposition to the proposed hotel at 701 3rd St where McDonalds is currently located - block 3794/006 and case #2014-002024CUA.

I'm an owner at 177 Townsend (Unit 1030).

I oppose this project for the following reasons:

1. Wall outside my unit - blocked sunlight and view

The proposed hotel will result in a wall outside my window blocking natural sunlight as well as the view. I am on the 10th floor. This hotel is going to be higher than that with a wall along the property line blocking the light and view.

If project moves forward, could the hotel be limited to 8 floors instead? The hotel developer has apparently made some changes to the front of the building to alleviate issues for owners in the front of the building, but hasn't done anything for owners at the top of the building to alleviate issues there.

2. Increased traffic and congestion

A hotel is a 24/7 operation. There will be an additional increase in traffic to this area - picking up and dropping off guests, supplies, etc. This area really can't handle the current traffic when games are going on - it's going to get much worse.

In addition, the hotel apparently wants to take over some of the parking spots on 3rd St, pushing the side walk out further and creating a "bulb" on the corner. This will make it even more difficult to turn on to Townsend to get home, especially when cars are idling at the hotel sticking out into traffic lanes.

3. Increased noise and transient visitors

The neighborhood is highly residential. Adding a hotel here is going to increase the amount of transient visitors and the likelihood for more noise and problems throughout the day.

4. Construction noise, debris, traffic

It's my understanding the developers want to work 6 days a week which will have a further negative impact on the area with increased noise, traffic, and debris - even on the weekend.

I appreciate you taking the time to hear these concerns.

Thanks,

Arte Merritt

From: Sent: To: Cc: Subject:	Geraldine Niemczyk <geraldine812@gmail.com> Tuesday, April 26, 2016 8:33 PM Sucre, Richard (CPC) Steve Niemczyk Proposed Building Plan 701 3rd Street</geraldine812@gmail.com>
Hi Richard,	
apartment 930 in the 170 Off T Street. We have been home ow be directly impacted by the pro face the proposed hotel and the that the plans for the hotel build will we preserve the sunlight go street. The current building plan	yk and my husband Steve Niemczyk and I are home owners and residents of Third building adjacent to the McDonald's lot in the corner of Townsend and 3 rd mers of our unit over five years. We are writing to you desperately since we will posed building plans of the new hotel at 701 3 rd street. Our main bedroom would be refore will be in its direct shadow all day and all year long. We are requesting ding be modified to only go up to the 8 th floor of 177 Townsend since not only oing into our unit but our building's public art will also be visible to people in the nof the hotel if unmodified would trap and occlude this public good. Finally the ould also block the sunlight at our community pool and common area. How can onored?
We are happy to meet and discravailable to attend the public he	uss with the necessary parties to come to a mutual resolution. My husband can be earing as well.
Thanks,	
Geraldine	

From:	Sonia Park <parksonia@gmail.com></parksonia@gmail.com>
Sent:	Wednesday, April 27, 2016 12:43 PM
То:	Sucre, Richard (CPC)
Subject:	701 3rd Street - Buidling Hyatt Hotel
Hi Richard,	
	t. Unit 931 and the implementation of Hyatt Hotel will negatively affect my unit, I saw and listened to the latest project proposal; my neighbor and myself want to raise ect.
Could you let me know h	ow I can communicate my concerns?
Regards,	
Sonia	

From: Sonia Park <parksonia@gmail.com>
Sent: Wednesday, April 27, 2016 4:30 PM

To: Sucre, Richard (CPC)

Subject: 170 3rd Street - Hotel Hyatt

Hi Richard,

I want to communicate my concerns about the McDonald's being replaced by 11 story, 230 room hotel, Hyatt.

My family lives in 177 Townsend St Unit 931 and our family will be facing directly to the hotel facade. Below are our family's concerns:

- * Loss of direct and reflected sunlight will affect all the units facing the north and east side. (Townsend and 3rd street) Not having enough sunlight means potential affect on the serotonin level and higher risk of seasonal affective disorder. This form of depression can trigger anyone in my family or families in my building and surrounding areas.
- * My unit will be facing the hotel wall directly. The AT&T park being right across from this hotel during the baseball session, it'll be extremely loud and noisy. Moreover, hotels usually organize some kind of happy hours and events to promote their hotels business and alcohol sales etc.. Having this hotel in front our condos and SOMA community, it will be affected by the noisy and potential violence in this neighborhood.
- * The dust is one of the biggest issues in this area. Currently, the dusk gets in the house and causing my house's wall plugs to turn black and dust can be seeing around the plugs. (I can submit a photo if this helps.) I have developed an allergy from it. During the construction, it will cause more health issues to my family and neighbors who live around this area.
- * Looking at the blue print of this hotel project, the hotel will use most of the sidewalk on Townsend St in order to maximize their real estate. Currently McDonald's being on this street, both sidewalks (Townsend & 3rd street) are extremely busy during rush hours, any events in AT&T park, or baseball sessions. I have a friend who got attacked by a woman and thrown out of the sidewalk. I have gotten the cigarette burns while walking on the sidewalk. I feel that the sidewalks are already too narrow but if the hotel is taking the most of the space on the sidewalk, I am not sure if this is even safe for people to walk.
- * Traffic will be affected during construction and after the hotel is built. This area is already congested during rush hours, events in AT&T park, and baseball game session. It's impossible to get in and out of this area. I've already requested to work from home more but having the construction noise right in front of our building and all other factors will negatively impact my work productivity. I feel that it's not fair that I can't even work from my own house.

All the factors listed above will not help the friendly living environment that SOMA offers to my family, neighbors, and community. More importantly, it'll be hard to rise my kids when it'll be soon surrounded by what this hotel has to offer my family, neighbors, and community.

Please let me know if the SF planning department can make some influence on this hotel project.

Regards,

Sonia

From: Ana Raducan <amraducan@gmail.com>
Sent: Wednesday, April 27, 2016 9:45 AM

To: Sucre, Richard (CPC)

Subject: Hotel project at 3rd and Townsed

Hi Richard,

I am a resident at 170 Off Third, and I oppose the project. I understand that the planning commission is having their meeting today. I would appreciate that my opinion is counted in the decision.

Thank you, and please let me know if you have any questions.

Ana Raducan 267.304.1215 amraducan@gmail.com

From: kshanahan415@gmail.com

Sent: Wednesday, April 27, 2016 8:11 PM

To: Sucre, Richard (CPC)
Cc: Veronica Mekonnen
Subject: Re: 701 Third St Project

Owner of two condo units in the 170 Off Third building (177 Townsend) the building next door to the proposed project at 701 Third, I support the letter of support written by the Board of 170 Off Third.

On a separate note, I take offense to a letter distributed that states the Board did not involve the ownership in collaborative discussions. The Board and association held no less than four (4) open meetings. Each meeting openly discussed the project and the evolution of discussions with the developer of the project. To try to encourage participation, each meeting was held after work hours and may or may not have been convenient timing for everyone's schedule. The Board did their best to have inclusive discussions. To state the Board did not involve the ownership is a misstatement.

Kevin Shanahan, owner Unit 822 & 235 at 177 Townsend San Francisco Planning Commission 1 Dr. Carlton B. Goodlett Place San Francisco | CA 94102

Re: Proposed development at 701 Third St. | Hotel Project.

Dear Members of the San Francisco Planning Commission:

As an adjacent neighbor and a community member, living, commuting and working in SoMa, I am excited about the proposed 701 Third Street hotel project, as I believe it to be a considerable improvement over the current allocation and usage of the corner lot.

Please note that my excitement is matched, if not exceeded by a level of apprehension related to this project. I ask that at the scheduled hearing on May 5, 2016, the Planning Commission reviews the items of concern presented below and requests additional information from the project's developer before approving the requested Conditional Use Authorization and Large Project Authorization.

- I. A revised plan for the hotel that will eliminate, or at minimum further mitigate, the shadow impact of the hotel on the Townsend Street face of the neighboring building "170 Off Third" located at 177 Townsend Street and 170 King Street
- II. Studies for the revised plan that clearly illustrate:
 - A. Sunrise-to-sundown shadow impacts to "170 Off Third", at one-hour increments, at the summer and winter solstices and the spring/fall equinoxes.
 - B. The difference in shadowing at the solstices and equinoxes between existing and proposed from the hour first shaded to the hour fully shaded for
 - 1. The north/Townsend Street face of 170 Off Third,
 - 2. The external common areas of 170 Off Third on the 2nd and 4th floors, and
 - 3. All windows on the west faces of 170 Off Third closest to the property line shared with 701 Third Street, including those inset into such face
 - The hope is that through A & B, above, that a clearer understanding of how much the natural light at given units at "170 Off Third" will be impacted, and how much natural daylight may be lost at those times of the year. Essentially for many residents, daylight hours will be reduced within their units.
- III. A commitment from the developer:
 - A. To propose options for treatment of the east-facing wall of the Townsend side of the project to the homeowners at 170 Off Third whose windows face west toward, or are adjacent to such wall, and
 - B. To apply the option preferred by a simple majority of such affected homeowners who respond within a reasonable period of time to a survey of their opinions; or, if no proposed option is acceptable to a majority of the affected homeowners,
 - 1. To collaboratively design an acceptable treatment for such wall with those affected homeowners who are willing to participate
- IV. A commitment from the developer, hotel management/retail occupant:
 - A. Regarding their trash management, to ensure that the hotel management and business that will occupy the proposed retail space at the ground level on Townsend St, ensure that their trash receptacles are kept within the street space in front of their property, and promptly retrieved.

- B. Currently the proposal of the trash room is shown adjacent to the property wall against the north west corner of the 170 Off Third building, and the concern is that due to the proximity of the bus stop along with proposed location of the bus shelter trash receptacles from the hotel and retail space may migrate in front of the residences at on the Townsend side of 170 Off Third, causing increased disturbance through noise and smell from the trash as well as scheduled pick up.
- V. A commitment from the developer to compensate residents of 170 Off Third whose livelihood and quiet enjoyment will be affected by the demolition/construction, including:
 - A. Consideration for those who work from home and will incur costs to work in other locations due to noise impact from the project
 - B. Those whose indoor air quality will be adversely affected by the dust and debris of the project through z-ducts, even if windows are to remain closed during the full course of construction, which is an unreasonable expectation considering the micro climates experience in the city.

I believe that these accommodations are reasonable and a fair request, because:

- The developer of 170 Off Third was required by the Planning Commission to set back the mass of the building from the Townsend Street property line due to Planning Department priorities at the time of 170 Off Third development. While priorities of the Planning Department may have shifted during the interim, it is appropriate for the Department and the Commission to consider design elements for new development within the context of the constraints placed by the Commission on adjacent developments, to maintain a cohesive neighborhood environment. It could be considered a double standard by allowing the new proposal to impact our residential building, by not having to maintain a similar or respective set back.
- Individuals, who made an investment in the neighborhood, who may be adversely affected by this project for the foreseeable future, though stated impacts, have a right to be fully informed about such aspects of the project.
- The developer of the hotel project has indicated that it has a desire to demonstrate good-faith
 effort to accommodate the neighbors of the project. These accommodations represent such
 good faith.

The 170 Off Third Owner's Association Board of Directors, independent of the association's membership, have endorsed the currently-submitted plan for the hotel project. That endorsement was provided without input from the members of the association and does not represent the association members. The hotel project's developers and the Planning Commission cannot rely on the board's endorsement as an endorsement by any individual owner at 170 Off Third. Many members, such as myself, support the project in principle and still feel that the specific plan submitted to the Planning Department does not adequately address reasonable concerns of the project's neighbors...neighbors whose reasonable concerns the project's developers have specifically indicated they wish to address.

Please request this additional information from the hotel project's developer for before approving the Conditional Use Application and Large Permit application, and allow the project's neighbors additional time to review and come to a mutually-agreeable plan for the project.

Many thanks for your time and consideration.

Samee Sheikh 170 Off Third homeowner & neighbor.

Marc Tatarian <mksd@sbcglobal.net> Tuesday, April 26, 2016 9:52 PM Sucre, Richard (CPC) Hotel Project 701 Third Street</mksd@sbcglobal.net>
t opposition below to the packet of information at the upcoming Planning Commission 6.
For the 701 Third Street Hotel as the architect and developer have failed to fully e 177 Townsend/170 King Street development known as 170 Off Third. In their is at the South East corner of the interior courtyard is not even contemplated in their intentional or an inadvertent oversight. Regardless, it calls the question of the validity is impact to our building. The proposed building footprint and height on this corner lot are not in keeping with the surrounding area. While a hotel in the area can be project appears to put too much building in too small of a lot.

Additionally, the minor adjustment to the Townsend Street side of the building where a small section of the building almost aligns with our building is an inadequate concession to the concerns raised by our community.

I respectfully ask you consider scaling down the mass of this proposed structure to allow for less of an impact on our building and to better blend with the adjacent structures and the South Beach area.

Thank you,

Marc Tatarian 170 King St. Unit 702 San Francisco, CA 94107

From: Shelley Tompt <sytompt@yahoo.com>
Sent: Wednesday, April 27, 2016 7:38 AM

To:Sucre, Richard (CPC)Subject:701 3rd Street Project

Hello,

I am a resident of 177 Townsend (170 Off Third) and want to voice my concerns over the 701 3rd street project. My concerns are:

- 1. Moving the bus shelter on Townsend please do not move it closer to our 177 Townsend building. I am concerned about the increased people congregating near our entrance / exits, and the additional accumulation of garbage, dirty sidewalks that I often see at the current bus stop. I propose moving it to be in front of the Taco Bell.
- 2. Loss of direct sunlight to my unit and other units that face our 4th floor courtyard, facing 3rd street. I am concerned the dimensions of the new hotel will block our sunlight, and we will get no natural light into our unit.
- 3. Noise and dust during construction what is being done to limit the dust and noise during construction?
- 4. I am concerned we will lose our loading / unloading zone and parking in front of our building. This is used by tenants during when moving in or out. Where will moving trucks be able to park on Townsend Street?

Thank you for considering my concerns.

Shelley Tompt Unit # 522 177 Townsend Street

From: Harry Wong <hwong_bl@yahoo.com>
Sent: Tuesday, April 26, 2016 5:51 PM

To: Sucre, Richard (CPC)

We are strongly opposed to this hotel project.

Why?

Reasons for the public:

- 1. Poor planning for there to be two hotels within half a block
- 2. There are 4 building garage entrances/exits within half a block. Jeopardizes safety of pedestrians on sidewalk.
- 3. Fully booked hotels will draw around 2000 people to the area. This overcapacity is dangerous during emergencies (e.g. fires, earthquakes, etc.)
- 4. Inadequate space for hotel facilities. Not enough space for big trucks to deliver hotel supplies daily.
- 5. Environmental issues. Influx of vehicles within half a block leads to an increase in gas emissions and air pollution.
- 6. Increase in traffic during baseball season.

Reasons for the residents of 170 Off Third:

- 1. Loss of direct and/or reflected sunlight. Reduced natural light.
- 2. Obstructs view from windows.
- 3. Disrupts the quiet and peaceful area for the residents.
- .4. Fourth-floor common area courtyard will be shaded.

From: Winnie, Harry, Anita. Angela Genzhou and Guizheng San Francisco Planning Commission 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Members of the San Francisco Planning Commission:

I am an enthusiastic supporter of the proposed 701 Third Street hotel project, because I believe that once built it represents a substantial improvement over the existing use of the lot. However, I ask that at your May 5, 2016, hearing you request additional information from the project's developer before approving the requested Conditional Use Authorization and Large Project Authorization.

Specifically:

- A revised plan for the hotel that will eliminate, or at minimum further mitigate, the shadow impact of the hotel on the north/Townsend Street face of the neighboring building at 177 Townsend Street and 170 King Street ("170 Off Third")
- II. Studies for the revised plan that clearly illustrate:
 - A. Sunrise-to-sundown shadow impacts to 170 Off Third, at one-hour increments, at the summer and winter solstices and the spring/fall equinoxes
 - B. The difference in shadowing at the solstices and equinoxes between existing and proposed from the hour first shaded to the hour fully shaded for
 - 1. The north/Townsend Street face of 170 Off Third,
 - 2. The external common areas of 170 Off Third on the 2nd and 4th floors, and
 - 3. All windows on the west faces of 170 Off Third closest to the property line shared with 701 Third Street, including those inset into such face
- III. A commitment from the developer:
 - A. To propose options for treatment of the east-facing wall of the Townsend side of the project to the homeowners at 170 Off Third whose windows face west toward such wall, and
 - B. To apply the option preferred by a simple majority of such affected homeowners who respond within a reasonable period of time to a survey of their opinions; or, if no proposed option is acceptable to a majority of the affected homeowners,
 - 1. To collaboratively design an acceptable treatment for such wall with those affected homeowners who are willing to participate
- IV. A commitment from the developer to compensate residents of 170 Off Third whose livelihood and quiet enjoyment will be affected by the demolition/construction, including:
 - A. Those who normally work from home and will incur costs to work in other locations due to noise from the project. I am directly affected by this issue. I currently work at home 1-2 days per week now and will be working full time starting October 1, 2016.
 - B. Those whose indoor air quality will be adversely affected by the dust and debris of the project through z-ducts. I own one of the units with a z duct.
 - C. Those who will be impacted by the noise from early morning deliveries of supplies to the site. Due to traffic congestion, these deliveries start as early as 4:30 AM. I have lived in this community for 8 years and this is a constant issue with each project that has been done.

D. A commitment from the developer and enforcement by the appropriate City authorities to enforce reasonable hours of operation and construction. I do not want to hear jackhammers at 10PM or at 6:00AM as has happened on other projects on Townsend Street recently.

These accommodations are reasonable because:

- The developer of 170 Off Third was required by the Planning Commission to set back the mass of the building from the Townsend Street property line due to Planning Department priorities at the time of development. While priorities of the Planning Department may have changed in the interim, it is appropriate for the Department and the Commission to consider design elements for new development within the context of constraints placed by the Commission on prior developments.
- Individuals who made an investment in the neighborhood, and whose investments will be affected by this hotel project for the foreseeable future, have a right to be fully informed about the impact of the project.
- The developer of the hotel project has indicated that it has a desire to demonstrate good-faith effort to accommodate the neighbors of the project. These accommodations represent such good faith.

The 170 Off Third Owner's Association board of directors, independent of the association's membership, have endorsed the currently-submitted plan for the hotel project. That endorsement was provided without input from the members of the association and does not represent the association members. The hotel project's developers and the Planning Commission cannot rely on the board's endorsement as an endorsement by any individual owner at 170 Off Third. Many members, such as myself, support the project in principle and still feel that the specific plan submitted to the Planning Department does not adequately address reasonable concerns of the project's neighbors...neighbors whose reasonable concerns the project's developers have specifically indicated they wish to address.

Please request this additional information from the hotel project's developer before approving the Conditional Use Application and Large Permit application, and allow the project's neighbors additional time to come to a mutually-agreeable plan for the project.

Respectfully,

Fern Yaffa 170 Off Third homeowner

Community Plan Exemption Checklist

Case No.: 2014-002024ENV Project Address: 701 Third Street

Zoning: MUO (Mixed Use Office) Use District

105-F Height and Bulk District

Block/Lot: 3794/006

Lot Size: 13,750 square feet

Plan Area: Eastern Neighborhoods Area Plan (East SoMa Plan Area)

Project Sponsor: Tim Wilson, Four One Five, LLC., (303) 785-3130
Staff Contact: Debra Dwyer, (415) 575-9031, debra.dwyer@sfgov.org

415.558.6409
Planning
Information:

415.558.6377

1650 Mission St. Suite 400

San Francisco, CA 94103-2479

Reception: **415.558.6378**

PROJECT DESCRIPTION

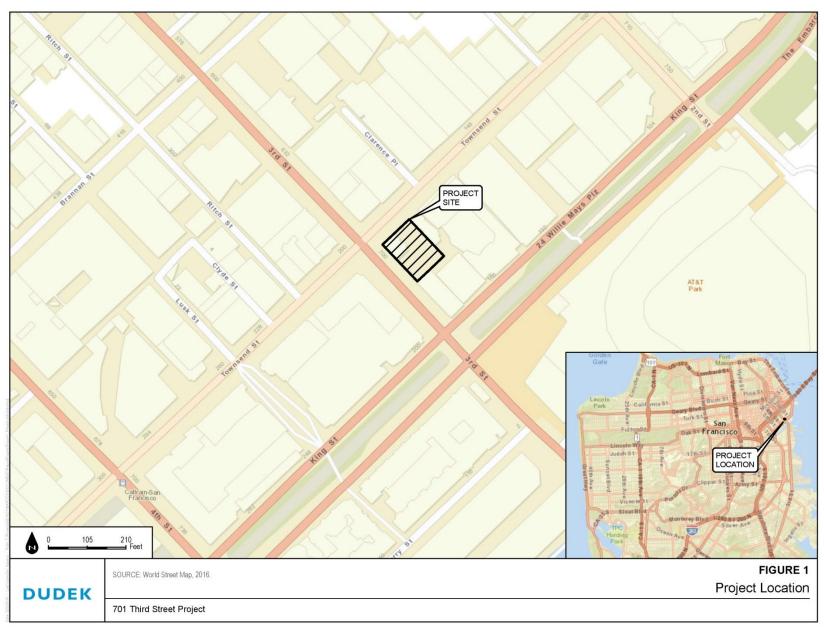
Project Location:

The 13,750-square-foot project site is located at 701 Third Street, San Francisco California (Figure 1) on the southeast corner of Third and Townsend Streets. The project site is on a single lot (Lot 006 of Assessor's Block 3794) on the block bounded by Townsend Street to the north, Third Street to the west, King Street to the south, and Second Street to the east. An existing one-story, 3,200-square-foot building, a drive-through and surface parking lot with 14 spaces occupies the entire extent of the lot. The 3,200-gross-square-foot (gsf) building is a McDonalds Restaurant built in 1970 with a main entrance on Third Street and a supplementary service entrance along the south side of the building. There is a dedicated exit only drive-through lane and a separate exit/entrance lane, each approximately 12 feet wide, along Townsend Street. There are 14 off-street parking spaces, for customers only, including two disabled reserved stalls. On-site parking is accessed from street level via a 21-foot-wide curb cut along Third Street and via another 23-foot-wide curb cut along Townsend Street. The project site is completely developed with minimal landscaping. Historically, the property has served commercial land uses. Previous uses of the property include a warehouse for general merchandise from 1887 to 1913, and a gasoline service station from 1914 to 1970.

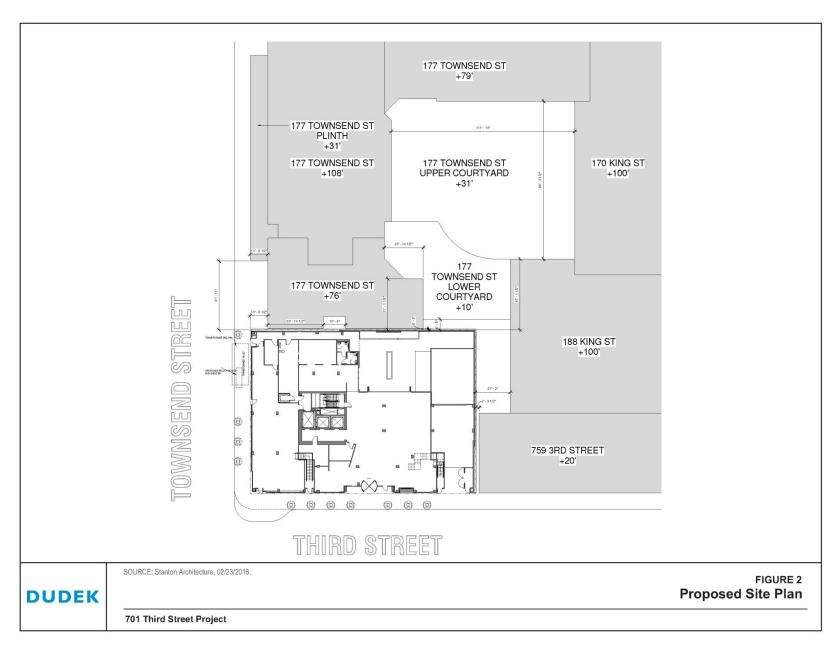
The project site is located within the East South of Market (East SoMa) Plan area of the Eastern Neighborhoods Area Plan, which was evaluated in Eastern Neighborhoods Rezoning and Area Plans Final Programmatic Environmental Impact Report (PEIR), certified in 2008.

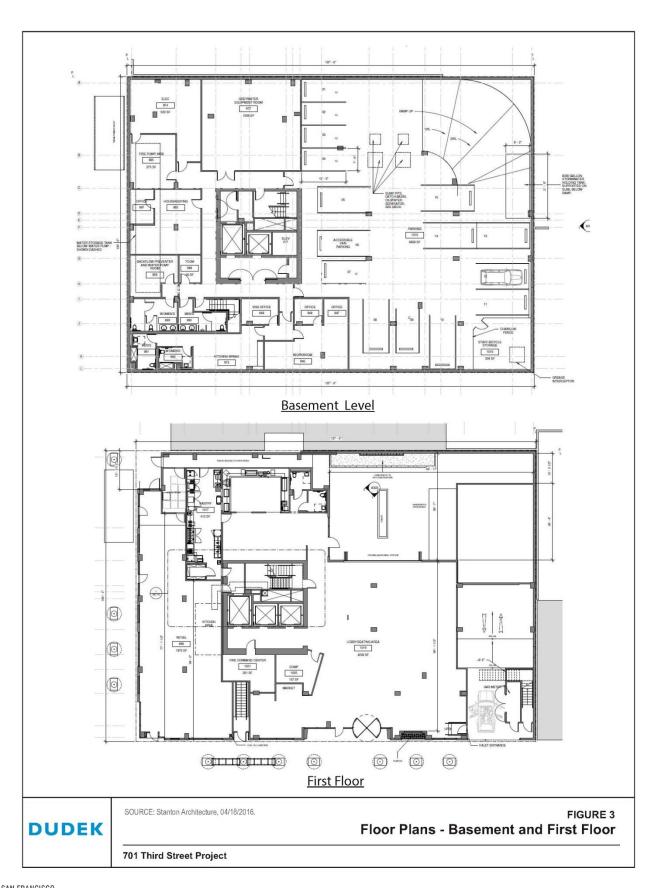
Project Characteristics

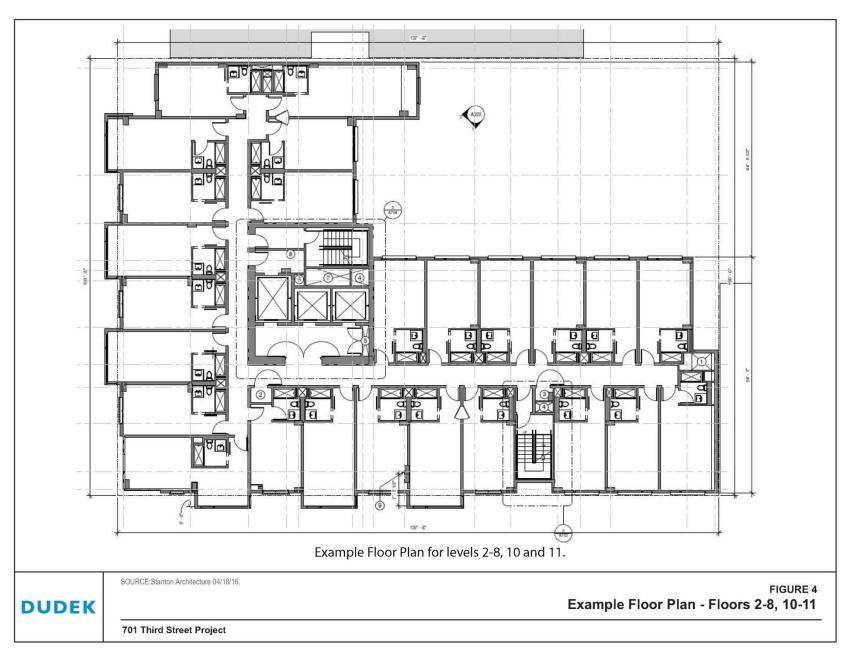
The proposed 701 Third Street project would entail the demolition of the existing building, drive-through and surface parking lot and the construction of a new 11-story, 105-foot tourist hotel (with a 16-foot-tall mechanical penthouse). The proposed project would be 116,124 gsf with 1,970 gsf of ground floor retail space fronting Townsend Street with limited additional frontage on Third Street and a 1,850 gsf landscaped rear courtyard. The proposed site plan is shown on Figure 2. Figures 3 through 6 show the proposed floor plans; Figure 7 shows the proposed building elevations; and Figure 8 shows visual simulations for the project.



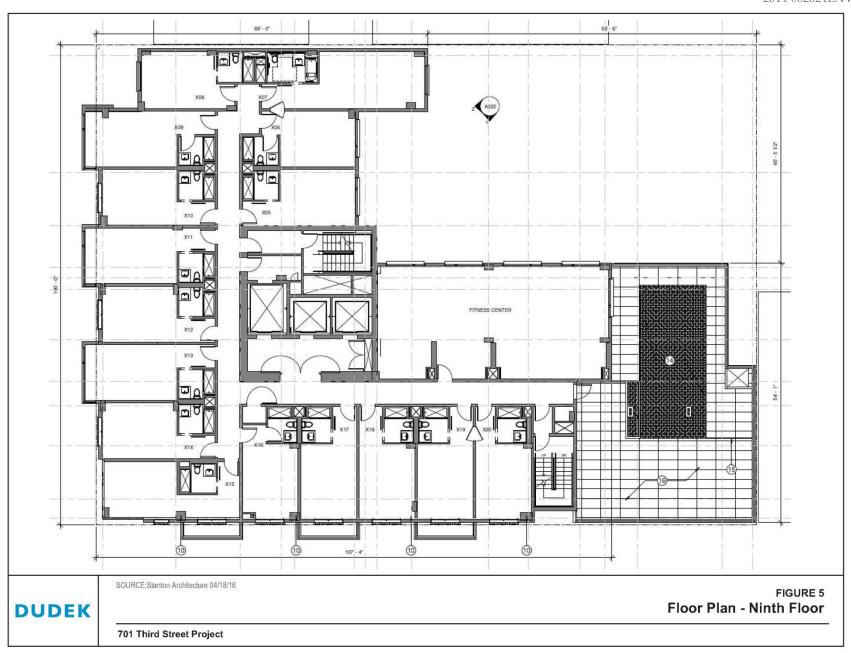
SAN F PLANNING DEPARTMENT

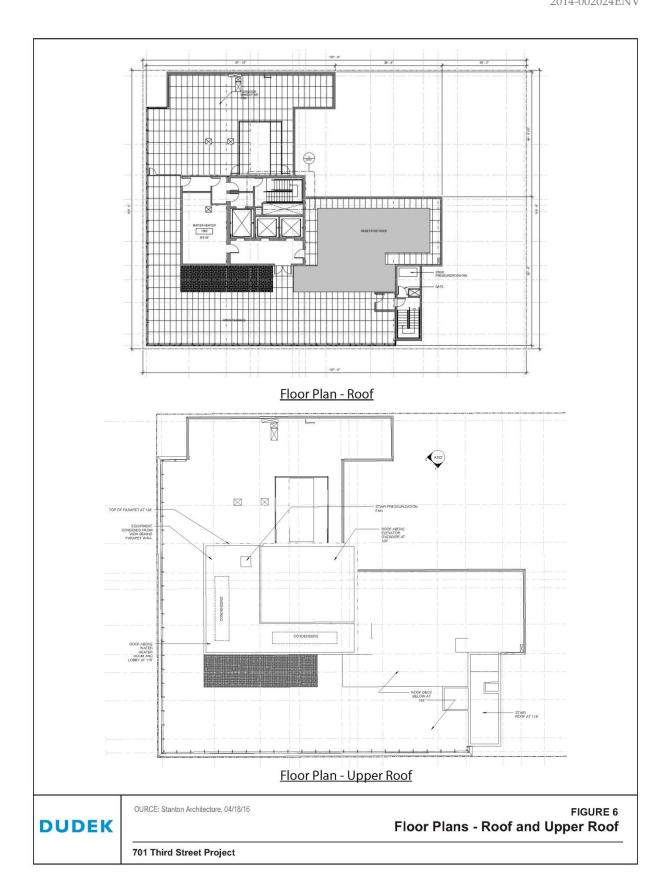






SAN FRANCISCO
PLANNING DEPARTMENT





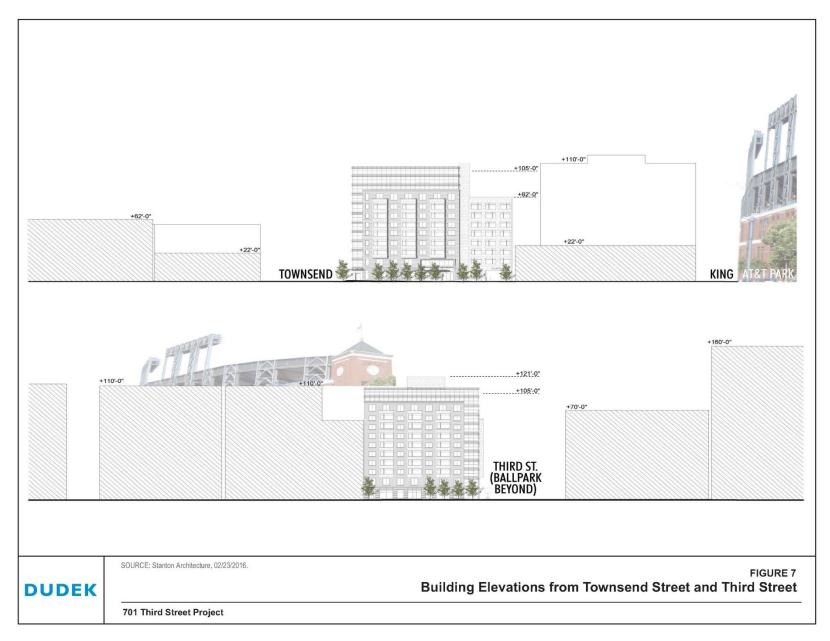
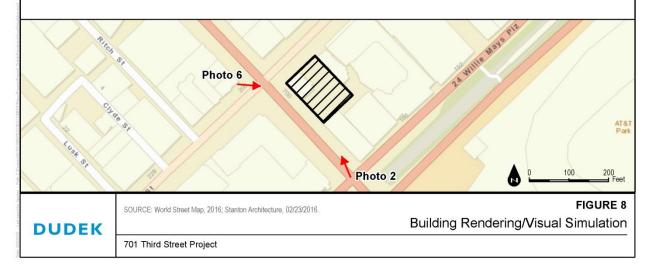




Photo 2: View looking towards Townsend Street from King Street.



Photo 6: View from corner of Third and Townsend.



The proposed project would be a single structure with two heights. The taller part, fronting both Townsend and Third Streets, would have 11 floors, a 3,095-square-foot rooftop terrace with vegetated roof, which would also house the back-up power supply generator (Figure 6). The shorter façade massing, fronting only on Third Street, would have eight floors (Figure 4).

The hotel's main entrance to the lobby and guest services would be on Third Street. The first floor would include guest check-in, a breakfast service space, one retail space and a rear landscaped courtyard. The breakfast service area complete with adjacent pantry and trash room would be located on the Townsend Street side at the rear of the hotel. The 230 hotel rooms on levels two to 11 would be composed of 50 doubles and 180 singles. Each floor would be approximately 9,600 gsf, include elevator access and two sets of stairwells. Level nine would have guest rooms but would also provide a fitness center and access to a 734-square-foot outdoor terrace and vegetated roof. Section 842 of the Planning Code establishes the maximum Floor Area Ratio (FAR) for this zoning district as 7:5:1, allowing 103,125 square feet on the site. The proposed total floor area for the project would be 102,676 square feet.

The proposed project would include a 1,970-gsf ground floor commercial space along Townsend Street. The retail space would front Townsend Street with limited additional frontage along Third Street. The space would have two entrances, one at the front of the building from Third Street and the other opening to the public access corridor at the rear of the building.

The project proposes to build a below grade parking garage with 14 parking spaces, including one van space, eight Class I bicycle stalls and a freight loading zone. A single 12-foot-wide vehicular driveway from Third Street would provide access to the proposed underground parking. Cyclists and pedestrians would access the parking garage via the elevator in the hotel lobby.

The proposed streetscape work on Townsend Street includes: removal of both existing driveways and replacement of existing sidewalk and curbs with new construction to match San Francisco Public Works specifications and standards; relocation of the bus shelter from its current location on Townsend Street approximately 20 feet from the corner of Third and Townsend streets to a location on Townsend Street approximately 66 feet from the corner; ornamental grates around all newly planted trees; and construction of accessibility curb ramps and provisions for Americans with Disabilities Act (ADA) compliance as required at the intersection.

The proposed streetscape work on Third Street includes: removal of the existing driveway and construction of a single 12-foot wide vehicular drive for access to the underground parking garage; a corner bulbout at Third and Townsend Streets and a passenger loading zone on Third Street in front of the hotel entrance. The parking space at the eastern end of the property on Third Street would be removed for the access to the garage. The passenger drop-off area on Third Street would replace the four existing parking spaces between the curb-cut and the Townsend intersection. The Third Street improvements would also include decorative paving, recessed uplights at the hotel entry; ten Class II bicycle spaces in racks located on the sidewalk, and new street trees (as described below). Construction of ADA-accessible curb ramps would be built as required at the vehicular garage entry and the bulbout on the corner of Third and Townsend streets.

Three open space areas are proposed for the project: an approximately 1,850-square-foot, rear landscaped courtyard on the first floor, a 734-square-foot outdoor terrace with vegetated roof on the ninth floor, and a 3,095-square-foot terrace on the rooftop. A backup diesel generator would be placed on the 11th floor rooftop terrace. The generator would be housed in a packaged steel sound-attenuating enclosure.

The ground floor courtyard would be publically accessible via a corridor with entry and exit onto Townsend Street. Trees and landscaping would be planted along Townsend and Third streets.

Building Design

The proposed development would have a concrete frame supported on a concrete mat slab foundation. The building would follow the neighborhood pattern for setbacks and would be located at the property lines on Townsend and Third Streets. On the ninth level along Third Street the building would be stepped back from the eastern property line by approximately 30 feet to conform with Planning Code F bulk designation requirements.

The hotel design proposes to use exterior materials that are consistent with both the recent residential construction as well as the older industrial and commercial buildings in the area. The colors for the proposed building would harmonize with those of nearby developments. From Townsend Street, all 11 levels of the hotel would be visible reaching a height of 121 feet, inclusive of an additional 16 feet for the mechanical penthouse, and would consist of two distinct design elements. From Third Street, all 11 levels of the hotel would be visible reaching a height of 115 feet (including the elevator penthouse), and would consist of three distinct design elements. Visual simulations illustrating the design from Townsend Street and from Third Street are shown in Figure 8.

Construction Activities

Construction activities are anticipated to begin late in the second quarter of 2016 and finish early in the fourth quarter of 2017(approximately 18 months).

Construction activities would include demolition, of the existing building and excavation of the entire project site to a depth of approximately 15 feet. A total of approximately 3,704 cubic yards of earth would be removed during excavation.

Project Approvals

The approval of a Large Project Authorization by the Planning Commission (per Planning Code Section 329) is the Approval Action for the proposed project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

In addition, the proposed 701 Third Street project would require the following approvals:

Actions by the Planning Commission

- Large project authorization is required per Planning Code Section 329 for new construction of a building greater than 25,000 gsf and taller than 75-feet in height.
- Large project authorization modifications are required for (i) Permitted Obstructions per Planning Code Section 136 for bay windows that are 12 feet wide and (ii) for street frontage per Planning Code Section 145.1.
- Conditional use authorization is required per Planning Code Section 303, 842.49, and 890.46 for the tourist hotel use in the MUO Zoning District.
- Approval of a building permit application is required for the demolition of existing buildings on the subject property.

• Approval of a building permit application is required for the proposed new construction on the subject property.

Actions by other City Departments

San Francisco Department of Building Inspection

- Approval of building permit application is required for the demolition of existing buildings on the subject property.
- Approval of a building permit application is required for proposed new construction on the subject property.

San Francisco Department of Building Inspection

- Approval of building permit application is required for the demolition of existing buildings on the subject property.
- Approval of a building permit application is required for proposed new construction on the subject property.

San Francisco Department of Public Health

 Approval of project compliance with San Francisco Health Code Article 22A (the Maher Ordinance).

San Francisco Municipal Transportation Agency and SFMTA Board of Directors

• Approval of one bulb out and relocation of the bus shelter on Townsend Street as well as the passenger loading zone (white zone) on the east side of Third Street.

San Francisco Board of Supervisors

Approval of proposed sidewalk changes.

State and Regional Approvals

California Department of Alcoholic Beverage Control

• If the proposed retail or hotel uses elect to sell alcoholic beverages, liquor licenses would be required.

EVALUATION OF ENVIRONMENTAL EFFECTS

This Community Plan Exemption (CPE) Checklist evaluates whether the environmental impacts of the proposed project are addressed in the Programmatic Environmental Impact Report for the Eastern Neighborhoods Rezoning and Area Plans (Eastern Neighborhoods PEIR). The CPE Checklist indicates whether the proposed project would result in significant impacts that: (1) are peculiar to the project or project site; (2) were not identified as significant project-level, cumulative, or off-site effects in the PEIR; or (3) are previously identified significant effects, which as a result of substantial new information that was not known at the time that the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR. Such impacts, if any, will be evaluated in a project-specific Mitigated Negative Declaration or Environmental Impact Report. If no such impacts are identified, the proposed project is exempt from further environmental review in accordance with Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

1 1

¹ San Francisco Planning Department, Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (PEIR), Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048, certified August 7, 2008. Available online at: http://www.sf-planning.org/index.aspx?page=1893, accessed August 17, 2012.

Mitigation measures identified in the PEIR are discussed under each topic area, and measures that are applicable to the proposed project are provided under the Mitigation Measures Section at the end of this checklist. Improvement measures agreed to by the project sponsor are also discussed under each topic area, and are provided in full following the Mitigation Measures Section at the end of this checklist.

The Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. Mitigation measures were identified for the above impacts and reduced all impacts to less-than-significant except for those related to land use (cumulative impacts on Production, Distribution, and Repair (PDR) use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven Muni lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

The proposed project would include construction of a 116,124-gross-square-foot tourist hotel. The building would include 230 hotel rooms, a breakfast service space, work out facility, one basement level for parking (14 off-street spaces including one van space), bicycle parking and streetscape improvements; 1,850 square feet of open space and 1,970-gsf of retail space. As discussed below in this checklist, the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR.

CHANGES IN THE REGULATORY ENVIRONMENT

Since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that affect the physical environment and/or environmental review methodology for projects in the Eastern Neighborhoods plan areas. As discussed in each topic area referenced below, these policies, regulations, statutes, and funding measures have or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include:

- State statute regarding Aesthetics, Parking Impacts, effective January 2014, and state statute and Planning Commission resolution regarding automobile delay, and vehicle miles traveled, (VMT) effective March 2016 (see "CEQA Section 21099" heading below);
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, the Transportation Sustainability Program process, and state statute and Planning Commission resolution regarding automobile delay, and vehicle miles traveled (VMT) effective March 2016 (see Checklist section "Transportation");
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment effective June 2015 (see Checklist section "Noise");
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see Checklist section "Air Quality");

- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see Checklist section "Recreation");
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see Checklist section "Utilities and Service Systems"); and
- Article 22A of the Health Code amendments effective August 2013 (see Checklist section "Hazardous Materials").

CHANGES IN THE PHYSICAL ENVIRONMENT

Since the certification of the Eastern Neighborhoods PEIR in 2008, as evidenced by the volume of development applications submitted to the Planning Department since 2012, the pace of development activity has increased in the Eastern Neighborhoods plan areas. The Eastern Neighborhoods PEIR projected that implementation of the Eastern Neighborhoods Plan could result in a substantial amount of growth within the Eastern Neighborhoods plan areas, resulting in an increase of approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) throughout the lifetime of the Plan (year 2025).² The Eastern Neighborhoods PEIR projected that this level of development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.³ Growth projected in the Eastern Neighborhoods PEIR was based on a soft site analysis (i.e., assumptions regarding the potential for a site to be developed through the year 2025) and not based upon the created capacity of the rezoning options (i.e., the total potential for development that would be created indefinitely).⁴

As of February 23, 2016, projects containing 9,749 dwelling units and 2,807,952 square feet of non-residential space (excluding PDR loss) have completed or are proposed to complete environmental review⁵ within the Eastern Neighborhoods Plan areas⁶. This level of development corresponds to an overall population increase of approximately 23,758 to 25,332 persons. Of the 9,749 dwelling units that are

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² Tables 12 through 16 of the Eastern Neighborhoods Draft EIR and Table C&R-2 in the Comments and Responses show projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning, not projected growth totals from a baseline of the year 2000. Estimates of projected growth were based on parcels that were to be rezoned and did not include parcels that were recently developed (i.e., parcels with projects completed between 2000 and March 2006) or have proposed projects in the pipeline (i.e., projects under construction, projects approved or entitled by the Planning Department, or projects under review by the Planning Department or Department of Building Inspection). Development pipeline figures for each Plan Area were presented separately in Tables 5, 7, 9, and 11 in the Draft EIR. Environmental impact assessments for these pipeline projects were considered separately from the Eastern Neighborhoods rezoning effort.

³ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

⁴ San Francisco Planning Department, *Community Planning in the Eastern Neighborhoods, Rezoning Options Workbook, Draft,* February 2003. This document is available at: http://www.sf-planning.org/index.aspx?page=1678#background.

⁵ For this and the Land Use and Land Use Planning section, environmental review is defined as projects that have or are relying on the growth projections and analysis in the Eastern Neighborhoods PEIR for environmental review (i.e., Community Plan Exemptions or Focused Mitigated Negative Declarations and Focused Environmental Impact Reports with an attached Community Plan Exemption Checklist).

⁶ These estimates include projects that have completed environmental review and foreseeable projects (including the proposed project). Foreseeable projects are those projects for which environmental evaluation applications have been submitted to the San Francisco Planning Department.

under review or have completed environmental review, building permits have been issued for 4,583 dwelling units, or approximately 47 percent of those units (information is not available regarding building permit non-residential square footage). Within the East South of Market (SoMa) subarea, the Eastern Neighborhoods PEIR projected that implementation of the Eastern Neighborhoods Plan could result in an increase of 2,300-3,100 net dwelling units and 1,000,000 to 1,600,000 net non-residential space (excluding PDR loss) through the year 2025. This level of development corresponds to an overall population increase of approximately 5,818 to 8,985 persons. As of February 23, 2016, projects containing 2,447 dwelling units and 1,248,675 square feet of non-residential space (excluding PDR loss) have completed or are proposed to complete environmental review within the East SoMa subarea. This level of development corresponds to an overall population increase of 7,084 to 7,108 persons. Of the 2,447 dwelling units that are under review or have completed environmental review, building permits have been issued for 871 dwelling units, or approximately 36 percent of those units. Therefore, anticipated growth from the Eastern Neighborhoods Rezoning and Area Plans is within the Eastern Neighborhoods PEIR growth projections.

Growth that has occurred within the plan areas since adoption of the Eastern Neighborhoods PEIR has been planned for and the effects of that growth were anticipated and considered in the Eastern Neighborhoods PEIR. Although the number of housing units under review is approaching or exceeds the residential unit projections for the Mission and Showplace Square/Potrero Hill Area Plans of the Eastern Neighborhoods PEIR, the non-residential reasonably foreseeable growth is well below what was anticipated. Therefore, population growth associated with approved and reasonably foreseeable development is within the population that was projected for 2025. Furthermore, the number of constructed projects within Eastern Neighborhoods is well below what was has been approved for all plan areas.

The Eastern Neighborhoods PEIR utilized the growth projections to analyze the physical environmental impacts associated with that growth for the following environmental impact topics: Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water. The analysis took into account the overall growth in the Eastern Neighborhoods and did not necessarily analyze in isolation the impacts of growth in one land use category, although each land use category may have differing severities of effects. The analysis of environmental topics covered in this checklist take into account the differing severities of effects of the residential and employee population.

In summary, projects proposed within the Eastern Neighborhoods Plan Areas have not exceeded the overall population growth that was projected in the Eastern Neighborhoods PEIR; therefore, foreseeable growth within the plan areas do not present substantial new information that was not known at the time of the PEIR and would not result in new significant environmental impacts or substantially more severe adverse impacts than discussed in the PEIR.

SENATE BILL 743

Aesthetics and Parking

In accordance with CEQA Section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics and parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

- b) The project is on an infill site; and
- c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, this checklist does not consider aesthetics or parking in determining the significance of project impacts under CEQA.⁷ Project elevations are included in the project description.

Automobile Delay and Vehicle Miles Traveled

In addition, CEQA Section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that "promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." CEQA Section 21099(b)(2) states that upon certification of the revised guidelines for determining transportation impacts pursuant to Section 21099(b)(1), automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA⁸ recommending that transportation impacts for projects be measured using a vehicle miles traveled (VMT) metric. On March 3, 2016, in anticipation of the future certification of the revised CEQA Guidelines, the San Francisco Planning Commission adopted OPR's recommendation to use the VMT metric instead of automobile delay to evaluate the transportation impacts of projects (Resolution 19579). (Note: the VMT metric does not apply to the analysis of project impacts on non-automobile modes of travel such as riding transit, walking, and bicycling.) Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this checklist, including PEIR Mitigation Measures E-1: Traffic Signal Installation, E-2: Intelligent Traffic Management, E-3: Enhanced Funding, and E-4: Intelligent Traffic Management. Instead, a VMT and induced automobile travel impact analysis is provided in the Transportation section.

(Continued on next page.)

⁷ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization of Transportation Analysis for 701 Third Street, April 19, 2016. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2014-002024ENV.

⁸ This document is available online at: https://www.opr.ca.gov/s/sb743.php.

Тор	pics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
1.	LAND USE AND LAND USE PLANNING—Would the project:				
a)	Physically divide an established community?				\boxtimes
b)	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				
c)	Have a substantial impact upon the existing character of the vicinity?				\boxtimes

The Eastern Neighborhoods PEIR analyzed a range of potential rezoning options and considered the effects of losing between approximately 520,000 to 4,930,000 square feet of PDR space in the plan area throughout the lifetime of the plan (year 2025). This was compared to an estimated loss of approximately 4,620,000 square feet of PDR space in the plan area under the no project scenario. Within the East SoMa Plan subarea, the Eastern Neighborhoods PEIR considered the effects of losing up to approximately 770,000 square feet of PDR space through the year 2025. The Eastern Neighborhoods PEIR determined that adoption of the area plans would result in an unavoidable significant impact on land use due to the cumulative loss of PDR space. This impact was addressed in a statement of overriding considerations with CEQA findings and adopted as part of the Eastern Neighborhoods Rezoning and Areas Plans approval on January 19, 2009.

The proposed project would not convert existing on-site PDR space to non-PDR space. The project site contains a fast-food restaurant, which is identified as retail and entertainment in the PEIR. Although the project site was zoned M-2 prior to the rezoning of the Eastern Neighborhoods, which would allow industrial uses, the rezoning of the project site did not contribute to the significant impact for the following reasons. The small lot size would not support many PDR uses, and the site has been in retail for more than 45 years. Therefore, the preclusion of development of 0.32 acres of PDR space does not represent a considerable contribution to the loss of PDR space analyzed in the Eastern Neighborhoods PEIR, and would not result in significant impacts that were not identified or a more severe adverse impact than analyzed in the PEIR.

The Eastern Neighborhoods PEIR determined that implementation of the Area Plans would not create any new physical barriers in the Easter Neighborhoods because the rezoning and Area Plans do not provide for any new major roadways, such as freeways that would disrupt or divide the project area or individual neighborhoods or subareas.

The Citywide Planning and Current Planning Divisions of the Planning Department have determined that the proposed project is permitted in the MUO (Mixed Use Office) District and is consistent with the bulk, density, and land uses as envisioned in the East SoMa Area Plan. The proposed hotel use with 230 guest rooms, which is allowable by conditional use authorization in the MUO zoning, is consistent with

this designation.^{9,10} Because the proposed project is consistent with the development density established in the Eastern Neighborhoods Rezoning and area Plans, implementation of the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to land use and land use planning, and no mitigation measures are necessary.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
2.	POPULATION AND HOUSING— Would the project:				
a)	Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				
b)	Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing?				
c)	Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				

One of the objectives of the Eastern Neighborhoods Area Plans is to identify appropriate locations for housing in the City's industrially zoned land to meet the citywide demand for additional housing. The PEIR concluded that an increase in population in the Plan Areas is expected to occur as a secondary effect of the proposed rezoning and that any population increase would not, in itself, result in adverse physical effects, but would serve to advance key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment generators and furthering the City's Transit First policies. It was anticipated that the rezoning would result in an increase in both housing development and population in all of the Area Plan neighborhoods. The Eastern Neighborhoods PEIR determined that the anticipated increase in population and density would not result in significant adverse physical effects on the environment. No mitigation measures were identified in the PEIR.

The project would have no impact on the net change in housing. The project proposes to add a tourist hotel which would neither increase nor decrease housing units or housing demand. The hotel does not propose any amenities, such as a conference room or pool that would attract additional people. The project would add a small 1,970-gsf retail space on the main floor. This would attract a small number of local shoppers and visitors. The hotel and retail space would have limited staff of 22 full-time employees (16 for the hotel and six for retail space) and would participate in the City's First Source Hiring Program. As stated in the "Changes in the Physical Environment" section above, these direct effects of the proposed project on population and housing are within the scope of the population growth anticipated

⁹ Susan Exline, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 701 Third Street, October 27, 2015.

Jeff Joslin, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 701 Third Street, October 30, 2015.

under the Eastern Neighborhoods Rezoning and Area Plans and evaluated in the Eastern Neighborhoods PEIR.

For the above reasons, the proposed project would not result in significant impacts on population and housing that were not identified in the Eastern Neighborhoods PEIR.

Topics:		Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
3.	CULTURAL RESOURCES—Would the project:				
a)	Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco <i>Planning Code</i> ?				
b)	Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?				
c)	Disturb any human remains, including those interred outside of formal cemeteries?				\boxtimes

Historic Architectural Resources

Pursuant to CEQA Guidelines Sections 15064.5(a)(1) and 15064.5(a)(2), historical resources are buildings or structures that are listed, or are eligible for listing, in the California Register of Historical Resources or are identified in a local register of historical resources, such as Articles 10 and 11 of the San Francisco Planning Code. The Eastern Neighborhoods PEIR determined that future development facilitated through the changes in use districts and height limits under the Eastern Neighborhoods Area Plans could have substantial adverse changes on the significance of both individual historical resources and on historical districts within the Plan Areas. The PEIR determined that approximately 32 percent of the known or potential historical resources in the Plan Areas could potentially be affected under the preferred alternative. The Eastern Neighborhoods PEIR found this impact to be significant and unavoidable. This impact was addressed in a Statement of Overriding Considerations with findings and adopted as part of the Eastern Neighborhoods Rezoning and Area Plans approval on January 19, 2009.

According to Article 10 of the Planning Code and as shown on Zoning Map PD1, the project site is not in an existing local historic district. According to Article 11 of the Planning Code and as shown in Zoning map PD1, the project site is not in an existing conservation district. The building on the project site was included in the South of Market Area Historic Resource Survey and found to be ineligible for listing as a historic resource.¹¹ Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR, and no historic resource mitigation measures would apply to the proposed project.

San Francisco Planning Department, South of Market Area Historic Resource Survey Webpage, February 27, 2015. Online at http://www.sf-planning.org/index.aspx?page=2530. Accessed February 23, 2016.

For these reasons, the proposed project would not result in significant impacts on historic architectural resources that were not identified in the Eastern Neighborhoods PEIR.

Archeological Resources

The Eastern Neighborhoods PEIR determined that implementation of the Area Plan could result in significant impacts on archeological resources and identified three mitigation measures that would reduce these potential impacts to a less than significant level. Eastern Neighborhoods PEIR Mitigation Measure J-1 applies to properties for which a final archeological research design and treatment plan is on file at the Northwest Information Center and the Planning Department. Mitigation Measure J-2 applies to properties for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA. Mitigation Measure J-3, which applies to properties in the Mission Dolores Archeological District, requires that a specific archeological testing program be conducted by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology.

The project site is not located within the Mission Dolores Archaeological District; therefore PEIR Mitigation Measure J-3 does not apply. The *San Francisco Waterfront: Report on Historical Cultural Resources* (1977) and the *Behind the Seawall* (1981) produced for the San Francisco Wastewater Management Program (later known as the San Francisco Clean Water Program) provides an overview of the project vicinity. However, no final archaeological research design and treatment plan is on file for the project site and therefore PEIR Mitigation Measure J-1 does not apply.

Because no previous final archaeological research design and treatment plan is on file for the project site, PEIR Mitigation Measure J-2 applies to the proposed project. A Preliminary Archaeological Sensitivity Study is required under Mitigation Measure J-2 to assess the potential for a proposed project to have a significant impact on archaeological resources. The Preliminary Archaeological Review (PAR), completed by the Planning Department's archaeologist, fulfills the requirement of a Preliminary Archaeology Sensitivity Study called for in Mitigation Measure J-2.¹² The archaeological mitigation requirement attached to the PAR, archaeological monitoring, is described under "Mitigation Measures" at the end of this document and would reduce the potential effect of the project on buried or submerged historical resources. An archaeological consultant would implement the Archaeological Monitoring Program and would determine which construction activities may disturb significant archaeological resources present on the site. If archaeological resources may be present, then project construction activities shall be monitored by the archaeological consultant. This mitigation would reduce any potential effects of construction on CEQA-significant archaeological resources to a less-than-significant level.

For these reasons, the proposed project would not result in significant impacts on archeological resources that were not identified in the Eastern Neighborhoods PEIR.

Allison Vanderslice, San Francisco Planning Department, Environmental Planning Preliminary Archaeological Review: Checklist for 701 Third Street, August 21, 2015.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
4.	TRANSPORTATION AND CIRCULATION—Would the project:				
a)	Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				
b)	Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				
c)	Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks?				
d)	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses?				
e)	Result in inadequate emergency access?				\boxtimes
f)	Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to pedestrians, bicyclists, loading, emergency access, or construction. As the proposed project is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on pedestrians, bicyclists, loading, emergency access, or construction beyond those analyzed in the Eastern Neighborhoods PEIR.

However, the Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes could result in significant impacts on transit ridership, and identified seven transportation mitigation measures, which are described further below in the Transit sub-sections. Even with mitigation, however, it was anticipated that the significant adverse cumulative impacts on transit lines could not be fully mitigated. Thus, these impacts were found to be significant and unavoidable. As discussed above under "SB 743", in response to state legislation that called for removing automobile delay from CEQA analysis, the Planning Commission adopted resolution 19579 replacing automobile delay with a vehicle miles traveled (VMT) metric for analyzing transportation impacts of a project. Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this checklist.

The Eastern Neighborhoods PEIR did not evaluate vehicle miles traveled or the potential for induced automobile travel. The VMT Analysis and Induced Automobile Travel Analysis presented below evaluate the project's transportation effects using the VMT metric.

The project site is not located within an airport land use plan area, or in the vicinity of a private airstrip. Therefore, the Community Plan Exemption Checklist topic 4c is not applicable.

Vehicle Miles Traveled (VMT) Analysis

Many factors affect travel behavior. These factors include density, diversity of land uses, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development at great distance from other land uses, located in areas with poor access to non-private vehicular modes of travel, generate more automobile travel compared to development located in urban areas, where a higher density, mix of land uses, and travel options other than private vehicles are available.

Given these travel behavior factors, San Francisco has a lower VMT ratio than the nine-county San Francisco Bay Area region. In addition, some areas of the City have lower VMT ratios than other areas of the City. These areas of the City can be expressed geographically through transportation analysis zones. Transportation analysis zones are used in transportation planning models for transportation analysis and other planning purposes. The zones vary in size from single city blocks in the downtown core, multiple blocks in outer neighborhoods, to even larger zones in historically industrial areas like the Hunters Point Shipyard.

The San Francisco County Transportation Authority (Transportation Authority) uses the San Francisco Chained Activity Model Process (SF-CHAMP) to estimate VMT by private automobiles and taxis for different land use types. Travel behavior in SF-CHAMP is calibrated based on observed behavior from the California Household Travel Survey 2010-2012, Census data regarding automobile ownership rates and county-to-county worker flows, and observed vehicle counts and transit boardings. SF-CHAMP uses a synthetic population, which is a set of individual actors that represents the Bay Area's actual population, who make simulated travel decisions for a complete day. The Transportation Authority uses tour-based analysis for office and residential uses, which examines the entire chain of trips over the course of a day, not just trips to and from the project. For retail uses, the Transportation Authority uses trip-based analysis, which counts VMT from individual trips to and from the project (as opposed to entire chain of trips). A trip-based approach, as opposed to a tour-based approach, is necessary for retail projects because a tour is likely to consist of trips stopping in multiple locations, and the summarizing of tour VMT to each location would over-estimate VMT. ^{13,14}

A tourist hotel is treated as residential for the purpose of VMT analysis. For residential development, the regional average daily VMT per capita is 17.2.¹⁵ For retail development, regional average daily work-related VMT per employee is 14.9. Average daily VMT for both land uses is projected to decrease under future 2040 cumulative conditions. Refer to Table 4-1: Daily Vehicle Miles Traveled, which includes the transportation analysis zone (TAZ) in which the project site is located, TAZ 632.

¹³ To state another way: a tour-based assessment of VMT at a retail site would consider the VMT for all trips in the tour, for any tour with a stop at the retail site. If a single tour stops at two retail locations, for example, a coffee shop on the way to work and a restaurant on the way back home, then both retail locations would be allotted the total tour VMT. A trip-based approach allows us to apportion all retail-related VMT to retail sites without double-counting.

¹⁴ San Francisco Planning Department, Executive Summary: Resolution Modifying Transportation Impact Analysis, Appendix F, Attachment A, March 3, 2016.

¹⁵ Includes the VMT generated by the households in the development.

<u>Land Use</u>		Existing			<u>Cumulative 2040</u>		
	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 632	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 632	
Households (Residential)	17.2	14.6	3.4	16.1	13.7	2.4	
Employment (Retail)	14.9	12.6	10.1	14.6	12.4	9.7	

Table 4-1 Daily Vehicle Miles Traveled

A project would have a significant effect on the environment if it would cause substantial additional VMT. The State Office of Planning and Research's (OPR) *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA* ("proposed transportation impact guidelines") recommends screening criteria to identify types, characteristics, or locations of projects that would not result in significant impacts to VMT. If a project meets screening criteria, then it is presumed that VMT impacts would be less than significant for the project and a detailed VMT analysis is not required.

Vehicle Miles Traveled Analysis - Residential (Tourist Hotel)

As mentioned above, existing average daily VMT per capita is 3.4 for the transportation analysis zone the project site is located in, TAZ 632. This is 80 percent below the existing regional average daily VMT per capita of 17.2. For TAZ 632, average daily VMT per capita is projected to be 2.4 under 2040 cumulative conditions. This is 85 percent below the anticipated cumulative regional average daily VMT per capita of 16.1. Given that the project site is located in an area where existing VMT is more than 15 percent below the existing regional average and would continue to be below under 2040 cumulative conditions, the proposed project's tourist hotel use would not result in substantial additional VMT and impacts would be less-than-significant.¹⁶

Vehicle Miles Traveled Analysis - Retail

As mentioned above, existing average daily VMT per retail employee is 10.1 for TAZ 632 where the project site is located. This is 32 percent below the existing regional average daily VMT per retail employee of 14.9. For TAZ 632, average daily VMT per retail employee is projected to be 9.7 under 2040 cumulative conditions. This is 66 percent below the cumulative regional average daily VMT per retail employee of 14.6. Given that the project site is located in an area where existing VMT is more than 15 percent below the existing regional average and would continue to be below under 2040 cumulative conditions, the proposed project's tourist hotel use would not result in substantial additional VMT related to retail use and impacts would be less-than-significant.

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¹⁶ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization of Transportation Analysis for 701 3rd Street, March 14, 2016.

Furthermore, the project site meets the Proximity to Transit Stations screening criterion, which also indicates the proposed project's tourist hotel and retail uses would not cause substantial additional VMT.¹⁷

Therefore, the proposed project would not cause substantial additional VMT and impacts would be less-than-significant impact.

Induced Automobile Travel Analysis

A project would have a significant effect on the environment if it would substantially induce additional automobile travel by increasing physical roadway capacity in congested areas (i.e., by adding new mixed-flow lanes) or by adding new roadways to the network. OPR's proposed transportation impact guidelines includes a list of transportation project types that would not likely lead to a substantial or measureable increase in VMT. If a project fits within the general types of projects (including combinations of types), then it is presumed that VMT impacts would be less than significant and a detailed VMT analysis is not required.

The proposed project would include several changes within the public right of way including construction of a corner bulb out at the southeast corner of Townsend and Third Streets. These elements of the proposed project fit within the general types of projects (infrastructure projects) described in San Francisco's recent memorandum on the Modernization of Transportation Analysis.¹⁸ Therefore, the proposed project would not substantially induce automobile travel and impacts would be less-than-significant impact.

Trip Generation

The proposed project would construct a new 116,124-gsf, 11-story tourist hotel with 230 hotel rooms and 1,970 gsf of commercial retail space. A basement level with vehicle access from Third Street would provide 14 parking spaces, including one van space. The basement level would also provide eight Class I bicycle parking spaces within a 322 square foot chain linked fence area in the corner of the garage along Third Street. Bicycle parking would be accessed via the elevator located in the hotel lobby. 10 Class II bicycle parking spaces would be provided in racks on Third Street adjacent to the proposed loading zone. One freight loading zone would be provided in the garage.

Localized trip generation of the proposed project was calculated using a trip-based analysis and information in the 2002 Transportation Impacts Analysis Guidelines for Environmental Review (SF Guidelines) developed by the San Francisco Planning Department.¹⁹ The proposed project would generate an estimated 1,910 person trips (inbound and outbound) on a weekday daily basis. During the p.m. peak period there would be 189 person trips, consisting of 122 person trips by auto, 35 transit trips, 22 walk trips and 10 trips by other modes. Based on driveway counts conducted for the existing fast-food restaurant as part of the TIS for this project, the proposed project would reduce the number of net new vehicle trips during the p.m. peak hour.

Although the project would not result in a VMT impact, Improvement Measures would be implemented to further reduce VMT and improve pedestrian safety in the study area. A Transportation Demand

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¹⁷ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization of Transportation Analysis for 701 3rd Street, April 19, 2016.

¹⁸ Ibid.

¹⁹ San Francisco Planning Department, Transportation Impact Study for 701 Third Street, TJKM, 2016.

Management Program would be implemented through Improvement Measure 1 to further reduce the number of single occupancy vehicle trips and encourage other modes of transportation. Improvement Measure 2 would establish restricted parking areas on both sides of the project driveway and place advanced warning signs along Third Street to increase visibility and caution northbound drivers that a driveway is present. Appropriate traffic calming devices would be installed in the garage and appropriate signage posted at the entrance to alert pedestrians to potential vehicles exiting or entering the driveway through implementation of Improvement Measure 3. In addition, to reduce potential conflicts between construction activities and pedestrians, transit and autos at the project site, the project sponsor should ensure that the contractor add certain measures for proposed project construction through the implementation of Improvement Measure 4. The full text of these Improvement Measures is provided in "Improvement Measures" at the end of this document.

Transit

Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Plan with uncertain feasibility to address significant transit impacts. These measures are not applicable to the proposed project as they are plan-level mitigations to be implemented by City and County agencies. In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that go towards funding transit and complete streets. In addition, San Francisco Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).²⁰ The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. The proposed project would be subject to the fee.

The City is also currently conducting outreach regarding Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management as part of the Transportation Sustainability Program.²¹ In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing the Transit Effectiveness Project (TEP), which was approved by the SFMTA Board of Directors in March 2014. The TEP (now called Muni Forward) includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency. Examples of transit priority and pedestrian safety improvements within the Eastern Neighborhoods Plan area as part of Muni Forward include the 2nd Street Improvement Project, the 14 Mission Rapid Transit Project, and the Travel Time Reduction Project on Route 9 San Bruno (initiation in 2015). In addition, Muni Forward includes service improvements to various routes with the Eastern Neighborhoods Plan area; for instance changes to Muni routes 10, 30 and 45 and the 2nd Street Improvement Project along Second Street from Market Street to King Street (expected construction between 2016 and 2017).

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Boulevard. The San

²⁰ Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

²¹ http://tsp.sfplanning.org

Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in Section 138.1 of the Planning Code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size. Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan area include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

The project site is located within a quarter mile of several local transit lines including a Muni light rail stop for the N Judah and T Third lines and the E Embarcadero Historic streetcar, and Muni bus routes 10, 30, 45 47, 82X, 83X and night service lines N-owl and T-owl. There is ample unused capacity in the inbound direction and therefore only the outbound MUNI trips were assigned to the screenlines in the analysis. The proposed project would be expected to generate 35 inbound and outbound daily transit trips during the p.m. peak hour. Of these 35 trips, eight would be inbound and 27 would be outbound (including 16 Muni transit trips and 11 regional transit trips). Given the wide availability of nearby transit, the addition of 27 outbound p.m. peak hour transit trips would be accommodated by existing capacity. Although some of the Muni corridors operate over the 85 percent operating capacity, the additional Muni riders generated by the proposed project would not exceed the five percent of total transit trips significance threshold. As such, the proposed project would not result in unacceptable levels of transit service or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service could result.

Each of the rezoning options in the Eastern Neighborhoods PEIR identified significant and unavoidable cumulative impacts relating to increases in transit ridership on Muni lines, with the Preferred Project having significant impacts on seven lines. Of those lines, the project site is located within a quarter-mile of Muni lines 10 and 47. The proposed project would not contribute considerably to these conditions as its minor contribution of 16 outbound p.m. peak hour transit trips would not be a substantial proportion of the overall additional transit volume generated by Eastern Neighborhood projects. The proposed project would also not contribute considerably to 2040 cumulative transit conditions and thus would not result in any significant cumulative transit impacts. Transit demand forecasts have been updated since the time of the Eastern Neighborhoods PEIR. Therefore, the cumulative year for the transit data is beyond the original date (year 2025) analyzed in the Eastern Neighborhoods PEIR.

Conclusion

For the above reasons, the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to transportation and circulation would not contribute considerably to cumulative transportation and circulation impacts that were identified in the Eastern Neighborhoods PEIR.

Тор	vics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
5.	NOISE—Would the project:				
a)	Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				
b)	Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				
c)	Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				
d)	Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				
e)	For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?				
f)	For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				
g)	Be substantially affected by existing noise levels?				\boxtimes

The Eastern Neighborhoods PEIR determined that implementation of the Eastern Neighborhoods Area Plans and Rezoning would result in significant noise impacts during construction activities and due to conflicts between noise-sensitive uses in proximity to noisy uses such as PDR, retail, entertainment, cultural/institutional/educational uses, and office uses. The Eastern Neighborhoods PEIR also determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant. The Eastern Neighborhoods PEIR identified six noise mitigation measures, three of which may be applicable to subsequent development projects.²² These mitigation measures would reduce noise impacts from construction and noisy land uses to less-than-significant levels. Eastern Neighborhoods PEIR Mitigation Measures F-1 and

²² Eastern Neighborhoods PEIR Mitigation Measures F-3, F-4, and F-6 address the siting of sensitive land uses in noisy environments. In a decision issued on December 17, 2015, the California Supreme Court held that CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or residents except where a project or its residents may exacerbate existing environmental hazards (*California Building Industry Association v. Bay Area Air Quality Management District, December 17, 2015, Case No. S213478*. Available at:

http://www.courts.ca.gov/opinions/documents/S213478.PDF). As noted above, the *Eastern Neighborhoods PEIR* determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant, and thus would not exacerbate the existing noise environment. Therefore, Eastern Neighborhoods Mitigation Measures F-3, F-4, and F-6 are not applicable. Nonetheless, for all noise sensitive uses, the general requirements for adequate interior noise levels of Mitigation Measures F-3 and F-4 are met by compliance with the acoustical standards required under the California Building Standards Code (California Code of Regulations Title 24).

F-2 relate to construction noise. Mitigation Measure F-1 addresses individual projects that include piledriving, and Mitigation Measure F-2 addresses individual projects that include particularly noisy construction procedures (including pile-driving). The proposed project would not include pile-driving and Mitigation Measure F-1 would not be applicable. Project construction would include use of heavy equipment for grading and other activities through completion of buildings and landscaping, and smaller equipment, such as jack hammers or pneumatic tools throughout each construction phase. Mitigation Measure F-2 would apply because there are residential uses located immediately adjacent to the project site and noise associated with construction activities would be generated within the entire project area and at off-site locations near any infrastructure improvements. Mitigation Measure F-2 requires a set of site-specific noise attenuation measures that would reduce construction-related noise including use of mufflers and sound shields on construction equipment, limiting unnecessary idling, and locating staging areas far from noise-sensitive properties. A full text of Mitigation Measure F-2 is provided in the Mitigation Measures section below.

In addition, all construction activities for the proposed project (approximately 18 months) would be subject to and would comply with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code) (Noise Ordinance). Construction noise is regulated by the Noise Ordinance. The Noise Ordinance requires that construction work be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of the Department of Public Works (DPW) or the Director of the Department of Building Inspection (DBI) to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 p.m. and 7:00 a.m. unless the Director of DPW authorizes a special permit for conducting the work during that period.

DBI is responsible for enforcing the Noise Ordinance for private construction projects during normal business hours (8:00 a.m. to 5:00 p.m.). The Police Department is responsible for enforcing the Noise Ordinance during all other hours. Nonetheless, during the construction period for the proposed project of approximately 18 months, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project, because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be required to comply with the Noise Ordinance and Eastern Neighborhoods PEIR Mitigation Measure F-2, which would reduce construction noise impacts to a less than significant level.

Operational Noise

Eastern Neighborhoods PEIR Mitigation Measure F-5 addresses impacts related to individual projects that include uses that would be expected to generate noise levels in excess of ambient noise in the project vicinity. Mitigation Measure F-5 would not apply to the project because, although the project would add a back-up diesel generator on the roof, it is not expected to result in noise levels in excess of ambient noise, either short term, at nighttime or as a 24-hour average in the project site vicinity. A backup diesel generator would be placed on the 11th floor rooftop terrace. The generator would only be used in case of power outages and briefly tested approximately once a month. The generator has an average noise level

of 73 dBA at 23 feet.²³ According the environmental noise study prepared for the project, ambient noise levels in the project vicinity range from 75-79 dB.²⁴ The generator would be fitted with a mounted muffler and placed within a steel sound attenuating enclosure as described in the project description. The project would include open space on the first floor and two rooftop terraces. These open spaces would be protected from existing ambient noise to the maximum extent feasible given the constraints of the project location. The terraces would be buffered from adjacent residential uses to the north and east by the vegetated roof and the roof is further shielded by the building core and storage/stairwell on the east side. Only passive recreational uses and special events would be permitted on these terraces and no amplified music would be allowed. The terraces would be located in areas that would have the least impact on surrounding receivers. These design features and adherence to the Noise Ordinance would reduce noise impacts to a less than significant level.

The project would be subject to the following interior noise standards, which are described for informational purposes. The California Building Standards Code (Title 24) establishes uniform noise insulation standards. The Title 24 acoustical requirement for residential structures (including hotels) is incorporated into Section 1207 of the San Francisco Building Code and requires these structures be designed to prevent the intrusion of exterior noise so that the noise level with windows closed, attributable to exterior sources, shall not exceed 45 dBA in any habitable room. Title 24 allows the project sponsor to choose between a prescriptive or performance-based acoustical requirement for non-residential uses. Both compliance methods require wall, floor/ceiling, and window assemblies to meet certain sound transmission class or outdoor-indoor sound transmission class ratings to ensure that adequate interior noise standards are achieved. In compliance with Title 24, DBI would review the final building plans to ensure that the building wall, floor/ceiling, and window assemblies meet Title 24 acoustical requirements. If determined necessary by DBI, a detailed acoustical analysis of the exterior wall and window assemblies may be required.

The project sponsor has conducted an environmental noise study demonstrating that the proposed project can feasibly attain acceptable interior noise levels. In order to achieve the interior noise criterion of DNL 45 dB, the project would require all facades to be sound rated. STC²⁵ ratings would vary from 30 to 45 dependent on placement for the residential portion of the building²⁶. In order for the commercial space to meet the CALGreen interior noise criterion of 50 dB, windows and exterior doors would require an STC rating of 40. An alternate means of fresh-air ventilation such as forced-air with outside intake or Z-ducts is recommended since windows would need to remain closed to achieve interior noise goals. Compliance with Title 24 would ensure acceptable interior noise levels are achieved for the project.

The project site is not located within an airport land use plan area, within two miles of a public airport, or in the vicinity of a private airstrip. Therefore, topic 12e and f from the CEQA Guidelines, Appendix G is not applicable.

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²³ Cummins Power Generation. "Bulletin msp-177k Sound Data 5000DFEK 60 Hz." 2016

²⁴ Charles M. Salter Associates, Inc. 701 Third Street San Francisco, California Environmental Noise Study. December 11, 2015.

²⁵ Sound Transmission Class (STC) – A single-number rating standardized by ASTM and used to rate sound insulation properties of partitions. The STC rating is derived from laboratory measurements of building element and as such is representative of the maximum sound insulation. Increasing STC ratings correspond to improved airborne noise isolation (Charles M. Salter Associates Inc. 2015).

²⁶ Figures 3 through 7 of the Environmental Noise Study indicate the window and exterior door STC ratings needed to meet the project criteria.

For the above reasons, the proposed project would not result in significant noise impacts that were not identified in the Eastern Neighborhoods PEIR.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
6.	AIR QUALITY—Would the project:				
a)	Conflict with or obstruct implementation of the applicable air quality plan?				\boxtimes
b)	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				
c)	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				
d)	Expose sensitive receptors to substantial pollutant concentrations?				\boxtimes
e)	Create objectionable odors affecting a substantial number of people?				\boxtimes

The Eastern Neighborhoods PEIR identified potentially significant air quality impacts resulting from construction activities and impacts to sensitive land uses²⁷ as a result of exposure to elevated levels of diesel particulate matter (DPM) and other toxic air contaminants (TACs). The Eastern Neighborhoods PEIR identified four mitigation measures that would reduce these air quality impacts to less-than-significant levels and stated that with implementation of identified mitigation measures, the Area Plan would be consistent with the Bay Area 2005 Ozone Strategy, the applicable air quality plan at that time. All other air quality impacts were found to be less than significant.

Eastern Neighborhoods PEIR Mitigation Measure G-1 addresses air quality impacts during construction, PEIR Mitigation Measure G-2 addresses the siting of sensitive land uses near sources of TACs and PEIR Mitigation Measures G-3 and G-4 address proposed uses that would emit DPM and other TACs.

Construction Dust Control

Eastern Neighborhoods PEIR Mitigation Measure G-1 Construction Air Quality requires individual projects involving construction activities to include dust control measures and to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants. The San Francisco Board of Supervisors subsequently approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Construction Dust Control Ordinance (Ordinance

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²⁷ The Bay Area Air Quality Management District (BAAQMD) considers sensitive receptors as: children, adults or seniors occupying or residing in: 1) residential dwellings, including apartments, houses, condominiums, 2) schools, colleges, and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. BAAQMD, Recommended Methods for Screening and Modeling Local Risks and Hazards, May 2011, page 12.

176-08, effective July 30, 2008). The intent of the Construction Dust Control Ordinance is to reduce the quantity of fugitive dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by DBI. Project-related construction activities would result in construction dust, primarily from ground-disturbing activities. In compliance with the Construction Dust Control Ordinance, the project sponsor and contractor responsible for construction activities at the project site would be required to control construction dust on the site through a combination of watering disturbed areas, covering stockpiled materials, street and sidewalk sweeping and other measures.

The regulations and procedures set forth by the San Francisco Dust Control Ordinance would ensure that construction dust impacts would not be significant. These requirements supersede the dust control provisions of PEIR Mitigation Measure G-1. Therefore, the portion of PEIR Mitigation Measure G-1 Construction Air Quality that addresses dust control is no longer applicable to the proposed project.

Criteria Air Pollutants

While the Eastern Neighborhoods PEIR determined that at a program-level the Eastern Neighborhoods Rezoning and Area Plans would not result in significant regional air quality impacts, the PEIR states that "Individual development projects undertaken in the future pursuant to the new zoning and area plans would be subject to a significance determination based on the BAAQMD's quantitative thresholds for individual projects." The BAAQMD's CEQA Air Quality Guidelines (Air Quality Guidelines) provide screening criteria²⁹ for determining whether a project's criteria air pollutant emissions would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Pursuant to the Air Quality Guidelines, projects that meet the screening criteria do not have a significant impact related to criteria air pollutants. Criteria air pollutant emissions during construction and operation of the proposed project would meet the Air Quality Guidelines screening criteria. The Air Quality Guidelines criteria air pollutant screening criteria for construction is 554 rooms and for operation is 489 rooms. The project proposes to build a hotel with 230 rooms which is well below the screening criteria for both construction and operation. Therefore, the project would not have a significant impact related to criteria air pollutants, and a detailed air quality assessment is not required.

Construction

The project site is not located within an identified Air Pollutant Exposure Zone. Therefore, the ambient health risk to sensitive receptors from air pollutants is not considered substantial and the remainder of Mitigation Measure G-1 that requires the minimization of construction exhaust emissions is not applicable to the proposed project.

Siting Sensitive Land Uses

The proposed project would include development of a tourist hotel which is not considered a sensitive land use for purposes of air quality evaluation. Therefore, PEIR Mitigation Measure G-2 Air Quality for Sensitive Land Uses is not applicable to the proposed project. There would be no air quality impact related to siting of new sensitive land uses.

²⁸ San Francisco Planning Department, Eastern Neighborhood's Rezoning and Area Plans Final Environmental Impact Report. See page 346. Available online at: http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=4003. Accessed June 4, 2014

²⁹ Bay Area Air Quality Management District, CEQA Air Quality Guidelines, updated May 2011. See pp. 3-2 to 3-3.

Siting New Sources

The proposed project would not be expected to generate 100 trucks per day or 40 refrigerated trucks per day. Therefore, Eastern Neighborhoods PEIR Mitigation Measure G-3 is not applicable. As stated above, the project site is not within the City's identified Air Pollution Exposure Zone. Therefore, Eastern Neighborhoods PEIR Mitigation Measure G-4 is not applicable. However, the proposed project would include a backup diesel generator located on the roof of the new building that would emit DPM or other TACs. The permit for the emergency backup generator would be issued by the BAAQMD and permitting would be subject to the new source permitting requirements. These requirements would ensure that the new generator would not exceed emissions thresholds for DPM or TACs. Therefore, impacts related to siting new sources of pollutants would be less than significant.

Conclusion

For the above reasons, none of the Eastern Neighborhoods PEIR air quality mitigation measures are applicable to the proposed project and the project would not result in significant air quality impacts that were not identified in the PEIR.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
7.	GREENHOUSE GAS EMISSIONS— Would the project:				
a)	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				
b)	Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?				\boxtimes

The Eastern Neighborhoods PEIR assessed the GHG emissions that could result from rezoning of the East SoMa Area Plan under the three rezoning options. The Eastern Neighborhoods Rezoning Options A, B, and C are anticipated to result in GHG emissions on the order of 4.2, 4.3 and 4.5 metric tons of CO₂E³⁰ per service population,³¹ respectively. The Eastern Neighborhoods PEIR concluded that the resulting GHG emissions from the three options analyzed in the Eastern Neighborhoods Area Plans would be less than significant. No mitigation measures were identified in the PEIR.

The BAAQMD has prepared guidelines and methodologies for analyzing GHGs. These guidelines are consistent with CEQA Guidelines Sections 15064.4 and 15183.5 which address the analysis and determination of significant impacts from a proposed project's GHG emissions and allow for projects that

³⁰ CO₂E, defined as equivalent Carbon Dioxide, is a quantity that describes other greenhouse gases in terms of the amount of Carbon Dioxide that would have an equal global warming potential.

³¹ Memorandum from Jessica Range to Environmental Planning staff, Greenhouse Gas Analyses for Community Plan Exemptions in Eastern Neighborhoods, April 20, 2010. This memorandum provides an overview of the GHG analysis conducted for the Eastern Neighborhoods PEIR and provides an analysis of the emissions using a service population (equivalent of total number of residents and employees) metric.

are consistent with an adopted GHG reduction strategy to conclude that the project's GHG impact is less than significant. San Francisco's *Strategies to Address Greenhouse Gas Emissions*³² presents a comprehensive assessment of policies, programs, and ordinances that collectively represent San Francisco's GHG reduction strategy in compliance with the BAAQMD and CEQA guidelines. These GHG reduction actions have resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels,³³ exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan,³⁴ Executive Order S-3-05³⁵, and Assembly Bill 32 (also known as the Global Warming Solutions Act).^{36,37} In addition, San Francisco's GHG reduction goals are consistent with, or more aggressive than, the long-term goals established under Executive Orders S-3-05³⁸ and B-30-15.^{39,40} Therefore, projects that are consistent with San Francisco's GHG Reduction Strategy would not result in GHG emissions that would have a significant effect on the environment and would not conflict with state, regional, and local GHG reduction plans and regulations.

The proposed project would reduce the intensity of use of the site by decreasing net auto-trips at the project site (this is calculated after trip credits to account for existing and active uses that would be removed by the project). However, construction activities would result in temporary increases in GHG emissions. In addition, as the proposed project would replace a 3,200 gsf building with an 116,124 gsf, 11-story building, operation of the hotel would result in increased demand for energy, water use, wastewater treatment, and solid waste disposal. Therefore, the project would contribute to annual long-term increases in GHG as a result of project operations.

However, the proposed project would be subject to regulations adopted to reduce GHG emissions as identified in the City's GHG reduction strategy. As discussed below, compliance with the applicable regulations would reduce the project's GHG emissions related to transportation, water use, energy use, waste disposal, wood burning, and use of refrigerants.

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³² San Francisco Planning Department, Strategies to Address Greenhouse Gas Emissions in San Francisco, November 2010. Available at http://sfmea.sfplanning.org/GHG Reduction Strategy.pdf, accessed March 3, 2016.

³³ ICF International, Technical Review of the 2012 Community-wide Inventory for the City and County of San Francisco, January 21, 2015.

³⁴ Bay Area Air Quality Management District, Clean Air Plan, September 2010. Available at http://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans, accessed March 3, 2016.

³⁵ Office of the Governor, Executive Order S-3-05, June 1, 2005. Available at https://www.gov.ca.gov/news.php?id=1861, accessed March 3, 2016.

³⁶ California Legislative Information, Assembly Bill 32, September 27, 2006. Available at http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab-0001-0050/ab-32-bill-20060927 chaptered.pdf, accessed March 3, 2016.

³⁷ Executive Order S-3-05, Assembly Bill 32, and the Bay Area 2010 Clean Air Plan set a target of reducing GHG emissions to below 1990 levels by year 2020.

³⁸ Executive Order S-3-05 sets forth a series of target dates by which statewide emissions of GHGs need to be progressively reduced, as follows: by 2010, reduce GHG emissions to 2000 levels (approximately 457 million MTCO₂E); by 2020, reduce emissions to 1990 levels (approximately 427 million MTCO₂E); and by 2050 reduce emissions to 80 percent below 1990 levels (approximately 85 million MTCO₂E). Because of the differential heat absorption potential of various GHGs, GHG emissions are frequently measured in "carbon dioxide-equivalents," which present a weighted average based on each gas's heat absorption (or "global warming") potential.

³⁹ Office of the Governor, Executive Order B-30-15, April 29, 2015. Available at https://www.gov.ca.gov/news.php?id=18938, accessed March 3, 2016. Executive Order B-30-15 sets a state GHG emissions reduction goal of 40 percent below 1990 levels by the year 2030

⁴⁰ San Francisco's GHG reduction goals are codified in Section 902 of the Environment Code and include: (i) by 2008, determine City GHG emissions for year 1990; (ii) by 2017, reduce GHG emissions by 25 percent below 1990 levels; (iii) by 2025, reduce GHG emissions by 40 percent below 1990 levels; and by 2050, reduce GHG emissions by 80 percent below 1990 levels.

Compliance with the City's Commuter Benefits Program, transportation management programs, Transportation Sustainability Fee, bicycle parking requirements, low-emission car parking requirements, and car sharing requirements would reduce the proposed project's transportation-related emissions. These regulations reduce GHG emissions from single-occupancy vehicles by promoting the use of alternative transportation modes with zero or lower GHG emissions on a per capita basis.

The proposed project would be required to comply with the energy efficiency requirements of the City's Green Building Code, Stormwater Management Ordinance, Water Conservation and Irrigation ordinances, and Energy Conservation Ordinance, which would promote energy and water efficiency, thereby reducing the proposed project's energy-related GHG emissions.⁴¹ Additionally, the project would be required to meet the renewable energy criteria of the Green Building Code, further reducing the project's energy-related GHG emissions.

The proposed project's waste-related emissions would be reduced through compliance with the City's Recycling and Compositing Ordinance, Construction and Demolition Debris Recovery Ordinance, and Green Building Code requirements. These regulations reduce the amount of materials sent to a landfill, reducing GHGs emitted by landfill operations. These regulations also promote reuse of materials, conserving their embodied energy⁴² and reducing the energy required to produce new materials.

Compliance with the City's Street Tree Planting requirements would serve to increase carbon sequestration. Other regulations, including those limiting refrigerant emissions and the Wood Burning Fireplace Ordinance would reduce emissions of GHGs and black carbon, respectively. Regulations requiring low-emitting finishes would reduce volatile organic compounds (VOCs).⁴³ Thus, the proposed project was determined to be consistent with San Francisco's GHG reduction strategy.⁴⁴

Therefore, the proposed project's GHG emissions would not conflict with state, regional, and local GHG reduction plans and regulations. Furthermore, the proposed project is within the scope of the development evaluated in the PEIR and would not result in impacts associated with GHG emissions beyond those disclosed in the PEIR. For the above reasons, the proposed project would not result in significant GHG emissions that were not identified in the Eastern Neighborhoods PEIR and no mitigation measures are necessary.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
8.	WIND AND SHADOW—Would the project:				
a)	Alter wind in a manner that substantially affects public areas?				\boxtimes

⁴¹ Compliance with water conservation measures reduce the energy (and GHG emissions) required to convey, pump and treat water required for the project.

⁴² Embodied energy is the total energy required for the extraction, processing, manufacture and delivery of building materials to the building site.

⁴³ While not a GHG, VOCs are precursor pollutants that form ground level ozone. Increased ground level ozone is an anticipated effect of future global warming that would result in added health effects locally. Reducing VOC emissions would reduce the anticipated local effects of global warming.

⁴⁴ San Francisco Planning Department, Greenhouse Gas Analysis: Compliance Checklist for 701 Third Street, September 10, 2015.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?				

Wind

Based on the height and location of the proposed approximately 105-foot-tall building (up to 121 feet including the mechanical penthouse), a pedestrian wind assessment ("Wind Assessment") was prepared by a qualified wind consultant for the proposed project.⁴⁵ The objective of the Wind Assessment was to provide an evaluation of the potential wind impacts of the proposed development, which provides a screening-level estimation of the potential wind impact. The Wind Assessment found that the existing wind conditions on the adjacent streets do not exceed the 26-mile-per-hour⁴⁶ wind hazard criterion for a single full hour, or approximately 0.0114 percent of the time, as outlined in the San Francisco Planning Code Section 148. The Wind Assessment also found that the proposed building would not cause winds that would reach or exceed the 26-mile-per-hour wind hazard criterion at all pedestrian areas on and around the proposed development, and that wind speeds at building entrances and public sidewalks would be suitable for the intended pedestrian usage.

Shadow

Planning Code Section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the Eastern Neighborhoods Rezoning and Area Plans, sites surrounding parks could be redeveloped with taller buildings without triggering Section 295 of the Planning Code because certain parks are not subject to Section 295 of the Planning Code (i.e., under jurisdiction of departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods PEIR could not conclude if the rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time. Therefore, the PEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the PEIR.

The proposed project would construct a 121-foot-tall building (including a 16-foot mechanical penthouse); therefore, the Planning Department prepared a preliminary shadow fan analysis to determine whether the project would have the potential to cast new shadow on nearby parks or public open space. The shadow fan indicated that the proposed development has the potential to shade Willie

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⁴⁵ Cermak Peterka Petersen, Inc. (CPP, Inc.) Final Pedestrian Level Winds Report for 701 Third Street San Francisco, California, January 15, 2016.

⁴⁶ The hazard criterion stated in the Planning Code is 26 miles per hour. However, this is based on wind speeds that are averaged hourly. When based on one minute averages, as is the case for the comfort criteria, this criterion is converted to ad equivalent measure of 36 miles per hour (CPP, Inc. 2016).

Mays Plaza, a public plaza on King Street at Third Street outside of AT&T Park. Therefore, refined shadow analysis was required and a shadow technical study was prepared.⁴⁷

The shadow from the proposed building reaches its maximum southern extent during the summer solstice. The shadow study indicates that the shadow cast by the proposed structure would not make a new contribution to shadowing in the public plaza due to the fact that existing buildings already overshadow the public plaza to a greater extent than the proposed structure. At 6:30 p.m. on the solstice the shadow of the proposed development begins to encroach upon the space to the west of the stadium. However, at this time, in the current configuration, the area is already overshadowed by existing buildings. This is true for all times between 6:30 p.m. and sunset. Therefore, due to its position in respect to the surrounding buildings of similar height, shadows from the proposed structure would not cause net new shadow at the public plaza at the corner of Third and King Streets.

The proposed project would also shade portions of nearby streets and sidewalks and private property at times within the project vicinity. Shadows upon streets and sidewalks would not exceed levels commonly expected in urban areas and would be considered a less-than-significant effect under CEQA. Although occupants of nearby property may regard the increase in shadow as undesirable, the limited increase in shading of private properties as a result of the proposed project would not be considered a significant impact under CEQA.

For the above reasons, the proposed project would not result in significant impacts related to shadow that were not identified in the Eastern Neighborhoods PEIR.

Тор	oics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
9.	RECREATION—Would the project:				
a)	Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?				
b)	Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?				
c)	Physically degrade existing recreational resources?				\boxtimes

The Eastern Neighborhoods PEIR concluded that implementation of the Eastern Neighborhoods Rezoning and Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment. No mitigation measures related to recreational resources were identified in the Eastern Neighborhoods PEIR. However, the PEIR identified Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities. This improvement measure calls for the City to

⁴⁷ CPP, Inc., 701 Third Street Shadow Analysis, February 5, 2016.

implement funding mechanisms for an ongoing program to repair, upgrade and adequately maintain park and recreation facilities to ensure the safety of users.

As part of the Eastern Neighborhoods adoption, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding recreation and open space. Since certification of the PEIR, the voters of San Francisco passed the 2012 San Francisco Clean and Safe Neighborhood Parks Bond providing the Recreation and Parks Department an additional \$195 million to continue capital projects for the renovation and repair of parks, recreation, and open space assets. This funding is being utilized for improvements and expansion to Garfield Square, South Park, Potrero Hill Recreation Center, Warm Water Cove Park, and Pier 70 Parks Shoreline within the Eastern Neighborhoods Plan area. The impact fees and the 2012 San Francisco Clean and Safe Neighborhood Parks Bond are funding measures similar to that described in PEIR Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities.

An update of the Recreation and Open Space Element (ROSE) of the General Plan was adopted in April 2014. The amended ROSE provides a 20-year vision for open spaces in the City. It includes information and policies about accessing, acquiring, funding, and managing open spaces in San Francisco. The amended ROSE identifies areas within the Eastern Neighborhoods Plan area for acquisition and the locations where new open spaces and open space connections should be built, consistent with PEIR Improvement Measure H-2: Support for New Open Space. Two of these open spaces, Daggett Park and at 17th and Folsom, are both set to open in 2016. In addition, the amended ROSE identifies the role of both the Better Streets Plan (refer to "Transportation" section for description) and the Green Connections Network in open space and recreation. Green Connections are special streets and paths that connect people to parks, open spaces, and the waterfront, while enhancing the ecology of the street environment. Six routes identified within the Green Connections Network cross the Eastern Neighborhoods Plan area: Mission to Peaks (Route 6); Noe Valley to Central Waterfront (Route 8), a portion of which has been conceptually designed; Tenderloin to Potrero (Route 18); Downtown to Mission Bay (Route 19); Folsom, Mission Creek to McLaren (Route 20); and Shoreline (Route 24).

Furthermore, the Planning Code requires a specified amount of new usable open space (either private or common) for each new residential unit. Some developments are also required to provide privately owned, publicly accessible open spaces. The Planning Code open space requirements would help offset some of the additional open space needs generated by increased residential population to the project area.

As the proposed project would not degrade recreational facilities and is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on recreation beyond those analyzed in the Eastern Neighborhoods PEIR.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
10.	UTILITIES AND SERVICE SYSTEMS—Would the project:				
a)	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				\boxtimes

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b)	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
c)	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
d)	Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements?				
e)	Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				
f)	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				
g)	Comply with federal, state, and local statutes and regulations related to solid waste?				\boxtimes

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact to the provision of water, wastewater collection and treatment, and solid waste collection and disposal. No mitigation measures were identified in the PEIR.

Since certification of the PEIR, the San Francisco Public Utilities Commission (SFPUC) adopted the 2010 Urban Water Management Plan (UWMP) in June 2011. The UWMP update includes city-wide demand projections to the year 2035, compares available water supplies to meet demand and presents water demand management measures to reduce long-term water demand. Additionally, the UWMP update includes a discussion of the conservation requirement set forth in Senate Bill 7 passed in November 2009 mandating a statewide 20% reduction in per capita water use by 2020. The UWMP includes a quantification of the SFPUC's water use reduction targets and plan for meeting these objectives. The UWMP projects sufficient water supply in normal years and a supply shortfall during prolonged droughts. Plans are in place to institute varying degrees of water conservation and rationing as needed in response to severe droughts.

In addition, the SFPUC is in the process of implementing the Sewer System Improvement Program, which is a 20-year, multi-billion dollar citywide upgrade to the City's sewer and stormwater infrastructure to ensure a reliable and seismically safe system. The program includes planned improvements that will serve development in the Eastern Neighborhoods Plan area including at the Southeast Treatment Plant, the Central Bayside System, and green infrastructure projects, such as the Mission and Valencia Green Gateway.

As the proposed project is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on utilities and service systems beyond those analyzed in the Eastern Neighborhoods PEIR.

Торі	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
11.	PUBLIC SERVICES—Would the project:				
a)	Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services?				

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact to public services, including fire protection, police protection, and public schools. No mitigation measures were identified in the PEIR.

As the proposed project is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on public services beyond those analyzed in the Eastern Neighborhoods PEIR.

Торі	cs:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
12.	BIOLOGICAL RESOURCES—Would the project:				
a)	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				
b)	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				
c)	Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
d)	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				\boxtimes

Тор	oics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
e)	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				
f)	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?				\boxtimes

As discussed in the Eastern Neighborhoods PEIR, the Eastern Neighborhoods Plan area is in a developed urban environment that does not provide native natural habitat for any rare or endangered plant or animal species. There are no riparian corridors, estuaries, marshes, or wetlands in the Plan Area that could be affected by the development anticipated under the Area Plan. In addition, development envisioned under the Eastern Neighborhoods Area Plan would not substantially interfere with the movement of any resident or migratory wildlife species. For these reasons, the PEIR concluded that implementation of the Area Plan would not result in significant impacts on biological resources, and no mitigation measures were identified.

The project site is located within the East SoMa Plan area of the Eastern Neighborhoods Area Plan and therefore, does not support habitat for any candidate, sensitive or special status species. As such, implementation of the proposed project would not result in significant impacts to biological resources not identified in the Eastern Neighborhoods PEIR.

Торі	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
13.	GEOLOGY AND SOILS—Would the project:				
a)	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
	i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)				
	ii) Strong seismic ground shaking?				\boxtimes
	iii) Seismic-related ground failure, including liquefaction?				
	iv) Landslides?				\boxtimes
b)	Result in substantial soil erosion or the loss of topsoil?				\boxtimes

Тор	oics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
c)	Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in onor off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?				
d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?				
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				
f)	Change substantially the topography or any unique geologic or physical features of the site?				\boxtimes
g)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				

The Eastern Neighborhoods PEIR concluded that implementation of the Plan would indirectly increase the population that would be subject to an earthquake, including seismically induced ground-shaking, liquefaction, and landslides. The PEIR also noted that new development is generally safer than comparable older development due to improvements in building codes and construction techniques. Compliance with applicable codes and recommendations made in project-specific geotechnical analyses would not eliminate earthquake risks, but would reduce them to an acceptable level, given the seismically active characteristics of the Bay Area. Thus, the PEIR concluded that implementation of the Plan would not result in significant impacts with regard to geology, and no mitigation measures were identified in the Eastern Neighborhoods PEIR.

A geotechnical investigation was prepared for the proposed project to assess the geologic conditions underlying the project site and provide recommendations related to the project's design and construction. The findings and recommendations presented in the geotechnical report are summarized below.⁴⁸

The project site is relatively level with a regional topographic gradient sloping toward the southeast. The project site is underlain by approximately 4-10 feet of fill overlaying Franciscan Complex bedrock. Groundwater was measured between 7.8 and 8.5 feet below ground surface (bgs), but was also encountered at 3.8 feet bgs. It is anticipated that groundwater levels will vary by several feet seasonally, depending on rainfall.⁴⁹

No known active faults or extensions of active faults underlay the project site; the nearest active fault is the North San Andreas Peninsula, which is approximately 8 miles west of the project site. The project site is located on the border of a liquefaction hazard zone as mapped by the California Geological Survey (CGS). It is anticipated that the loose and medium dense sand above and below the groundwater table will be removed during construction of the proposed building and therefore the effects of cyclic

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¹⁸ Rockridge Geotechnical, Inc. 701 Third Street Geotechnical Investigation. December 1, 2014.

⁴⁹ AEI Consultants. Limited Phase II Subsurface Investigation, 701 3rd Street, San Francisco, California. August 27, 2014.

densification and liquefaction should only impact the surrounding improvements. There is a low potential for lateral spreading because the project site is relatively flat and underlain by shallow bedrock.

The bedrock at the foundation level will likely have relatively high bearing capacity and low compressibility providing suitable support for either spread footings or a mat foundation to support the proposed development. The Geotechnical Report provides recommendation on various building elements including foundation, underpinnings, temporary dewatering, and basement walls.

The project is required to conform to the San Francisco Building Code, which ensures the safety of all new construction in the City. DBI will review the project-specific geotechnical report during its review of the building permit for the project. In addition, DBI may require additional site specific soils report(s) through the building permit application process, as needed. The DBI requirement for a geotechnical report and review of the building permit application pursuant to DBI's implementation of the Building Code would ensure that the proposed project would have no significant impacts related to soils, seismic or other geological hazards.

In light of the above, the proposed project would not result in a significant effect related to seismic and geologic hazards. Therefore, the proposed project would not result in significant impacts related to geology and soils that were not identified in the Eastern Neighborhoods PEIR, and no mitigation measures are necessary.

Тор	vics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
14.	. HYDROLOGY AND WATER QUALITY—Would the project:				
a)	Violate any water quality standards or waste discharge requirements?				\boxtimes
b)	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of preexisting nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
c)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?				
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off- site?				
e)	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				
f)	Otherwise substantially degrade water quality?				\boxtimes

Тор	pics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map?				
h)	Place within a 100-year flood hazard area structures that would impede or redirect flood flows?				\boxtimes
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				
j)	Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?				

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact on hydrology and water quality, including the combined sewer system and the potential for combined sewer outflows. No mitigation measures were identified in the PEIR.

A single-story fast food restaurant with associated drive-thru facility and parking lot currently occupies the entire 13,750 gsf lot. Since the site is already completely developed, the project would result in no change to the impervious surface area. As a result, the proposed project would not increase stormwater runoff.

Therefore, the proposed project would not result in any significant impacts related to hydrology and water quality that were not identified in the Eastern Neighborhoods PEIR.

Topics:		to Project or Impa	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	
15.	HAZARDS AND HAZARDOUS MATERIALS—Would the project:				
a)	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				
b)	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				
c)	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
d)	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				
f)	For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				
g)	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				
h)	Expose people or structures to a significant risk of loss, injury, or death involving fires?				\boxtimes

The Eastern Neighborhoods PEIR noted that implementation of any of the proposed project's rezoning options would encourage construction of new development within the project area. The PEIR found that there is a high potential to encounter hazardous materials during construction activities in many parts of the project area because of the presence of 1906 earthquake fill, previous and current land uses associated with the use of hazardous materials, and known or suspected hazardous materials cleanup cases. However, the PEIR found that existing regulations for facility closure, Underground Storage Tank (UST) closure, and investigation and cleanup of soil and groundwater would ensure implementation of measures to protect workers and the community from exposure to hazardous materials during construction.

Hazardous Building Materials

The Eastern Neighborhoods PEIR determined that future development in the Plan Area may involve demolition or renovation of existing structures containing hazardous building materials. Some building materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials addressed in the PEIR include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. The Eastern Neighborhoods PEIR identified a significant impact associated with hazardous building materials including PCBs, DEHP, and mercury and determined that that Mitigation Measure L-1: Hazardous Building Materials, as outlined below, would reduce effects to a less-than-significant level. Because the proposed development includes demolition of an existing building, Mitigation Measure L-1 would apply to the proposed project. See full text of Mitigation Measure L-1 in the "Mitigation Measures" Section below.

Soil and Groundwater Contamination

Since certification of the PEIR, Article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the City where there is potential to encounter hazardous materials, primarily industrial zoning districts, sites with industrial uses or underground storage tanks, sites with historic bay fill, and sites in close proximity to freeways or underground storage tanks. The over-arching goal of the Maher Ordinance is to protect public health and safety by requiring appropriate handling, treatment, disposal and when necessary, remediation of contaminated soils that are encountered in the building construction process. Projects that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater within Eastern Neighborhoods Plan area are subject to this ordinance.

The proposed project would excavate an area of approximately 11,500 square feet to a depth of approximately 15 feet. A total of approximately 3,700 cubic yards of earth would be removed during excavation. The site is underlain by artificial fill overlying bedrock consisting of shale, claystone, siltstone, and sandstone of the Franciscan Complex. Previously, the property had been used as a warehouse for general merchandise from 1887 to 1913, a gasoline service station from 1941 to 1970 and a restaurant from 1970 to present. The project site has the potential to contain an Underground Storage Tank (UST) from the previous gasoline service station use. Therefore, the project is subject to Article 22A of the Health Code, also known as the Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH). The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a Phase I Environmental Site Assessment (ESA) that meets the requirements of Health Code Section 22.A.6.⁵⁰

The Phase I ESA would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor may be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances in excess of state or federal standards, the project sponsor is required to submit a site mitigation plan (SMP) to the DPH or other appropriate state or federal agency(ies), and to remediate any site contamination in accordance with an approved SMP prior to the issuance of any building permit.

In compliance with the Maher Ordinance, the project sponsor submitted a Maher Application to DPH and a Phase I Environmental Site Assessment (ESA), Limited Phase II Subsurface Investigation, and a Supplemental Soil Sampling Report to assess the potential for site contamination.⁵¹ The Phase I ESA noted the former presence of a UST on the project site. The use of ground penetrating radar during the Phase II Subsurface Investigation did not indicate the presence of additional USTs. Nine borings were installed along the perimeter of the subject property with an additional three installed the following month. Soil sampling determined the presence of TPH-g (three borings), TPH-d (two borings) and TPH-mo (one boring) in concentrations that exceeded the Environmental Screening Level (ESL) values of 100 milligrams per kilogram (mg/kg). Arsenic was detected in shallow soil samples in nine borings which exceeded the ESL value of 0.39 mg/kg and in three borings which also exceeded the ESL value of 80 mg/kg and was above the trigger for solubility analysis for waste classification. Groundwater sampling also

Stephanie K.J Cushing, City of San Francisco Department of Public Health, Environmental Health, Site Assessment and Mitigation. 701 Third Street, San Francisco EHB-SAM Case Number 1299. September 7, 2015.

AEI Consultants. Phase I Environmental Site Assessment. 701 3rd Street, San Francisco, California. June 9, 2014.
AEI Consultants. Limited Phase II Subsurface Investigation, 701 3rd Street, San Francisco, California. August 27, 2014.

detected TPH-g, TPH-d and TPH-mo in three borings in concentrations exceeding the ESL value of 100 micrograms per liter (µg/L).

The proposed project would be required to remediate potential soil and groundwater contamination described above in accordance with Article 22A of the Health Code and overseen by DPH. Therefore, the proposed project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

For the above reasons, the proposed project would not result in significant impacts related to hazards or hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

Тор	vics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
16.	. MINERAL AND ENERGY RESOURCES—Would the project:				
a)	Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				
b)	Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				
c)	Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?				

The Eastern Neighborhoods PEIR determined that the Area Plan would facilitate the construction of both new residential units and commercial buildings. Development of these uses would not result in use of large amounts of fuel, water, or energy in a wasteful manner or in the context of energy use throughout the City and region. The energy demand for individual buildings would be typical for such projects and would meet, or exceed, current state and local codes and standards concerning energy consumption, including Title 24 of the California Code of Regulations enforced by DBI. The Plan Area does not include any natural resources routinely extracted and the rezoning does not result in any natural resource extraction programs. Therefore, the Eastern Neighborhoods PEIR concluded that implementation of the Area Plan would not result in a significant impact on mineral and energy resources. No mitigation measures were identified in the PEIR.

As the proposed project is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on mineral and energy resources beyond those analyzed in the Eastern Neighborhoods PEIR.

Тор	ics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
17.	AGRICULTURE AND FOREST RESOURCES:—Would the project:				
a)	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				
b)	Conflict with existing zoning for agricultural use, or a Williamson Act contract?				\boxtimes
c)	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)?				
d)	Result in the loss of forest land or conversion of forest land to non-forest use?				\boxtimes
e)	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use?				

The Eastern Neighborhoods PEIR determined that no agricultural resources exist in the Area Plan; therefore the rezoning and community plans would have no effect on agricultural resources. No mitigation measures were identified in the PEIR. The Eastern Neighborhoods PEIR did not analyze the effects on forest resources.

As the proposed project is within the development projected under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on agriculture and forest resources beyond those analyzed in the Eastern Neighborhoods PEIR.

MITIGATION MEASURES

Cultural Resources

Project Mitigation Measure 2- Archeological Monitoring (Mitigation Measure J-2 in the Eastern Neighborhoods PEIR)

Based on the reasonable potential that archeological resources may be present within the project site, the following requirement shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archaeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the Environmental Review Officer (ERO) for review and comment, and

shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of *construction* can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a) and (c).

Consultation with Descendant Communities: On discovery of an archeological site⁵² associated with descendant Native Americans or the Overseas Chinese an appropriate representative⁵³ of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

Archeological monitoring program (AMP). The archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;
- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the
 deposit shall cease. The archeological monitor shall be empowered to temporarily redirect
 demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is

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⁵² By the term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of

An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America.

evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO.

If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.
- Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.
- *Discard and Deaccession Policy*. Description of and rationale for field and post-field discard and deaccession policies.
- *Interpretive Program*. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- *Final Report*. Description of proposed report format and distribution of results.

• Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains, Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days of discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.

Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

Noise

Project Mitigation Measure 1 - Construction Noise (Mitigation Measure F-2 in the Eastern Neighborhoods PEIR)

Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved.

To reduce construction noise impacts the following shall be incorporated:

- If necessary based on the final construction plan and equipment list, a site specific noise reduction plan should be prepared by a qualified acoustical consultant, detailing locations of construction noise barriers (minimum of 4 psf) and other site mitigation, to reduce noise levels at adjacent residential and commercial properties. Barriers could be effective in reducing noise levels along the north (Townsend Street) and the west (Third Street) property lines. The specific height of the barrier would depend on the equipment being used and the height of the engine/exhaust outlet.
- During construction, mufflers shall be provided for all heavy construction equipment and all stationary noise sources in accordance with the manufacturers' recommendations.
- Limit unnecessary idling of internal combustion engines.
- Stationary noise sources and staging areas shall be located as far from noise-sensitive properties as feasible. If for construction purposes, location stationary construction equipment near existing noise-sensitive uses is required, a local sound-rated barrier shall be erected between the equipment and the sensitive receptor. The barrier shall be located as close to the equipment as feasible. Locating stationary noise sources near existing roadways away from adjacent properties and louder portions of the site is preferred.
- Air compressors and pneumatic equipment shall be equipped with mufflers, and impact tools shall be equipped with shrouds or shields.
- Construction vehicle access routes shall be designed to minimize impact on adjacent noisesensitive properties. A "construction liaison" shall be designated to ensure coordination between construction staff and neighboring properties to minimize disruptions due to construction noise. Adjacent occupants and property owners shall be notified in writing of the construction schedule and the contact information for the construction liaison.
- A qualified acoustical engineer shall be retained as needed to address neighbor complaints as
 they occur. If complaints occur, noise measurements could be conducted to determine if
 construction noise levels at adjacent property lines are within the standards. Short-term or longterm construction noise monitoring could also be utilized to diagnose complaints and determine
 if additional mitigation is required for certain phases of construction as needed.

Hazards and Hazardous Materials

Project Mitigation Measure 3 – Hazardous Building Materials (Mitigation Measure L-1 in the Eastern Neighborhoods PEIR)

Project sponsor to ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of construction, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

Improvement Measures

Transportation and Circulation

Project Improvement Measure 1

The project sponsor and subsequent property manager would implement a TDM Program that seeks to minimize the number of single occupancy vehicle trips by encouraging other modes of transportation, including walking, bicycling, transit, carshare, carpooling, and/or other modes. The project sponsor agreed to implement the following TDM measures:

- TMD Coordinator: Project sponsor shall identify a TMD coordinator for the project site who would be responsible for the implementation and ongoing operation of all other TMD measures included in the proposed project.
- New-hire Packet: Project sponsor shall provide a transportation insert for the new-hire packet that includes information on transit services, where transit passes could be purchased, the 511 Regional Rideshare Program, and nearby bike and car share programs.
- Current Transportation Resources: Project sponsor shall provide and maintain a regular supply of Muni maps, San Francisco bicycle and pedestrian maps.
- City Access: The project sponsor shall provide City staff access to the project site to perform trip counts, intercept surveys, and/or other types of data collection.
- Bicycle Fleet: Project sponsor shall provide and maintain a fleet of five bicycles and related amenities such as locks, baskets, lights, etc. for use by the building occupants.
- Bicycle Parking Signage: Project sponsor shall install signage at the street level to direct bicyclists to available bicycle parking facilities in the project site.

Project Improvement Measure 2

The project sponsor will establish a restricted parking area on both sides of the proposed Project driveway entrance to increase visibility. Additionally, install an advance warning sign on Third Street, just south of the proposed project driveway to caution northbound drivers and bicyclists that a driveway is present.

Project Improvement Measure 3

The project sponsor will implement appropriate traffic calming devices in the garage exit aisle to slow existing traffic, such as speed bumps, rumble strips, and/or "slow speed" signage. The project sponsor will also provide visible/audible warning notification at the driveway entrance to alert pedestrians to the possibility of conflicting vehicles entering and exiting the driveway. Conditions at the driveway should be monitored to determine whether an additional audible warning signal is necessary to enhance traffic calming controls and visible warning signal.

Project Improvement Measure 4

As an improvement measure to reduce potential conflicts between construction activities and pedestrians, transit and autos at the project site, the project sponsor should ensure that the contractor add certain measures to the SFMTA Blue Book requirements for proposed project construction. The proposed project should include the following measures:

- Carpool and Transit Access for Construction Workers: To minimize parking demand and vehicle
 trips associated with construction workers, the construction contractor should include methods
 to encourage carpooling and transit access to the project site by construction workers. On-site
 construction workers should also be encouraged to consider cycling and walking as alternatives
 to driving alone to and from the site.
- Project Construction Updates for Adjacent Businesses and Residents: To minimize construction
 impacts on access for nearby institutions and businesses, the project sponsor should provide
 nearby residences and adjacent businesses with regularly-updated information regarding the
 proposed project construction, including a construction contact person, construction activities
 duration, peak construction activities (e.g. concrete pours), travel lane closures, and lane closures.



Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

415.558.6378

415.558.6409

415.558.6377

Reception:

Fax.

Planning

Information:

Case No.:

2014-002024ENV

Project Address:

701 Third Street

Zoning:

MUO (Mixed Use Office) District

105-F Height and Bulk District

Block/Lot:

3794/006

Lot Size:

13,750 square feet

Plan Area:

Eastern Neighborhoods Area Plan (East South of Market Plan Area)

Project Sponsor:

Tim Wilson, Four One Five LLC, (303) 785-3113

Staff Contact:

Debra Dwyer, (415) 575-9031, debra.dwyer@sfgov.org

PROJECT DESCRIPTION

The project site is located on the southeast corner of the intersection of Third and Townsend Streets in the East South of Market (East SoMa) neighborhood. The project site is currently occupied with an approximately 3,200-square-foot McDonald's fast food restaurant and drive-through as well as a surface vehicular parking lot with 14 parking spaces. The proposed 701 Third Street project would entail the demolition of the existing building, drive-through and parking lot and the construction of a new 11 story, 105-foot tourist hotel (with a 16-foot-tall mechanical penthouse) with ground floor commercial space fronting Townsend Street and Third Street. The proposed building would have a total of 116,124 gross square feet (gsf), which would include 230 hotel rooms, a breakfast service space, workout facility and one basement level for parking with 14 off-street spaces including one van space, and 1,970 gsf of ground-floor commercial space. The project also includes 1,850 square feet of open space located at grade at the rear of the hotel. Section 842 of the Planning Code establishes the maximum Floor Area Ratio (FAR) for this zoning district as 7:5:1, allowing 103,125 square feet on the site. The proposed total floor area for the project would be 102,676 square feet.

(Continued on next page.)

EXEMPT STATUS

Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

SARAH B. JONES

April 26, 2016

Date

Environmental Review Officer

cc: Tim Wilson, Four One Five LLC Project Sponsor; Supervisor Jane Kim, District 6; Richard Sucre, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

The retail space would have two entrances, one at the front of the building from Third Street and the other opening to the public access corridor at the rear of the building. The main entrance to the hotel would be located on Third Street with an associated vehicular drop-off lane. A single twelve-foot wide vehicular drive along Third Street would provide access to the limited on-site underground parking. The underground parking would contain 14 parking spaces including one van space, eight Class I bicycle stalls, and a freight loading zone. Access to bicycle parking would be provided through the elevator located in the main lobby. The project proposes three open space areas including a fully landscaped rear courtyard with a public access corridor connecting to Townsend Street, a ninth floor outdoor terrace, and a rooftop terrace with associated vegetated roofs. The parking space at the eastern end of the property on Third Street will be removed for the access to the garage. A passenger drop-off area on Third Street in front of the hotel entrance would replace the four existing parking spaces between the curb-cut and the Townsend intersection The project proposes additional streetscape work including; a corner bulbout, ten Class II bicycle spaces in bicycle racks on the sidewalk, accessibility ramps at the intersection of Third and Townsend Streets, and the addition of 12 trees with ornamental grates along Townsend Street and along Third Street adjacent to the project site. The project proposes to demolish the single 3,200 gsf fast food restaurant on the project site and adjacent surface parking lot, access driveways and drive-thru lane. Approximately 11,500 square feet would be excavated to a depth of 15 feet to construct the one level basement included in the proposed project. A total of 3,704 cubic yards of earth would be removed during excavation. Construction is anticipated to occur over 18 months.

PROJECT APPROVAL

The approval of a Large Project Authorization by the Planning Commission (per Planning Code Section 329) is the Approval Action for the proposed project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

In addition, the proposed 701 Third Street project would require the following approvals:

Actions by the San Francisco Planning Commission

- Large project authorization is required per Planning Code Section 329 for new construction of a building greater than 25,000 gsf and taller than 75-feet in height.
- Large project authorization modifications are required for (i) Permitted Obstructions per Planning Code Section 136 for bay windows that are 12 feet wide and (ii) for street frontage per Planning Code Section 145.1.
- Conditional use authorization is required per Planning Code Section 303, 842.49, and 890.46 for the tourist hotel use in the MUO Zoning District.
- Approval of a building permit application is required for the demolition of existing buildings on the subject property.
- Approval of a building permit application is required for the proposed new construction on the subject property.

Actions by other City Departments

San Francisco Department of Building Inspection

- Approval of building permit application is required for the demolition of existing buildings on the subject property.
- Approval of a building permit application is required for proposed new construction on the subject property.

San Francisco Department of Public Health

• Approval of project compliance with San Francisco Health Code Article 22A (the Maher Ordinance).

San Francisco Municipal Transportation Agency and SFMTA Board of Directors

• Approval of one bulb out and relocation of the bus shelter on Townsend Street as well as the passenger loading zone (white zone) on the east side of Third Street.

San Francisco Board of Supervisors

• Approval of proposed sidewalk changes.

State and Regional Approvals

California Department of Alcoholic Beverage Control

• If the proposed retail or hotel uses elect to sell alcoholic beverages, liquor licenses would be required.

COMMUNITY PLAN EXEMPTION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 701 Third Street project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)¹. Project-specific studies were prepared

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¹ Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{2,3}

In December 2008, after further public hearings, the Board of Supervisors approved and the Mayor signed the Eastern Neighborhoods Rezoning and Planning Code amendments. New zoning districts include districts that would permit PDR uses in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses; and new residential-only districts. The districts replaced existing industrial, commercial, residential single-use, and mixed-use districts.

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a "No Project" alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,0000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.⁴

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned from M-2 (Heavy Industrial) to MUO (Mixed Use Office) District. The MUO District is designed to encourage office

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²San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: http://www.sf-planning.org/index.aspx?page=1893, accessed August 17, 2012.

³ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268, accessed August 17, 2012.

⁴ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

uses and housing, as well as small-scale light industrial and arts activities. Nighttime entertainment and small tourist hotels are permitted as a conditional use. Large tourist hotels, such as the proposed project, are permitted as a conditional use in height districts of 105 feet and above. Dwelling units and group housing are permitted. Office, general commercial, most retail, production, distribution, and repair uses are also principal permitted uses.

The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Exemption (CPE) Checklist, under Land Use. The 701 Third Street site, which is located in the East SoMa Plan area of the Eastern Neighborhoods, was designated as a site with building up to 105 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 701 Third Street is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 701 Third Street project, and identified the mitigation measures applicable to the 701 Third Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{5,6} Therefore, no further CEQA evaluation for the 701 Third Street project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The project site is within the Eastern Neighborhoods of San Francisco, specifically in the East SoMa neighborhood, adjacent to the Mission Bay district, and is characterized by industrial, service, residential, and commercial uses including banks, restaurants, bars, and a variety of retail establishments. The 13,750square-foot rectangular site is composed of a single lot (Lot 006 of Assessor's Block 3794) on the block bounded by Townsend Street to the north, Third Street to the west, King Street to the south, and Second Street to the east. Surrounding land uses include a Heavy Industrial District (M-2) to the east, South Beach Downtown Residential (SB-DTR) to the northeast, Mission Bay Redevelopment Area (MB-RA) to the south, and Service/Light Industrial Districts (SLI) to the north and west. Buildings along the opposite side of Townsend Street are within the 65 foot height district, while buildings along the opposite of King Street are within the 150 foot district. Buildings within the block on which the project site is located, are all within the 105-F district. The project site is located within a block and a half of AT&T Park.

Immediately adjacent land uses to the project site include a mixed use residential building with groundfloor retail at 177 Townsend Street (twelve-story building built in 2007) to the northeast, a Wells Fargo ATM to the southeast, and a mixed use residential building at 188 King Street (eight-story building built

⁵ Susan Exline, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 701 Third Street, October 27, 2015. This document (and all other documents cited in this report, unless otherwise noted) is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No 2014-002024ENV.

⁶ Jeff Joslin, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 701 Third Street, October 30, 2015.

in 2006) abutting the project site to the east. Other uses on the same Third Street block include three restaurants (single-story buildings), SBC Pizza Deli, Polo Grounds Pub & Grill, and Louisiana Fried Chicken. Other uses along Townsend Street include two mixed use office buildings with underground parking at 153 Townsend Street (nine-story building built in 2002) and 123 Townsend Street (six-story building built in 1903), and an additional mixed use office at 139 Townsend Street (six-story building built in 1909).

The project site is well served by public transportation and bicycle facilities. The San Francisco Municipal Railway (Muni) operates numerous transit lines within one-quarter mile of the project site, including surface buses and the N Judah and T Third light rail lines and E Embarcadero historic streetcar on King Street, as well as a number of surface buses that run on Second, Third, Fifth, and Townsend streets. The project site is served by transit lines (Muni lines 10-Townsend, 30-Stockton, and 45 Union/Stockton. The Caltrain Station with train service to South Bay destinations is located one block away on 4th Street between Townsend and King Streets. With respect to bicycle facilities, there are bicycle routes on Townsend, Second, and King streets.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 701 Third Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 701 Third Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The project would not contribute to these significant and unavoidable impacts. A Transportation Impact Study was prepared for the project which concluded that the project would not result in any significant transportation impacts. In addition, the project site is located in an area where the existing average vehicle miles traveled (VMT) is more than 15 percent below the existing regional average for residential and retail uses, and therefore, the proposed project would not result in substantial additional VMT so it would not result in a significant VMT impact.⁷ A shadow study completed for the project indicated that the project would not contribute to shadowing of Willie Mays Plaza or other public open spaces. While the surrounding streets and sidewalks may experience shadow as a result of the proposed project, it would not be above levels commonly expected in urban areas.

The Eastern Neighborhoods PEIR identified feasible mitigation measures to address significant impacts related to noise, air quality, archeological resources, historical resources, hazardous materials, and transportation. **Table 1** below lists the mitigation measures identified in the Eastern Neighborhoods PEIR and states whether each measure would apply to the proposed project.

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⁷ San Francisco Planning Department. Eligibility Checklist: CEQA Section 21099 – Modernization and Transportation Analysis for 701 3rd Street. March 14, 2016.

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Not Applicable: Pile driving is not proposed.	N/A
F-2: Construction Noise	Applicable: Construction of the proposed project would result in temporary construction noise from use of heavy equipment.	Completed. The project sponsor has developed and will implement a set of noise attenuation measures during construction.
F-3: Interior Noise Levels	Not Applicable: The project is subject to the California Noise Insulation Standards and is therefore not required to conduct a detailed analysis of noise reduction requirements.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: The project is subject to the California Noise Insulation Standards and is therefore not required to conduct a detailed analysis of noise reduction requirements.	N/A
F-5: Siting of Noise-Generating Uses	Not Applicable: The project would add a back-up diesel generator but would not generate noise levels in excess of the ambient noise. The generator would be used only in case of power outages and briefly tested approximately once a month. The generator would be required to comply with noise standards.	The back-up generator, located on the rooftop, would be housed in a steel soundattenuated facility to ensure compliance with noise standards.
F-6: Open Space in Noisy Environments	Not Applicable: CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or	N/A. However, the project sponsor has conducted and submitted a noise analysis. The project sponsor has designed the building in a way that would protect open space to the maximum extent feasible.

Mitigation Measure	Applicability	Compliance
	residents.8	
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: The project site is not within the City's Air Pollution Exposure Zone and the project will be required to comply with the regulations of the San Francisco Dust Control Ordinance, which supersedes the dust control provisions of the Eastern Neighborhoods PEIR	N/A
G-2: Air Quality for Sensitive Land Uses	Not Applicable: Hotel use is not a sensitive receptor for the purpose of air quality analysis.	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: The project does not include development of a warehouse or distribution center, commercial, industrial or other uses expected to be served by at least 100 trucks or 40 refrigerated trucks per day	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: The project is not located within the identified Air Pollution Exposure Zone. The project would include a backup generator, but would be required to comply with BAAQMD new source permit requirements as part of the permit process for the new generator.	N/A

⁸ California Building Industry Association v. Bay Area Air Quality Management District, December 17, 2015, Case No. S213478. Available at: http://www.courts.ca.gov/opinions/documents/S213478.PDF

Mitigation Measure	Applicability	Compliance
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: No final archaeological research design and treatment plan is on file for the project site	N/A
J-2: Properties with no Previous Studies	Applicable: No previous final archaeological research and treatment plan is on file for the project site and soil disturbance to approximately 15 feet below ground surface proposed in this mitigation area.	The project sponsor has agreed to implement the Planning Department's Second Standard Mitigation Measure (Archeological Monitoring). The project sponsor will retain an archaeological consultant from the Planning Department's Qualified Archaeological Consultant List, who will undertake an archaeological monitoring program including procedures for discovery of a significant archaeological resource, consultation and data recovery programs when applicable.
J-3: Mission Dolores Archeological District	Not Applicable: The project is not located in the Mission Dolores District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: Plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: Plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: Plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: The proposed	The project sponsor agrees to

Mitigation Measure	Applicability	Compliance
	project involves demolition of an existing building	remove and properly dispose of any hazardous materials identified, before or during work, in accordance with applicable federal, state and local laws
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: Plan level mitigation by SFMTA	N/A
E-2: Intelligent Traffic Management	Not Applicable: Plan level mitigation by SFMTA	N/A
E-3: Enhanced Funding	Not Applicable: Plan level mitigation by SFMTA & SFCTA	N/A
E-4: Intelligent Traffic Management	Not Applicable: Plan level mitigation by SFMTA & Planning Department	N/A
E-5: Enhanced Transit Funding	Not Applicable: Plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: Plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: Plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: Plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: Plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: Plan level mitigation by SFMTA	N/A
E-11: Transportation Demand Management	Not Applicable: Plan level mitigation by SFMTA	N/A

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures the proposed project would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods PEIR.

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on May 29, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised

by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Comments received raised concerns primarily about traffic; specifically calling attention to congestion and delay impacts on Third Street from inadequate passenger and freight loading zones, relocation of the bus shelter and safety performance considerations for drivers and pedestrians. Commenters also requested review of the impact the project might have on views (specifically the potential to block street views off of Third Street) and the height of the proposed building. One comment expressed concern regarding obstruction of an art sculpture located on or near the roof on the side of the adjacent building at 177 Townsend Street. The new construction would obscure the sculpture, particularly views of it from across Third Street. However, this would not be an impact on the environment under CEQA. In addition, pursuant to SB 743, the proposed project qualifies as a transit-oriented infill project, and therefore, aesthetics and parking are not impact topic areas for the purpose of environmental review. Additional comments raised concerns about wind, light and shadow impacts to the surrounding streets and the common areas of nearby residential buildings. The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist9:

- 1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
- 2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
- 3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
- 4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
- 5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

Therefore, the proposed project is exempt from further environmental review pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

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⁹ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014-002024ENV.

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
Noise				
Project Mitigation Measure 1 - Construction Noise (Mitigation Measure F-2 of the Eastern Neighborhoods PEIR) Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. To reduce construction noise impacts the following shall be incorporated: If necessary based on the final construction plan and equipment list, a site specific noise reduction plan should be prepared by a qualified acoustical consultant, detailing locations of noise construction barriers (minimum of 4 psf) and other site mitigation, to reduce noise levels at adjacent residential and commercial properties. Barriers could be effective in reducing noise levels along the north (Townsend Street) and the west (Third Street) property lines. The specific height of the barrier would depend on the equipment being used and the height of the engine/exhaust outlet. During construction, mufflers shall be provided for all heavy construction equipment and all stationary noise sources in accordance with the manufacturers' recommendations. Limit unnecessary idling of internal combustion engines. Stationary noise sources and staging areas shall be located as far from noise-sensitive properties as feasible. If for construction purposes, location of stationary construction equipment near existing noise-sensitive uses is required, a local sound-rated barrier shall be erected between the equipment and the sensitive receptor. The barrier shall be located as close to the	Project Sponsor along with Project Contractor	During construction	Project Sponsor to provide Planning Department with monthly reports during construction period.	Considered complete upon receipt of final monitoring report at completion of construction.

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
 Construction vehicle access routes shall be designed to minimize impact on adjacent noise-sensitive properties. A "construction liaison" shall be designated to ensure coordination between construction staff and neighboring properties to minimize disruptions due to construction noise. Adjacent occupants and property owners shall be notified in writing of the construction schedule and contact information for the construction liaison. A qualified acoustical engineer shall be retained as needed to address neighbor complaints as they occur. If complaints occur, noise measurements could be conducted to determine if construction noise levels at adjacent property lines are within the standards. Short-term or long-term construction noise monitoring could also be utilized to diagnose complaints and determine if additional mitigation is required for certain phases of construction as needed. 				
Cultural Resources				
Project Mitigation Measure 2 – Archeological Monitoring (Mitigation Measure J-2 of the Eastern Neighborhoods PEIR) Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the Environmental Review Officer (ERO) for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).	Project Sponsor	Prior to issuance of grading or building permits.	The project sponsor shall retain archeological consultant to undertake archaeological monitoring program in consultation with ERO.	Complete when Project Sponsor retains qualified archaeological consultant.

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
 Archeological monitoring program (AMP). The archeological monitoring program shall minimally include the following provisions: The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context; The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with the archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis 	The Project Sponsor and archeological consultant.	Prior to any soil disturbance.	Consultation with ERO on scope of AMP.	After consultation with and approval by ERO of AMP.
If an intact archeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO	The archeological consultant, Project Sponsor and project contractor.	Monitoring of soil disturbing activities.	Archaeological consultant to monitor soil disturbing activities specified in AMP and immediately notify the ERO of any encountered archaeological resource.	Considered complete upon completion of AMP.

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
of the encountered archeological deposit. The archeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, present the findings of this assessment to the ERO.				
If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either: A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or B) An archeological data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.	ERO, archaeological consultant and Project Sponsor.	Following discovery of significant archeological resource that could be adversely affected by project.	Redesign of project to avoid adverse effect or undertaking of archaeological data recovery program.	Considered complete upon avoidance of adverse effect.
If an archeological data recovery program is required by the ERO, the archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The project archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.	Archaeological consultant in consultation with ERO.	After determination by ERO that an archaeological data recovery program is required.	Archaeological consultant to prepare an ADRP in consultation with the ERO.	Considered complete upon approval of ADRP by ERO.

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for	Mitigation	Monitoring/Report	Status/Date
	Implementation	Schedule	Responsibility	Completed
 Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. Final Report. Description of proposed report format and distribution of results. Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. Human Remains, Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity activity shall comply with applicable State and Federal Laws, including immediate notification of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and assoc	Archaeological consultant or medical examiner.	Discovery of human remains.	Notification of County/City Coroner and, as warranted, notification of NAHC.	Considered complete or finding by ERO that all State laws regarding human remains/burial objects have been adhered to, consultation with MLD is completed as warranted, and that sufficient opportunity ha been provided to the archaeological consultation scientific/historical analysis of remains/funerary objects

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.	Archaeological consultant	Following completion of cataloguing, analysis, and interpretation of recovered archaeological data.	Preparation of FARR.	FARR is complete on review and approval of ERO.
Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.	Archaeological consultant	Following completion and approval of FARR by ERO.	Distribution of FARR after consultation with ERO.	Complete on certification to ERO that copies of FARR have been distributed.
Hazardous Materials				
Project Mitigation Measure 3 –Hazardous Building Materials (Mitigation Measure L-1 of the Eastern Neighborhoods PEIR) Project sponsor to ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of construction, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.	Project Sponsor/contractor	During project construction.	Project Sponsor/contractor to ensure that any hazardous materials are identified, either before or during work, and abated according to applicable federal, state, and local laws.	Considered complete upon removal of hazardous materials in compliance with applicable federal, state, and local laws.
Traffic and Transportation				
Project Improvement Measure 1 The project sponsor and subsequent property manager would implement a TDM Program that seeks to minimize the number of single occupancy vehicle trips by encouraging other modes of transportation, including walking,	Project sponsor/Property manager	Prior to and during construction	Project sponsor and/or Property manager to provide the San Francisco Planning Department with reports	Ongoing for the duration of the proposed project.

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picycling, transit, car share, carpooling, and/or other modes. The project sponsor agreed to implement the following TDM measures: TDM Coordinator: Project sponsor shall identify a TDM coordinator for the project site who would be responsible for implementation and ongoing operation of all other TDM measures included in the proposed project. New-hire Packet: Project sponsor shall provide a transportation insert for the new-hire packet that includes information on transit services, where transit passes could be purchased, the 511 Regional Rideshare Program, and nearby bike and car share programs. Current Transportation Resources: Project sponsor shall provide and maintain a regular supply of Muni maps, and San Francisco bicycle and pedestrian maps.	of co	ompliance.
 City Access: The project sponsor shall provide City staff access to the project site to perform trip counts, intercept surveys, and/or other types of data collection. Bicycle Fleet: Project sponsor shall provide and maintain a fleet of five bicycles and related amenities such as locks, baskets, lights, etc. for use by the building occupants. Bicycle Parking Signage: Project sponsor shall install signage at the street level to direct bicyclists to available parking facilities in the project site. 		
Project Improvement Measure 2 The project sponsor will establish a restricted parking area on both sides of the proposed project driveway entrance to increase visibility. Additionally, nstall an advance warning sign on Third Street just south of the proposed project driveway to caution northbound drivers and bicyclists that a driveway is present.	to be incorporated into project design Depart and evaluated in	cect sponsor to ide the San icisco Planning artment with immentation of pliance. Complete when included in final design
Project Improvement Measure 3 The project sponsor will implement appropriate traffic calming devices in the		ect sponsor to ide the San Complete when included in final design

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MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR	Responsibility for Implementation	Mitigation Schedule	Monitoring/Report Responsibility	Status/Date Completed
garage exit aisle to slow existing traffic, such as speed bumps, rumble strips, and/or "slow speed" signage. The project sponsor will also provide visible/audible warning notification at the driveway entrance to alert pedestrians to the possibility of conflicting vehicles entering and exiting the driveway. Conditions at the driveway should be monitored to determine whether an additional audible warning signal is necessary to enhance traffic calming controls and visible warning signal.		incorporated into project design and evaluated in environmental/ building permit review, prior to issuance of a final building permit and certificate of occupancy	Francisco Planning Department with documentation of compliance.	
Project Improvement Measure 4 As an improvement measure to reduce potential conflicts between construction activities and pedestrians, transit and autos at the project site, the project sponsor should ensure that the contractor add certain measures to the SFMTA Blue Book requirements for proposed project construction. The proposed project should include the following measures: Carpool and Transit Access for Construction Workers: To minimize parking demand and vehicle trips associated with construction workers, the construction contractor should include methods to encourage carpooling and transit access to the project site by construction workers. On-site construction workers should also be encouraged to consider cycling and walking as alternatives to driving alone to and from the site. Project Construction Updates for Adjacent Businesses and Residents: To minimize construction impacts on access for nearby institutions and businesses, the project sponsor should provide nearby residences and adjacent businesses with regularly-updated information regarding the proposed project construction, including a construction contact person, construction activities duration, peak construction activities (e.g. concrete pours), travel closures and lane closures.	Project sponsor/Project contractor	Prior to and during construction	Project sponsor/Project contractor to provide the San Francisco Planning Department with documentation of compliance.	Considered complete upon completion of construction.