



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: 04/26/2018

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

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Planning
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415.558.6377

Record No.: **2016-005799PTA/CUA**
Project Address: **425 MASON ST**
Zoning: C-3-G (Downtown Commercial - General) Zoning District
80-130-F Height and Bulk District
Block/Lot: 0306/002
Applicant: Alex Polk
Stanton Architecture
1501 Mariposa Street, Suite 328
San Francisco, Ca 94107
Staff Contact: Eiliesh Tuffy – (415) 575-9191
eiliesh.tuffy@sfgov.org
Recommendation: **Approval with Conditions**

PROJECT DESCRIPTION

The sponsor seeks Conditional Use Authorization to permit the conversion of a vacant office building into a 77-room tourist hotel with a ground-level bar and rooftop lounge.

The project site at 425 Mason Street is located on the west side of Mason Street near the intersection of Geary and Mason streets. The project site consists of a 37,974sf, 8-story over basement office building which measures 95 feet in height to the roof of the base building and 107 feet to the top of the 8th floor penthouse structure. The existing building, which was designed by architect Willis Polk and completed in 1922, served as offices and a customer payment center for the Spring Valley Water Company. The subject property is a contributory building to the Kearny-Market-Mason-Sutter Conservation District.

The proposed project would convert the vacant office building for use as a 77-room tourist hotel with a street-level bar, a rooftop lounge in the existing penthouse, and an outdoor roof terrace. Aside from the addition of a new stair penthouse, no expansion of the exterior building envelope is proposed. New floor area will be created instead through the expansion of an existing mezzanine to create five new hotel rooms. The proposed project includes the addition of four shear walls from the basement to the roof level, each requiring a 3 to 5 foot deep footing below the basement level, which would require excavation and removal of approximately 20 cubic yards of material. One passenger loading space (white color curb) is proposed for the Mason Street frontage after the Central Subway opens and the Muni bus stop is relocated. No off-street parking is proposed. The project sponsor would contribute proportionally to Derby Street improvements to create a shared street, as proposed by the adjacent hotel project sponsor in partial fulfillment of their POPoS requirement. These improvements would include high quality pavers, seating, landscaping, and lighting.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must grant a Conditional Use Authorization for the establishment of a new hotel use in the C-3-G Zoning District.

ISSUES AND OTHER CONSIDERATIONS

- **Public Comment & Outreach.** The Department has received eight letters in support of the project at the time of this report. The Sponsor indicates that outreach has occurred to local property owners, tenants and community groups in their letter dated April 5, 2018.
- **Design Review Comments:** The project has changed in the following significant ways since the original submittal to the Department:
 - Retention of additional historic lobby features, in response to Department staff and to San Francisco Heritage which holds a preservation easement on the property.
- **Historic Preservation Review.** The Department reviewed the project for conformance with Article 11 of the Planning Code and issued a Minor Permit to Alter preservation entitlement on April 5, 2018.

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Conditional Use Findings and the Objectives and Policies of the General Plan. The project will also preserve historic exterior and interior features of a contributing building in the Kearny-Market-Mason-Sutter Conservation District without the need for substantial expansion. A market demand analysis supports the proposed hotel use at this location, which is in close proximity to numerous transit lines to discourage car trips. The project has received support from the Union Square Business Improvement District, SF Travel, and local labor groups. The Department also finds the project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

- Draft Motion – Conditional Use Authorization
- Exhibit A – Conditions of Approval
- Exhibit B – Plans and Renderings
- Exhibit C – Environmental Determination
- Exhibit D – Land Use Data
- Exhibit E – Maps and Context Photos
- Exhibit F - Public Correspondence
- Exhibit G - Project Sponsor Brief
- Exhibit H – Market Demand Analysis



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

HEARING DATE: APRIL 26, 2018

1650 Mission St.
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San Francisco,
CA 94103-2479

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Case No.:	2016-005799CUA
Project Address:	425 MASON STREET
Zoning:	C-3-G (Downtown Commercial - General) Zoning District 80-130-F Height and Bulk District Downtown Area Plan
Block/Lot:	0306/002
Project Sponsor:	Alex Polk Stanton Architecture 1501 Mariposa Street San Francisco, CA 94107
Property Owner:	SVWC Building, LLC 515 5 th Avenue, Suite 200 San Diego, CA 92101
Staff Contact:	Eiliesh Tuffy – (415) 575-9191 eiliesh.tuffy@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDITIONAL AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 210.2 AND 303, TO ALLOW A HOTEL USE AS PART OF A PROJECT TO ADAPTIVELY REUSE AN EXISTING 37,974 SQUARE FOOT VACANT OFFICE BUILDING LOCATED AT 425 MASON STREET, LOT 002 IN ASSESSOR'S BLOCK 0306, WITHIN THE C-3-G (DOWNTOWN COMMERCIAL - GENERAL) ZONING DISTRICT AND AN 80-130-F HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On November 30, 2016, Alex Polk of Stanton Architecture (hereinafter "Project Sponsor") filed Application No. 2016-005799CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Conditional Use Authorization to convert an existing, eight-story over basement, 107-ft tall, vacant office building (hereinafter "Project") for hotel use at 425 Mason Street, Block 0306 Lot 002 (hereinafter "Project Site").

The Planning Department Commission Secretary is the custodian of records; the File for Case No. 2016-005799CUA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On April 26, 2018, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2016-005799CUA.

On April 5, 2018 the Project was determined to be exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 Categorical Exemption under CEQA as described in the determination contained in the Planning Department files for this Project.

On April 5, 2018, the Project was determined in conformance with scopes of work eligible for staff-level administrative approval, per HPC Motion 0289, and was issued a Minor Permit to Alter on behalf of the Historic Preservation Commission.

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 as requested in Application No. 2016-005799CUA, 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. **Project Description.** The Project includes conversion of the historic Spring Valley Water Company building (Constructed in 1922; Willis Polk, architect) from Office to Hotel use. The project would preserve historic lobby features subject to a preservation easement restriction held by SF Heritage, create 77 tourist hotel rooms on the upper floors, and establish a rooftop lounge within the existing 1-story penthouse structure. New construction at the roof consists of a raised deck to be installed above the proposed new structural steel, mechanical units with required screening, and a new stair penthouse to serve as a second means of egress for the roof terrace. Improvements to Derby Street with the intent of creating a shared street are actively being pursued in conjunction with the project sponsor of the adjacent hotel project proposed for 433 Mason Street: the project sponsor will work with the City’s Department of Public Works to remove the existing gate DPW installed on Derby Street, and supports the 433 Mason Street project’s efforts to create a shared street.
3. **Site Description and Present Use.** The Project is located on a 4,647sf lot that is located mid-block, but has a corner-lot condition due to an adjacent, narrow dead-end street: Derby Street. The Project Site contains one existing building: an eight-story office building measuring 37,974 gross square feet. Originally built to serve as the headquarters of the Spring Valley Water Company, the property also housed municipal offices in later years. Currently, the building is vacant and in private ownership.
4. **Surrounding Properties and Neighborhood.** The Project Site is located within the C-3-G Zoning District in the Downtown Area Plan. The immediate context is primarily high-density development including commercial retail and hotel uses surrounding Union Square. The 400-block of Mason Street includes eight-to-thirteen-story hotel and institutional uses, along with a

two-story commercial building and the former First Congregational Church, a Neoclassical building now operated by the Academy of Art University. Other zoning districts in the vicinity of the project site include: C-3-R (Downtown Commercial – Retail), P (Public), and RC-4 (Residential – Commercial, High Density) Zoning District.

5. **Public Outreach and Comments.** The Department has received 8 letters in support of the proposed project and no opposition. The sponsor's application materials indicate public outreach was conducted with owners, tenants and community groups in the Union Square area.

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. **Hotel.** Planning Code Section 210.2 states that a Conditional Use Authorization is required for Hotel use, as defined by Planning Code Section 102.

The Project Sponsor seeks Conditional Use Authorization, per Sec. 210.2, to convert the existing building for hotel use in the C-3-G zoning district. A market analysis and Conditional Use Findings were provided with the sponsor's application materials for Planning Commission review.

B. **Rooftop Screening.** Planning Code Sec. 141 requires screening of rooftop mechanicals.

The Project places mechanical units on the north half of the building's flat roof, on either side of the tall, historic water tower, as well as on the flat roof of the new stair penthouse. The mechanicals on the building roof will be screened from view by the existing historic parapet and new mechanical screens. The mechanicals on the stair penthouse roof will be screened by a 4-foot parapet.

C. **Shadow.** Planning Code Sec. 147 states that additions to buildings in the C-3 zoning district where the building height exceeds 50 feet shall be shaped, consistent with the dictates of good design and without unduly restricting the development potential of the site in question, to reduce substantial shadow impacts on public plazas and other publicly accessible spaces.

The Project proposal's likeliness to cast new shadow on parks and open spaces was studied as part of the environmental review. Due to existing conditions of surrounding buildings and adjacent blocks, specifically the tall height of the Westin St. Francis Hotel to the east, the Project would not intensify existing shadows in this area.

D. **Off-Street Freight Loading.** Planning Section 152.1 of the Planning Code requires off-street freight loading space for hotel uses of 100,001 gsf and greater.

The Project includes approximately 39,974 gsf of hotel use; thus, the Project does require any off-street freight loading space. The Project is proposing one on-street passenger loading space along Mason Street, in coordination with the adjacent hotel project at 433 Mason Street, until the completion of the Central Subway project. A bus stop for a temporary transit route will then be removed and the sponsor proposes to establish passenger loading along the 425 Mason street frontage at that time.

- E. **Entertainment Commission.** The proposed hotel project is located within 300 feet of an existing Place of Entertainment (POE) and is subject to Chapter 116 of the Administrative Code.

The Entertainment Commission conducted a hearing on the project on December 5, 2017. The Entertainment Commission adopted a set of recommended noise attenuation measures, which have been incorporated into the conditions of approval of this motion.

- F. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 13 points.

The Project submitted a completed Environmental Evaluation Application after September 4, 2016. Therefore, the Project must only achieve 75% of the point target established in the TDM Program Standards, resulting in a required target of 10 points. The Project sponsor submitted a TDM Program Application on February 22, 2018, indicating compliance with the Standards through Parking Supply Option K (zero parking), equal to 11 points. Site permit plans must illustrate how the Hotel project meets or exceeds the 10 point TDM program requirement.

7. **Conditional Use Findings.** Planning Code Section 303 establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the project complies with said criteria in that:

- A. 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 will provide a development that is necessary and desirable for, and compatible with, the neighborhood and the community, as it will complement the existing mix of goods and services in the area. The project will replace a vacant historic building with a hotel use that is consistent with and complimentary to other uses in the immediate site vicinity and Union Square area. The hotel use will maintain the long-term viability of the historic Spring Valley Water Company building, designed by Willis Polk, which has been vacant since 2007. The Project will add 77 hotel rooms to a location that is well-served by transit, and in close proximity to tourist destinations and downtown employment centers. The size of the proposed use is in keeping with other storefronts on the block face. The proposed full-service restaurant will not impact traffic or parking in the District because it is not a destination restaurant. This will complement the mix of goods and services currently available in the district and contribute to the economic vitality of the neighborhood by removing a vacant storefront.

- B. 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:

- (1) Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The height and bulk of the existing building will remain relatively unchanged, as viewed from the public right-of-way, and will therefore retain the existing appearance and character of the project vicinity. The only expansion of the building envelope is to accommodate a rooftop stair penthouse, which is a required second means of egress for the new roof terrace.

- (2) 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 Planning Code does not require parking or loading for the conversion of an existing building to a 39,379gsf hotel use. The proposed use is designed to meet the needs of the immediate neighborhood, which is located in a transit-rich area immediately north of Market Street, and should not generate significant amounts of vehicular trips from the immediate neighborhood or citywide. Guests are expected to travel primarily by foot, bicycle, public transit, or rideshare and not personal vehicle.

- (3) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The project introduces hotel and retail uses that are typical of the surrounding context, and will not introduce operational noises or odors that are detrimental, excessive, or atypical for the area. The project will comply with all applicable regulations relating to construction noise and dust. The proposed use is subject to the standard conditions of approval for eating and drinking establishments as outlined in Exhibit A. Conditions 12 and 21 specifically obligates the project sponsor to mitigate odor and noise generated by any restaurant use.

- (4) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The project includes a rooftop terrace fronting onto Mason Street to provide outdoor space for hotel patrons. The proposed full-service restaurant does not require any additional tenant improvements the Department shall review all lighting and signs proposed for the new business in accordance with Condition 7 of Exhibit A.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

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.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Use District.

The C-3-G District covers the western portions of downtown, including a number of blocks west of Union Square, and is composed of a variety of uses, including retail, offices, hotels, entertainment, clubs and institutions, and high-density residential. As in the case of other downtown districts, no off-street parking is required for individual commercial buildings. The project conforms with the purpose of the applicable C-3-G District and the proposed hotel is consistent with the existing uses in the neighborhood.

8. **Planning Code Section 303(g)** establishes criteria for the Planning Commission to consider when reviewing applications for hotel projects, through the Conditional Use process. On balance, the project complies with said criteria in that:

- A. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, childcare, 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.

Per ABAG, employment in San Francisco is forecast to increase by 34 percent (approximately 191,000 jobs) between 2010 and 2040, to a total of almost 760,000 jobs. In the context of projected citywide employment growth, the potential increase in employment from the project would be minimal compared to the total employment expected in San Francisco and the greater San Francisco Bay Area.

The minor increase in employment would not generate a substantial demand for additional housing in the context of citywide employment growth nor would it be beyond employment and housing projections considered as part of citywide planning efforts. The project is anticipated to create 25 full-time and 10 part-time jobs. The project sponsor will comply with the First-Source Hiring Program, ensuring certain positions are offered to local residents, which is anticipated to minimize potential negative impacts on the demand for new housing, public transit, childcare, and other social services. The subject property is well-served by numerous public transit options, and is accessible by bicycle and by foot. The project is also in close proximity to regional transit options, including the Powell Street MUNI and BART station. It will also be subject to impact fees and taxes, including the Child Care fee, the Jobs-Housing Linkage Fee, and the Transportation Sustainability Fee.

- B. 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 has indicated intent to hire local residents for the construction and operation of the proposed hotel.

- C. The market demand for a hotel or motel of the type proposed.

CBRE prepared a market demand study for the proposed hotel on May 10, 2017. The study states that the San Francisco Bay Area is one of the strongest lodging markets in the United States, with occupancy rates at 84.4 percent in 2015, 20 percentage points above national averages for each of the past eight years. The study concludes that the performance of hotels comprising the project's direct competitive market is amongst the strongest in the nation, surpassing both national and regional trends. CBRE concluded that the project would not have any material impact on the market's overall performance. The CBRE study indicates that the project would achieve an initial occupancy of 80 percent in 2019, with an increase to 88 percent in 2021. CBRE's projected stabilized occupancy for the project is slightly higher than its stabilized estimate for the competitive market because

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

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.

Policy 1.7

Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 2:

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

Policy 2.8

Historic buildings represent crucial links with past events and architectural styles and, when preserved, afford educational, recreational, cultural and other benefits

The Project proposes to retain and rehabilitate an existing historic building, which was designed by master architect Willis Polk, constructed in 1922, and has been identified as a contributory building to the Kearny-Market-Mason-Sutter Conservation District. By its nature as an existing building that has been a presence in the Union Square neighborhood for over 90 years, the Project will maintain the existing character of the building and the block with no discernable alteration.

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 3:

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

Policy 1.3

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

Policy 1.3 notes that the tourist and service related sectors of the local economy, such as hotels and restaurants, typically hire significant numbers of unskilled and non-technically trained persons. The project would meet this policy by adding a new 75-room hotel and accompanying reception/bar, creating approximately 35 jobs, many of which will be available to unskilled and semi-skilled workers.

NEIGHBORHOOD COMMERCE

Guidelines for Specific Uses: Hotels

GUIDELINE 1:

HOTELS SHOULD BE DISCOURAGED IF THEY DISPLACE EXISTING RETAIL SALES AND SERVICES WHICH ARE NECESSARY AND DESIRABLE FOR THE SURROUNDING NEIGHBORHOODS.

The Project will not displace a necessary or desirable neighborhood-serving retailer. The subject historic building—long occupied by the City and County of San Francisco as administrative office space—has been vacant since 2007. It does not house any existing retail sales or services. It will add hotel guests to the market of potential patrons of existing neighborhood-serving retailers.

GUIDELINE 2:

IN DISTRICTS WITH AN OVERCONCENTRATION OF HOTELS AND SIMILAR ACCOMMODATIONS, IT IS PREFERABLE THAT NEW HOTELS BE LOCATED AT LEAST 300 FEET FROM ANY EXISTING HOTEL, MOTEL, OR BED AND BREAKFAST ESTABLISHMENT, UNLESS THERE ARE FACTORS SUCH AS TRAFFIC CIRCULATION, PARKING, OR LAND USE DISTRIBUTION WHICH MAKE CLUSTERING APPROPRIATE.

The surrounding area is uniquely appropriate for hotels. As noted above, there is a nearly unprecedented demand for hotel rooms in San Francisco, driven both by business travel and tourism demand. Although the project site is located across adjacent to existing hotels, clustering is appropriate here, since the project is within walking distance of numerous tourist attractions and restaurants. The project capitalizes on the existing infrastructure in place to serve tourist and business guests, including numerous public transit options.

GUIDELINE 3:

NEW HOTELS SHOULD CONTRIBUTE TO AN ACTIVE RETAIL FRONTAGE BY PROVIDING STORES, COFFEE SHOPS, OR CONVENIENCE RETAIL ON THE GROUND STORY OF THE MAJOR STREET FRONTAGE.

The project provides a ground floor bar and breakfast area fronting Mason Street and Derby Alley.

GUIDELINE 4:

HOTEL DEVELOPMENT SHOULD BE COMPATIBLE IN SCALE AND DESIGN WITH THE OVERALL DISTRICT CHARACTER AND ESPECIALLY WITH BUILDINGS ON THE SAME BLOCK.

The project is consistent with the prevailing neighborhood character and massing. The project proposes to rehabilitate and re-use an existing historic building designed by Willis Polk and constructed in 1922. Except for minor rehabilitation and the addition of a penthouse structure that is not visible from the public right of way, the project does not propose exterior changes to the existing building.

GUIDELINE 5:

ACCESS TO REQUIRED HOTEL PARKING SHOULD BE DESIGNED TO MINIMIZE INTERRUPTION OF THE ACTIVE RETAIL FRONTAGE AND DISTURBANCE TO ADJACENT RESIDENCES.

The project does not include any off-street parking, and therefore would not cause interruption of the active retail frontage.

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 complies 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.

The project site does not possess any neighborhood-serving retail uses. The Project provides 77 new tourist hotel rooms, which is supported by the market analysis provided with the Conditional Use Authorization application materials. The hotel will accommodate visitors to the city who will likely be patrons of surrounding neighborhood 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.

The project site does not possess any existing housing. The Project would preserve and rehabilitate an existing historic building within this neighborhood. The conversion of the existing vacant building for an active new use will be an improvement to the public realm and neighborhood character. 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 does not propose residential uses, and the last use for the building was office use, therefore the Project would not affect the City's affordable housing supply.

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

The Project site is located along a Muni transit line and is within walking distance of the Muni and BART Station at Powell and Market Streets.

- 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 new commercial office development, but rather reactivates unused, vacant office space.

- 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.

The Project calls for the rehabilitation and adaptive reuse of a contributory building within the Kearny-Market-Mason-Sutter Conservation District. The Project was reviewed for conformance with the scopes of work outlined in HPC Motion 0289 to qualify for a Minor Permit to Alter. Exterior and interior character-defining features of the building will be preserved in the current Project proposal.

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

The project was evaluated as part of the environmental review process for contribution of new shadow, based on the new construction at the roof, and was found to not intensify existing shadows.

11. 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.
12. 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 Authorization Application No. 2015-005799CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 18, 2018, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

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. 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 April 26, 2018.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: April 26, 2018

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a Hotel (d.b.a. A.C. Hotel) located at 425 Mason Street, Block 0306, and Lot 002 pursuant to Planning Code Section(s) 210.2 and 303 within the Downtown Commercial – General Zoning District and an 80-130-F Height and Bulk District; in general conformance with plans, dated April 17, 2018, and stamped "EXHIBIT B" included in the docket for Case No. 2016-005799CUA and subject to conditions of approval reviewed and approved by the Commission on April 26, 2018 under Motion No **XXXXXX**. 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 April 26, 2018 under Motion No **XXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXXX** 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 Conditional Use 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 Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **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

2. **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, www.sf-planning.org

3. **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, www.sf-planning.org

4. **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, www.sf-planning.org

5. **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, www.sf-planning.org

6. **Additional Project Authorization.** The Project Sponsor must obtain a Minor Permit to Alter, pursuant to Article 11 of the Planning Code, to make alterations to a building within the

Parking and Traffic

Conservation District. Alterations to the subject property are also subject to review by the SF Heritage organization, which holds a preservation easement on the property.

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

ENTERTAINMENT COMMISSION – NOISE ATTENUATION CONDITIONS

Chapter 116 Residential Projects. The Project Sponsor shall comply with the “Recommended Noise Attenuation Conditions for Chapter 116 Residential Projects,” which were recommended by the Entertainment Commission on December 5, 2017. These conditions state:

1. **Community Outreach.** Project Sponsor shall include in its community outreach process any businesses located within 300 feet of the proposed project that operate between the hours of 9PM-5AM. Notice shall be made in person, written or electronic form.
2. **Sound Study.** Project sponsor shall conduct an acoustical sound study, which shall include sound readings taken when performances are taking place at the proximate Places of Entertainment, as well as when patrons arrive and leave these locations at closing time. Readings should be taken at locations that most accurately capture sound from the Place of Entertainment to best of their ability. Any recommendation(s) in the sound study regarding window glaze ratings and soundproofing materials including but not limited to walls, doors, roofing, etc. shall be given highest consideration by the project sponsor when designing and building the project.
3. **Design Considerations.**
 - a. During design phase, project sponsor shall consider the entrance and egress location and paths of travel at the Place(s) of Entertainment in designing the location of (a) any entrance/egress for the residential building and (b) any parking garage in the building.
 - b. In designing doors, windows, and other openings for the residential building, project sponsor should consider the POE’s operations and noise during all hours of the day and night.
4. **Construction Impacts.** Project sponsor shall communicate with adjacent or nearby Place(s) of Entertainment as to the construction schedule, daytime and nighttime, and consider how this schedule and any storage of construction materials may impact the POE operations.
5. **Communication.** Project Sponsor shall make a cell phone number available to Place(s) of Entertainment management during all phases of development through construction. In addition, a line of communication should be created to ongoing building management throughout the occupation phase and beyond.

DESIGN – COMPLIANCE AT PLAN STAGE

7. **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, www.sf-planning.org

Parking and Traffic

8. **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 building permit plans. 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, www.sf-planning.org

9. **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. 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, www.sf-planning.org

10. **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:

- a. 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;
- b. On-site, in a driveway, underground;
- c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- d. 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;
- e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
- f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- g. 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>

11. **Noise, Ambient.** Interior occupiable spaces shall be insulated from ambient noise levels. Specifically, in areas identified by the Environmental Protection Element, Map1, "Background Noise Levels," of the General Plan that exceed the thresholds of Article 29 in the Police Code, new developments shall install and maintain glazing rated to a level that insulate interior occupiable areas from Background Noise and comply with Title 24.

Parking and Traffic

For information about compliance, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

12. **Noise.** Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise.

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

13. **Odor Control Unit.** In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the project is operational, the building permit application to implement the project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. Odor control ducting shall not be applied to the primary façade of the building.

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

PARKING AND TRAFFIC

14. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with required monitoring and reporting, and other actions.

Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

15. **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, www.sf-planning.org

Operation

PROVISIONS

16. **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

17. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.

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

18. **Jobs Housing Linkage.** The Project is subject to the Jobs Housing Linkage Fee, as applicable, pursuant to Planning Code Section 413.

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

19. **Childcare Requirements - Office and Hotel Development.** The Project is subject to the Childcare Fee for Office and Hotel Development Projects, as applicable, pursuant to Planning Code Section 414.

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

MONITORING - AFTER ENTITLEMENT

20. **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, www.sf-planning.org

21. **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, www.sf-planning.org

Operation

OPERATION

22. **Eating and Drinking Uses.** As defined in Planning Code Section 202.2, Eating and Drinking Uses, as defined in Section [102](#), shall be subject to the following conditions:

- A. The business operator 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 Street and Sidewalk Maintenance Standards. In addition, the operator shall be responsible for daily monitoring of the sidewalk within a one-block radius of the subject business to maintain the sidewalk free of paper or other litter associated with the business during business hours, in accordance with Article 1, Section [34](#) of the San Francisco Police Code.

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

- B. When located within an enclosed space, 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 of 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 construction noise requirements, contact the Department of Building Inspection at 415-558-6570, www.sfdbi.org.

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

- C. While it is inevitable that some low level of odor may be detectable to nearby residents and passersby, appropriate odor control equipment shall be installed in conformance with the approved plans and maintained to prevent any significant noxious or offensive odors from escaping the premises.

For information about compliance with odor or other chemical air pollutants standards, contact the Bay Area Air Quality Management District, (BAAQMD), 1-800-334-ODOR (6367), www.baaqmd.gov and Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

- D. 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 the Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>.

Operation

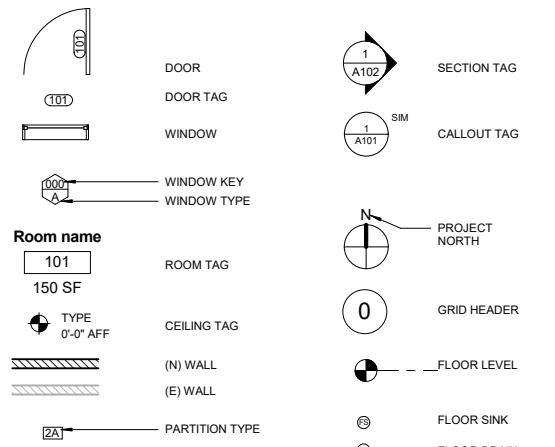
23. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>
24. **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, www.sf-planning.org
25. **Notices Posted at Bars and Entertainment Venues.** Notices urging patrons to leave the establishment and neighborhood in a quiet, peaceful, and orderly fashion and to not litter or block driveways in the neighborhood, shall be well-lit and prominently displayed at all entrances to and exits from the establishment.
For information about compliance, contact the Entertainment Commission, at 415 554-6678, www.sfgov.org/entertainment

EXHIBIT B

A/C	AIR CONDITION(ING) (ED)	KIT	KITCHEN
@	AT		
AB	ANCHOR BOLT	LAV	LAVATORY
ACC	ACCESSIBLE	LBS	POUNDS
ACT	ACOUSTICAL CEILING TILE	LF	LINEAR FEET
ADA	AMERICANS WITH DISABILITIES ACT	LL	LIVE LOAD
ADDL	ADDITIONAL	LTG	LIGHTING
ADDM	ADDENDUM	MAX	MAXIMUM
ADJ	ADJUSTABLE, ADJACENT	MATL	MATERIAL
AFF	ABOVE FINISHED FLOOR	MECH	MECHANICAL
AGGR	AGGREGATE	MDF	MEDIUM DENSITY FIBERBOARD
AHU	AIR HANDLING UNIT	MIN	MINIMUM
AISC	AMERICAN INSTITUTE OF STEEL CONSTRUCTION	MISC	MISCELLANEOUS
ALT	ALTERNATE	MFR	MANUFACTURER
ALUM	ALUMINUM	MTL	METAL, MATERIAL
ANOD	ANODIZED	MTD	MOUNDED
		ME	MATCH EXISTING
BAT	BATTEN	(N)	NEW
BITUM	BITUMINOUS	N/A	NOT APPLICABLE
BD	BOARD	NIC	NOT IN CONTRACT
BLDG	BUILDING	NTS	NOT TO SCALE
BOT	BOTTOM	NO or #	NUMBER
BDRM	BEDROOM		
BLKG	BLOCKING	OC	ON CENTER
BTWN	BETWEEN	OD	OUTSIDE DIAMETER
		OH	OVERHANG
CAB	CABINET	OPP	OPPOSITE
CCTV	CLOSED-CIRCUIT TELEVISION		
CLG	CEILING	PT	POST TENSIONED
CL	CENTER LINE	PTD	PAINTED
CG	CORNER GUARD	PVC	POLYVINYL CHLORIDE (PLASTIC)
CIP	CAST-IN-PLACE	PERF	PERFORATED
CLO	CLOSET	PL	PROPERTY LINE
CLR	CLEAR	PLAM	PLASTIC LAMINATE
CMU	CONCRETE MASONRY UNIT	PLBG	PLUMBING
COL	COLUMN	PLYWD	PLYWOOD
CONC	CONCRETE	PNL	PANEL
CONF	CONFERENCE	PRKG	PARKING
CONSTR	CONSTRUCTION	PSF	POUNDS PER SQUARE FOOT
COORD	COORDINATE, COORDINATION	PSI	POUNDS PER SQUARE INCH
CORR	CORRIDOR	PRELIM	PRELIMINARY
CONT	CONTINUOUS		
CPT	CARPET	QTY	QUANTITY
CT	CERAMIC TILE	QTR	QUARTER
CSWK	CASEWORK		
CSK	COUNTERSINK	REF	REFRIGERATOR
CTR	CENTER	RCP	REFLECTED CEILING PLAN
CTRL	CONTROL	REQD	REQUIRED
		RFI	REQUEST FOR INFORMATION
(E)	EXISTING	RFP	REQUEST FOR PROPOSAL
EA	EACH	RESIL	RESILIENT
EIFS	EXTERIOR INSULATION AND FINISH SYSTEM	RM	ROOM
ELEC	ELECTRIC(IAL)	RO	ROUGH OPENING
ELEV	ELEVATOR	SCHED	SCHEDULE
ENCL	ENCLOSURE	SECT	SECTION
ENVIR	ENVIRONMENT	SHT	SHEET
EQ	EQUAL	SIM	SIMILAR
EQPM	EQUIPMENT	SPEC	SPECIFICATION(S)
ETC	ET CETERA	SST	STAINLESS STEEL
EXT	EXTERIOR	STD	STANDARD
		STOR	STORAGE
FA	FIRE ALARM	STRUCT	STRUCTURAL
FE	FIRE EXTINGUISHER	SUB	SUBSTITUTE
FEC	FIRE EXTINGUISHER CABINET	SYM	SYMBOL
FIN	FINISH	SUSP	SUSPENDED
FIXT	FIXTURE	SSD	SEE STRUCTURAL DRAWINGS
FLR	FLOOR		
FT	FEET	TEL	TELEPHONE
FRP	FIBERGLASS REINFORCED PLASTIC	THK	THICKNESS
FURN	FURNITURE	THRU	THROUGH
		T & B	TOP AND BOTTOM
GA	GAUGE	T & G	TONGUE AND GROOVE
GSM	GALVANIZED SHEET METAL	TEMP	TEMPORARY, TEMPERATURE
GC	GENERAL CONTRACTOR	TV	TELEVISION
GFCI	GROUND FAULT CIRCUIT INTERRUPTER	TYP	TYPICAL
GLU LAM	GLUED LAMINATED BEAM	UL	UNDERWRITERS LABORATORIES
GWB	GYPSUM WALL BOARD	UNO, UON	UNLESS NOTED OTHERWISE
GYM	GYMNASIUM	UTIL	UTILITY
HORIZ	HORIZON	VAR	VARIES, VARIATION
HR	HOUR	VCT	VINYL COMPOSITE TILE
HSS	HOLLOW STRUCTURAL SECTION	VERT	VERTICAL
HT	HEIGHT	VEST	VESTIBULE
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	VIF	VERIFY IN FIELD
		VOL	VOLUME
		VOC	VOLATILE ORGANIC COMPOUND
IN	INCHES	VFY	VERIFY
INCL	INCLUDE		
INFO	INFORMATION	W/	WITH
INSUL	INSULATION	W/O	WITHOUT
		WD	WOOD
JAN	JANITOR	WF	WIDE FLANGE
		WH	WATER HEATER, WALL HUNG
		WT	WEIGHT

1. ALL WORK SHALL CONFORM TO THE 2016 CALIFORNIA BUILDING CODE AND ALL OTHER APPLICABLE CITY OF SAN FRANCISCO AND STATE OF CALIFORNIA REGULATIONS.
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 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.
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 COMMENCING.
6. WRITTEN DIMENSIONS TAKE PRECEDENCE, DO NOT SCALE THE DRAWINGS. ALL DIMENSIONS NOTED "VERIFY" AND (W/F) 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 DIFFERENT 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 ALL SITE CONDITIONS TO REMAIN & HISTORIC.
14. LOCATION OF ALL DOORS ADJACENT TO WALLS IS AS 4" FROM FACE OF HINGE 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 FIRE SPRINKLER AND 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 ALL OF THE FOLLOWING AREAS: BATHROOMS, CONCEALED SPACES, WATER HEATER/FURNACE ROOMS, CLOSETS, LAUNDRY ROOMS, LINEN STORAGE & CHUTE ROOMS, 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.P.A. 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. 24. 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 IIA. 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 SIMILAR MATERIALS SHALL BE COVERED WITH A TARP. COVER TRUCKS HAULING DIRT OR DEBRIS TO AVOID SPILLAGE. 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.

GENERAL NOTES
NTS 8



425 MASON ST

4/17/2018

CLIENT	ARCHITECT	STRUCTURAL ENGINEER	MEP ENGINEER	INTERIOR DESIGNER	LANDSCAPE ARCHITECT
SVWC BUILDING, LLC 505 SANSCOM STREET SUITE 400 SAN FRANCISCO, CA 94111	STANTON ARCHITECTURE 1501 MARIPOSA STREET SUITE 328 SAN FRANCISCO, CA 94107	DCI ENGINEERS 1 POST STREET SUITE 1050 SAN FRANCISCO, CA 94104	ROBISON ENGINEERING INC 19401 40TH AVE WEST SUITE 302 LYNNWOOD, WA, 98036	DESIGN FORCE CORP 2727 W 5TH AVE DENVER, CO, 80204	BRUCE JETT ASSOCIATES, INC 2 THEATRE SQUARE SUITE 218 ORINDA, CA, 94563
JON CUMMINGS T. 619.376.1850	MICHAEL STANTON, FAIA, LEED AP T [415] 865.9600 mstanton@stantonarchitecture.com	STEVE LEPISTO T. 415.638.8914 slepiсто@dcি-engineers.com	MARK ROBISON T. 206.364.3343 mrobison@robisonengineering.com	ROXANNE FRANCY T. 303.824.6100 rfrancy@designforcecorp.com	JESSE MARKMAN T. 952.254.5422 jessem@jett.land.com

PROJECT SUMMARY	3
	NTS

A000	COVERSHEET
A001	REFERENCE IMAGES
A002	REFERENCE PERMIT
A100	EXISTING SITE PLAN
A101	PROPOSED SITE PLAN
A105	WASTE MANAGEMENT PLAN
A200	FLOOR PLAN - BASEMENT
A201	FLOOR PLAN - LEVEL 1
A202	FLOOR PLAN - MEZZANINE
A203	FLOOR PLAN - LEVEL 2
A206	FLOOR PLAN - LEVEL 8 - ROOF TERRACE
A300	MASON STREET ELEVATION
A301	DERBY STREET ELEVATION
A302	NORTH FAÇADE ELEVATIONS
A303	WEST FAÇADE ELEVATIONS
A320	(E) LOBBY INTERIOR ELEVATIONS
A321	(N) LOBBY INTERIOR ELEVATIONS
A404	ENLARGED PLANS - LOBBY
A405	ENLARGED PLANS - LOBBY BAR
A418	ENLARGED PLANS - ROOFTOP
A419	ENLARGED PLANS - ROOFTOP
A420	DERBY STREET IMPROVEMENTS
A600	RCP - BASEMENT
A601	RCP - LEVEL 1
A602	RCP - MEZZANINE
A603	RCP - LEVEL 2
A801	ENTRY DETAILS
A902	INTERIOR DETAILS

APPLICABLE CODES	
BUILDING	2016 CALIFORNIA BUILDING CODE (CBC) SAN FRANCISCO BUILDING CODE SAN FRANCISCO PLANNING CODE
ELECTRIC	CALIFORNIA ENVIRONMENTAL QUALITY ACT
MECHANICAL	2016 CALIFORNIA ELECTRICAL CODE (CEC)
PLUMBING	2016 CALIFORNIA MECHANICAL CODE (CMC)
ACCESSIBILITY	2016 CALIFORNIA PLUMBING CODE (CPC)
ENERGY	MORE STRINGENT OF CALIFORNIA BUILDING CODE OR APPLICABLE FEDERAL LAW
FIRE PREVENTION	2016 CALIFORNIA TITLE 24 - CALIFORNIA ENERGY CODE 2016 CALIFORNIA FIRE CODE (CFC) AND LOCAL ORDINANCE
1. PARCEL ADDRESS	PARCEL: ADDRESS: BLOCK 0306 / LOT 002 425 MASON ST SAN FRANCISCO, CA 94102
2. ZONING	C-3-G: DOWNTOWN - GENERAL
3. OCCUPANCY	EXISTING USE: OFFICE (B) PROPOSED USE: HOTEL (R1)
4. TYPE OF CONSTRUCTION	IB FULLY SPRINKLERED
5. HEIGHT & BULK	80-130-F EXISTING HEIGHT 95' HIGHRISE
6. HISTORIC CATEGORY	YEAR BUILT: 1922 ARTICLE 11: IV, CONTRIBUTORY KEARNY-MASON-SUTTER DISTRICT
7. STORIES	7 & BASEMENT TOTAL KEYS: 77 ROOMS
8. ADA ROOMS	312 412 512 612 712
9. HEARING IMPAIRED ROOMS	

CODE INFORMATION	2
	NTS

SCOPE OF WORK

THIS PROJECT PROPOSES TO CONVERT A VACANT OFFICE BUILDING (FORMERLY THE SPRING VALLEY WATER COMPANY BUILDING) INTO A VISITOR HOTEL.

INTERIOR CHANGES

THE EXISTING BUILDING IS IN SHELL CONDITION. ALL EXISTING PARTITIONS, DOORS AND OTHER INTERIOR IMPROVEMENTS HAVE BEEN REMOVED ON ALL LEVELS EXCEPT GRADE. AT STREET LEVEL, THE RENOVATION INTO A HOTEL WILL INCORPORATE THE HISTORIC ELEMENTS INTO THE NEW HOTEL WHICH INCLUDE: THE EXISTING WOOD VESTIBULE, WOOD SCREEN WALLS, COLUMNS, CEILING DETAILING, MARBLE CLOCK AND MURAL.

EXTERIOR CHANGES

EXTERIOR CHANGES TO THE BUILDING ARE LIMITED TO:

- (1) REFURBISHING AND REPAINTING
- (2) REOPENING EXISTING LOBBY WINDOW OPENINGS AT DERBY STREET FOR NEW WINDOWS
- (3) INSTALLING A NEW GLASS CANOPY AND SIGN AT BUILDING ENTRY
- (4) NEW FLAGS AND BANNERS ON THE EXTERIOR
- (5) STAIR PENTHOUSE ENCLOSURE AT ROOF
- (6) REPLACE STOREFRONT AT LOBBY LEVEL
- (7) REPAIR AND REPLACE BROKEN WINDOW PANES ON LEVELS 2-7

NON-INFRINGEMENT STATEMENT

THE BUILDING RENOVATIONS SHOWN ON THE DRAWINGS UNDER MY RESPONSIBLE CHARGE DO NOT AFFECT THE DESIGN OR OPERATION OF EXISTING SMOKE CONTROL SYSTEMS

SHEET INDEX	PROJECT SUMMARY
NTS	NTS

4



<u>STRUCTURAL ENGINEER</u>	<u>MEP ENGINEER</u>	<u>INTERIOR DESIGNER</u>	<u>LANDSCAPE ARCHITECT</u>
DCI ENGINEERS 1 POST STREET SUITE 1050 SAN FRANCISCO, CA 94104	ROBISON ENGINEERING INC 19401 40TH AVE WEST SUITE 302 LYNNWOOD, WA, 98036	DESIGN FORCE CORP 2727 W 5TH AVE DENVER, CO, 80204	BRUCE JETT ASSOCIATES, INC 2 THEATRE SQUARE SUITE 218 ORINDA, CA, 94563
STEVE LEPISTO T. 415.638.8914 slepiсто@dcı-engineers.com	MARK ROBISON T. 206.364.3343 mrobison@robisonengineering.com	ROXANNE FRANCY T. 303.824.6100 rfrancy@designforcecorp.com	JESSE MARKMAN T. 952.254.5422 jessel@jet.land.com

PROJECT SUMMARY
ANTS 3

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**SWVC Building,
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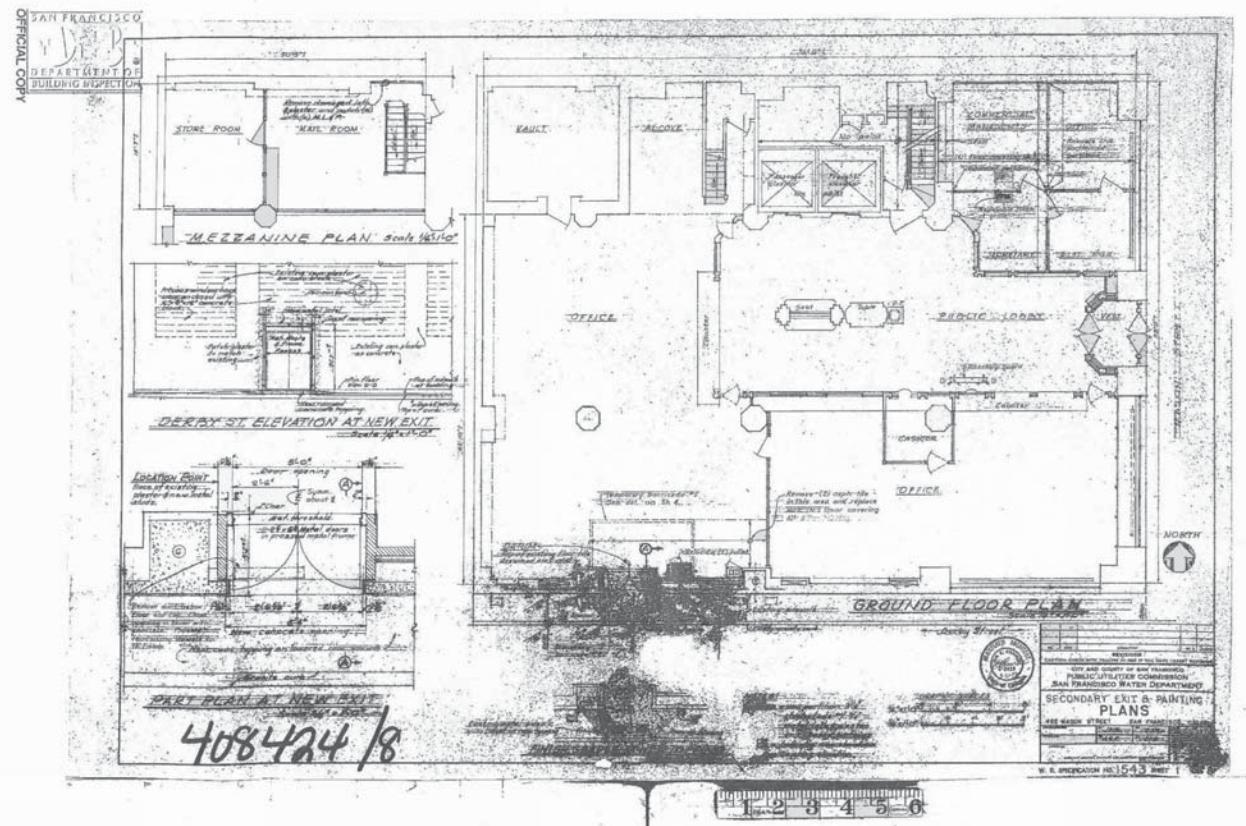
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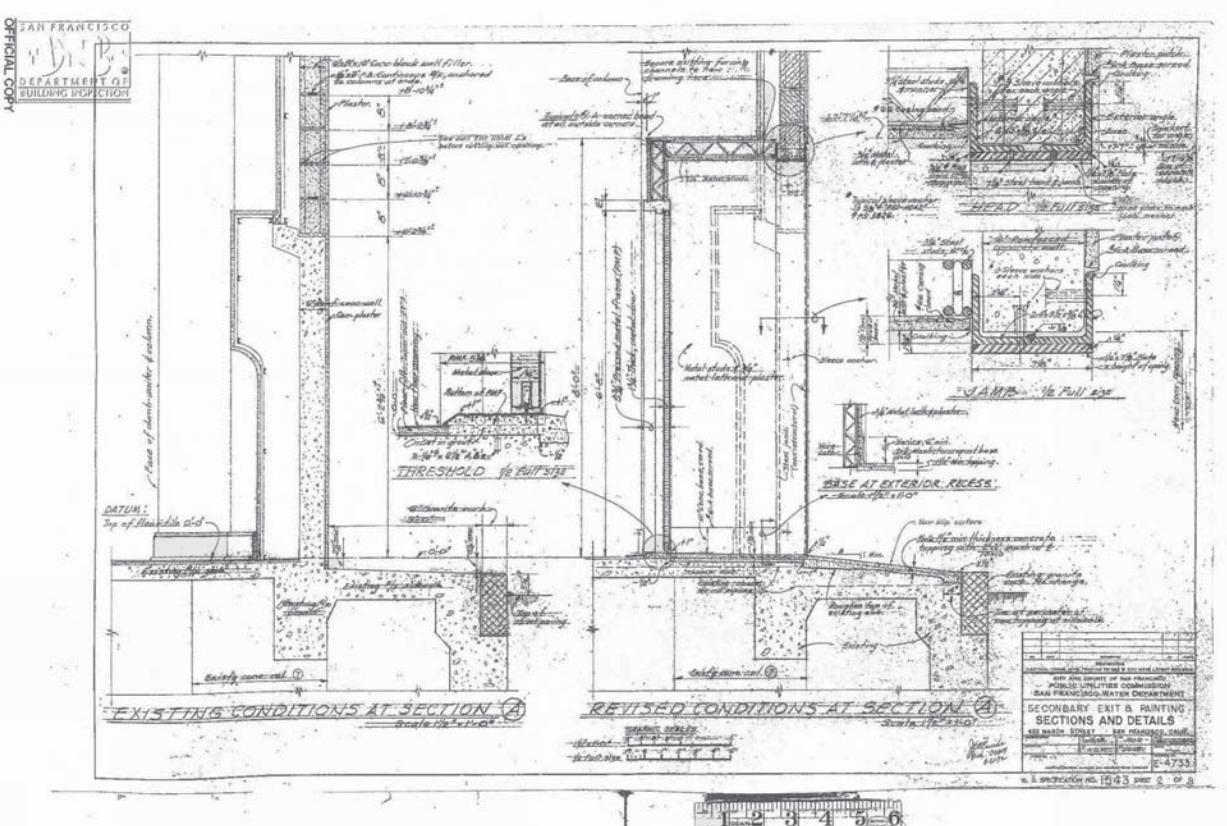
A001

EXISTING EXTERIOR VIEWS	EXISTING INTERIOR VIEWS	INTERIOR HISTORICAL FEATURES TO REMAIN:
		A. MURAL AND CLOCK
		B. ENTRY VESTIBULE WOODWORK
		C. COLUMN AND PILASTER CAPITALS
		D. PARTIAL HEIGHT PARTITIONS
		E. STAIR RAILINGS
		ADDITIONAL VOLUNTARY ITEMS TO REMAIN:
		- BEAM TRIM - MEZZANINE BALUSTRADE - VAULT DOOR - MARBLE SURROUND AT ELEVATOR
LIST OF ITEMS UNDER EASEMENT	LETTER OF DETERMINATION FROM SF HERITAGE	HISTORIC IMAGES
<p>EXHIBIT B</p> <p>Features</p> <p>All undefined terms used in this Exhibit B shall have the meanings given to such terms in the Conservation Easement to which this Exhibit B is attached.</p> <ol style="list-style-type: none"> 1. Exterior Features <ol style="list-style-type: none"> A. Ground floor cut/cast stone entrance and window surrounds and ground floor cornice, including Spring Valley Water Company engraving. B. Ground floor center entry door surround and window frame above such entry door, provided that if Grantor must widen such entry door to comply with then-applicable law, such widened entry door shall be accommodated between the Building's interior pilasters existing as of the Effective Date and located on each inner side of such center entry door and sidelights. C. All exterior windows located above the ground floor. If Grantor must replace such windows, the new windows shall match the exterior windows existing as of the Effective Date in size, shape, section and materials. If Grantor must provide acoustical adjustments to such exterior windows to accommodate Grantor's use of the Building, such acoustical adjustments shall be made to the interior side of such exterior windows and shall not reduce the glazing dimensions existing as of Effective Date. D. Rooftop cast concrete elevator tower and barrel tile roof/cornice. E. Exterior fire escape. 2. Interior Features <ol style="list-style-type: none"> A. Mural located on ground floor and clock located over the ground floor elevator bank, both of which shall remain in the location in which they were in as of the Effective Date and shall remain exposed for public view. An item shall be deemed "exposed for public view" if a person can see such item from a Building entryway. B. Ground floor entryway vestibule woodwork, which shall remain in the location in which it was in as of the Effective Date and shall remain exposed for public view. C. All ground floor column and pilaster capitals, which shall remain in the location in which they were in as of the Effective Date and which shall remain exposed for public view. D. Ground floor partial-height, finished wood partitions; provided that such partitions may be adapted or relocated within the Building. E. Ground floor stair railings; provided that such railings may be adapted for use in any new stairs that Grantor must install in the Building to comply with then-applicable law. 	<p>SF HERITAGE www.sfheritage.org 2007 FRANKLIN STREET SAN FRANCISCO, CA 94108 415.360.3000</p> <p>November 15, 2016</p> <p>Michael Stanton Stanton Architecture 1501 Mariposa Street, Suite 328 San Francisco, CA 94107</p> <p>Re: 425 Mason Street – Easement Review</p> <p>Dear Michael:</p> <p>Thank you for your recent on-site presentation to the Projects + Policy Committee regarding proposed alterations and improvements to 425 Mason Street, which is protected by a conservation easement held by San Francisco Heritage (Heritage). Pursuant to Paragraph 2 of the Grant of Conservation Easement dated June 12, 2007, changes to the exterior of the building and certain interior features require the prior express written approval of Heritage. Heritage has reviewed your request and grants conceptual approval; the committee's final approval is contingent on additional design refinements, as described below.</p> <p>Although generally sensitive to the building's historic features, the concept as presented does not strictly comply with all aspects of the easement agreement. Most significantly, the proposed insertion of a fire-protected stairway and a new mezzanine level will obstruct views to certain columns and pilasters that are supposed to remain visible under the terms of the easement. The committee accepts the need for the new fire-protected stairway and the resulting impact on the beams, pilasters, and columns at the ground-floor level.</p> <p>Heritage is also prepared to grant discretionary approval of the proposed mezzanine level in exchange for greater retention and protection of historic fabric at the ground-floor level, specifically:</p> <ul style="list-style-type: none"> • Ground-floor, partial-height wood partitions: Although the easement states that "partitions may be adapted or relocated within the Building," Heritage requests that partitions on the south and west sides of the lobby area be retained largely in the same footprint, while recognizing that certain sections will need to be removed for circulation to the bar area and other spaces. Limited modification of the south partition to align the west partition with the new mezzanine may also be acceptable if performed in a manner that preserves the integrity of the partitions. Among other benefits, this would maintain the historic delineation between back and front of house functions. The committee approves the proposed relocation of the partitions on the northeast corner of the lobby. <p>As a global comment, Heritage believes that it would be beneficial to retain a preservation consultant to answer details regarding treatment of specific historic features. Thank you, again, for your diligence and creativity in addressing the committee's comments to date. We look forward to reviewing refined plans before offering Heritage's final approval.</p> <p>Sincerely,</p> <p>Mike Buhler President & CEO</p>	 <p>EXTERIOR IMAGE: SEPT 29, 1923 (SOURCE: SAN FRANCISCO EXAMINER)</p> <p>EXTERIOR IMAGE: JAN 20, 1923 (SOURCE: SAN FRANCISCO EXAMINER)</p>

REFERENCE PERMIT: GROUND FLOOR



REFERENCE PERMIT: (N) DERBY ST EXIT DETAILS



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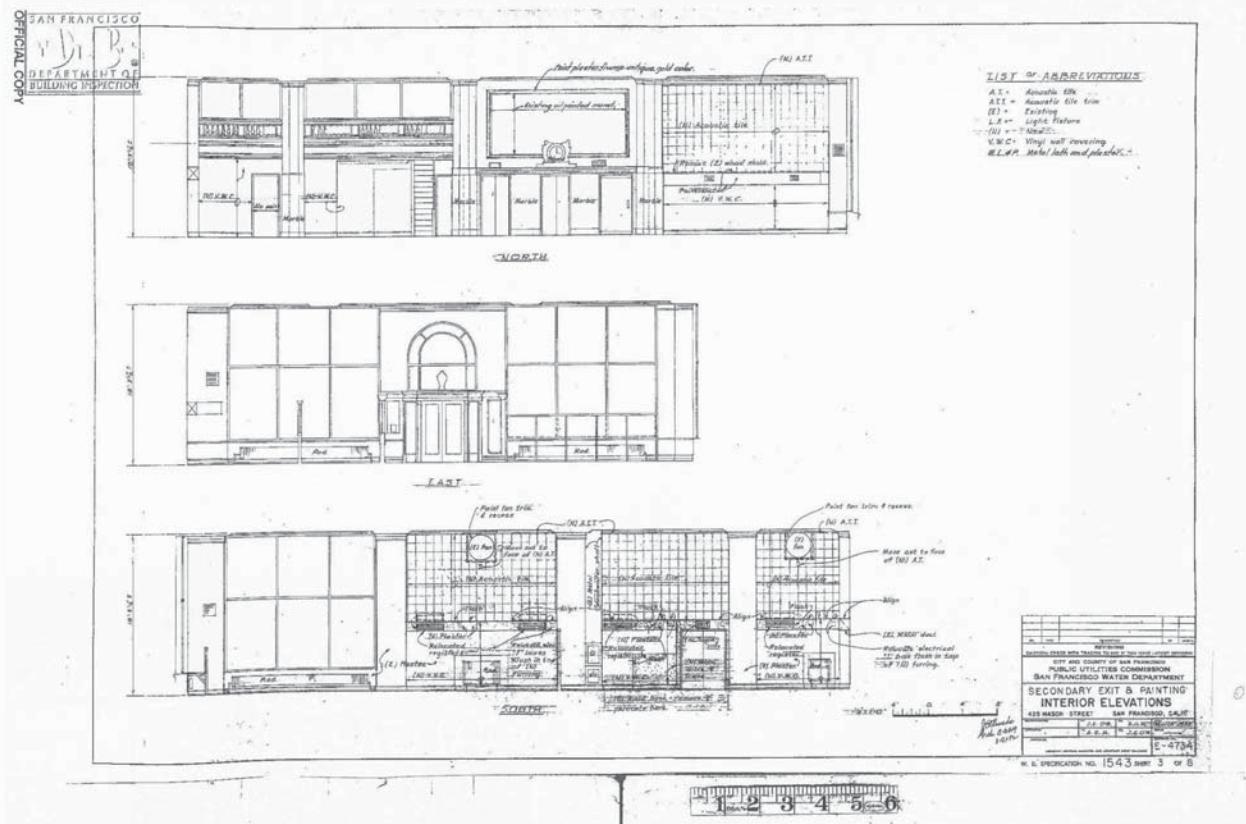
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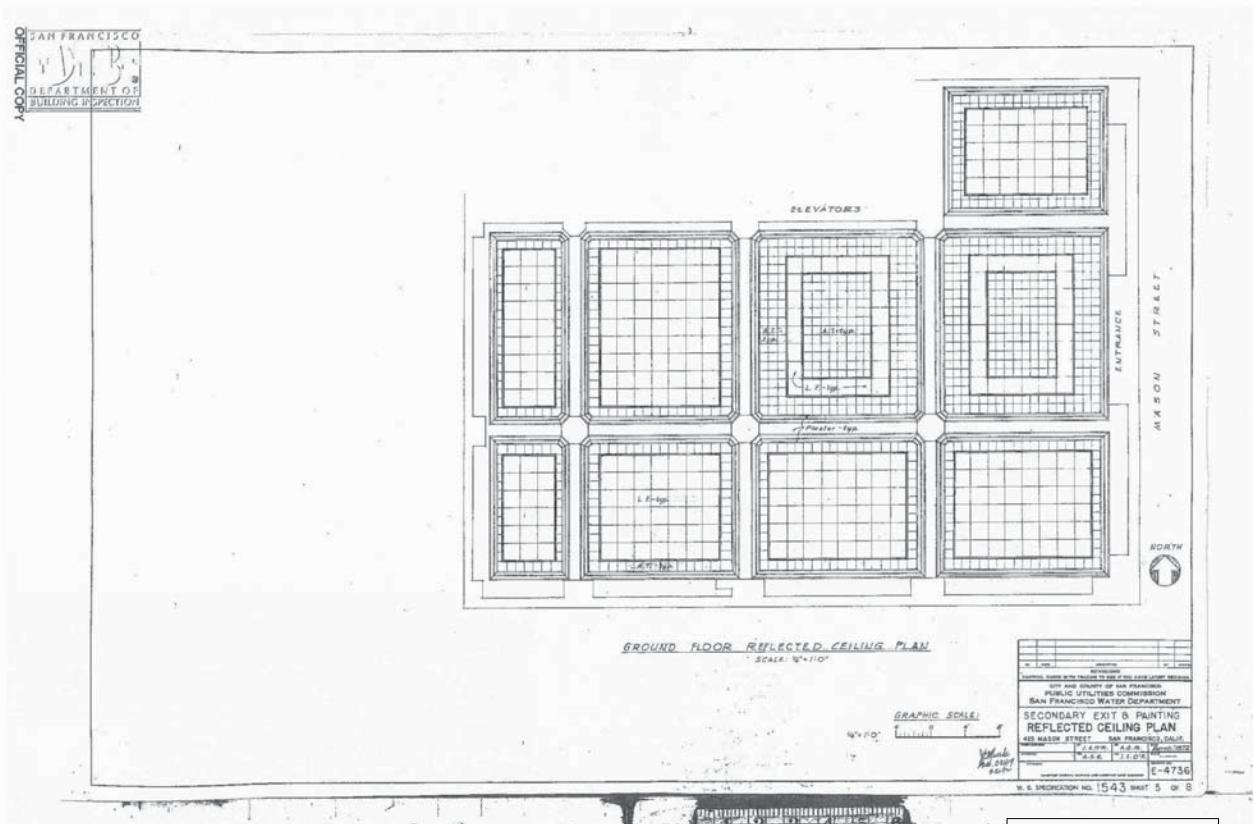
425 Mason St Hotel

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REFERENCE PERMIT: INTERIOR ELEVATIONS



REFERENCE PERMIT: GROUND FLOOR RCP



LENDERED ARCHITECT
MICHAEL STANTON
C-115519
1/31/19

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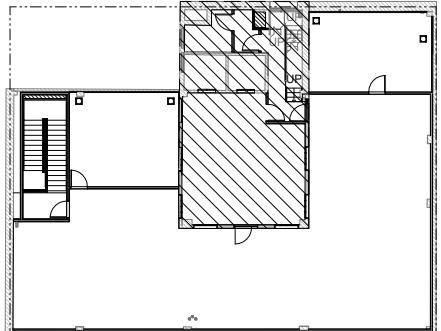
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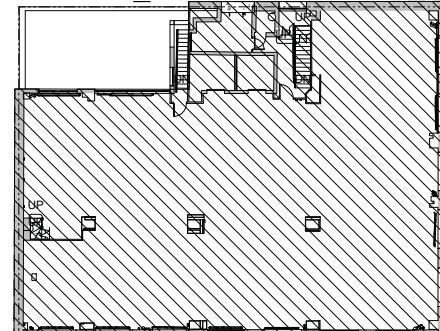
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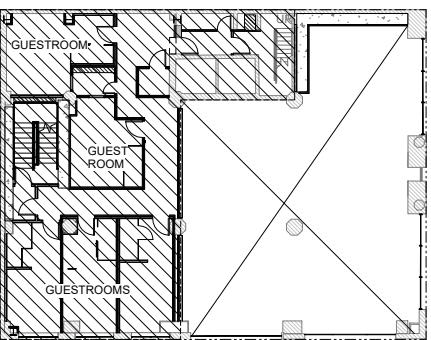
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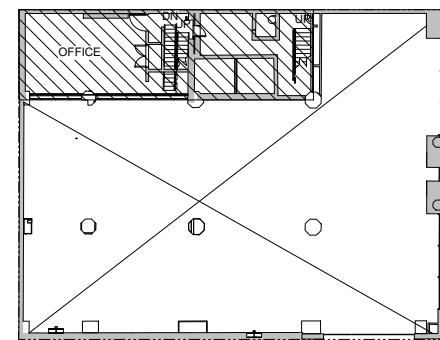
ROOFTOP - PROPOSED



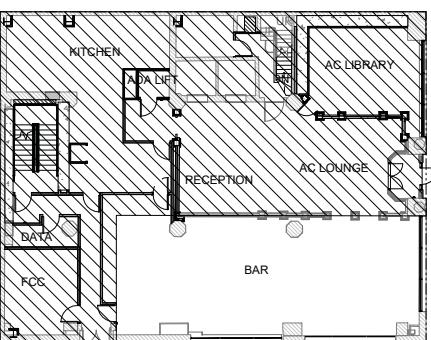
TYPICAL LEVEL - EXISTING & PROPOSED



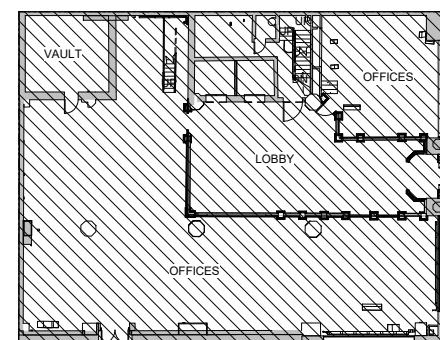
MEZZANINE - PROPOSED



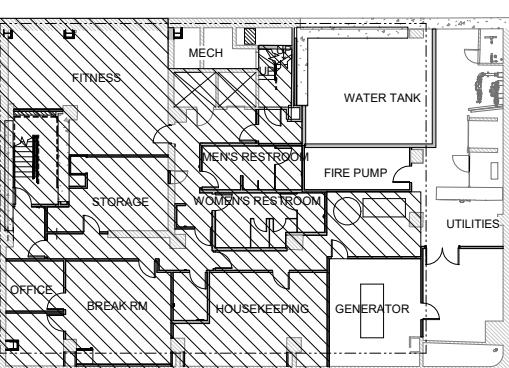
MEZZANINE - EXISTING



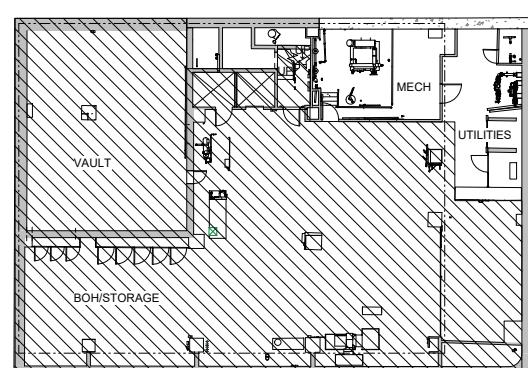
LEVEL 1 - PROPOSED



LEVEL 1 - EXISTING



BASEMENT - PROPOSED



BASEMENT - EXISTING

AREA INCLUDED IN GROSS FAR CALCULATIONS
 AREA NOT INCLUDED IN GROSS FAR CALCULATIONS

FLOOR LEVEL	EXISTING		PROPOSED	
	GROSS FLOOR AREA	EXEMPTIONS	GROSS FLOOR AREA	EXEMPTIONS
BASEMENT	4,965 GSF	MECH AREA (b)(1): 582 SF UTILITIES (b)(1): 572 SF	3,798 GSF	WATER TANK (b)(1): 545 SF UTILITIES (b)(1): 1,055 SF GENERATOR (b)(1): 392 SF MECH (b)(1): 197 SF
LEVEL 1	4,605 GSF	NONE	3,345 GSF	BAR (b)(14): 1,260 SF
MEZZANINE	881 GSF	NONE	2,313 GSF	NONE
TYPICAL FLOOR (X6)	4,219 GSF	NONE	4,219 GSF	NONE
LEVEL 8 (ROOF)	955 GSF	NONE	955 GSF	STAIR PENTHOUSE (b)(3): 205 SF
TOTALS	36,720 GSF	1,254 SF	35,725	3,654 SF

FAR CALCULATION (PARCEL IS 4,647 SF)	7.9	7.7

FAR CALCULATIONS
NTS

6

Key	Totals Room Types per Level	Mezz	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Totals per Room Type	%
K	5	11	11	11	11	11	12	72	94%	
K ADA	0	0	1	1	1	0	4	5%		
K ADA-R	0	1	0	0	0	0	1	1%		
X01	K	K	K	K	K	K		77		
X02	K	K	K	K	K	K				
X03	K	K*	K*	K*	K*	K				
X04	K	K*	K*	K*	K*	K				
X05	K	K	K	K	K	K				
X06	K	K	K	K	K	K				
X07	K	K	K	K	K	K				
X08	K	K	K	K	K	K				
X09	K	K	K	K	K	K				
X10	K	K	K	K	K	K				
X11	K	K	K	K	K	K				
X12	K	K ADA-R	K ADA*	K ADA	K ADA	K ADA	K ADA	K		
X13	K									
X14	K									

Grand total	
KEY:	
K = KING GUESTROOM	
K ADA = KING ACCESSIBLE GUESTROOM	
K ADA-R = KING ACCESSIBLE GUESTROOM WITH ROLL-IN SHOWER	
* = COMMUNICATION FEATURES	

ROOM KEY SCHEDULE				
NTS				
5				

PLUMBING FIXTURE COUNT GROUP A			
#	Level	Name	Area
101	LEVEL 1	AC LOUNGE	471 SF
102	LEVEL 1	AC LIBRARY	320 SF
103	LEVEL 1	BAR/BREAKFAST	1005 SF
104	LEVEL 1	RECEPTION	310 SF
107	LEVEL 1	ROOF PENTHOUSE ROOFTOP BAR	493 SF
714	LEVEL 1	ROOF PENTHOUSE ROOF TERRACE	2080 SF
B03	BASEMENT	BREAK RM	344 SF
			5024 SF

5058 SF/LOAD FACTOR OF 30 = 169 OCCUPANTS			
PLUMBING FIXTURE COUNT GROUP B			
#	Level	Name	Area
106	LEVEL 1	KITCHEN	610 SF
B01	BASEMENT	FITNESS	544 SF
B04	BASEMENT	OFFICE	95 SF
B05	BASEMENT	ENGINEER'S OFFICE	97 SF
B07	BASEMENT	HOUSEKEEPING	394 SF
			1739 SF

1726 SF/LOAD FACTOR OF 200 = 9 OCCUPANTS			
PLUMBING FIXTURE COUNT GROUP S			
#	Level	Name	Area
108	LEVEL 1	FCC	197 SF
B02	BASEMENT	STORAGE	241 SF
B18	BASEMENT	TRASH ROOM	234 SF
			722 SF

825 SF/LOAD FACTOR OF 200 = 5 OCCUPANTS			
PLUMBING FIXTURE COUNT GROUP U			
#	Level	Name	Area
B15	BASEMENT	FIRE PUMP	146 SF
B16	BASEMENT	WATER TANK	441 SF
B17	BASEMENT	GENERATOR	320 SF
			907 SF

862 SF/LOAD FACTOR OF 200 = 5 OCCUPANTS

MINIMUM PLUMBING FIXTURES PER CA PLUMBING CODE TABLE 422.1

TOTAL: 188 OCCUPANTS (94 MALE, 94 FEMALE)

GROUP A	WATER CLOSETS		URINALS		LAVATORIES	
	REQUIRED	PROVIDED	REQUIRED	PROVIDED	REQUIRED	PROVIDED
MALE	2	1	1	2	1	3
FEMALE	3	3	0	0	1	3
UNISEX	0	2	0	0	0	2

<p

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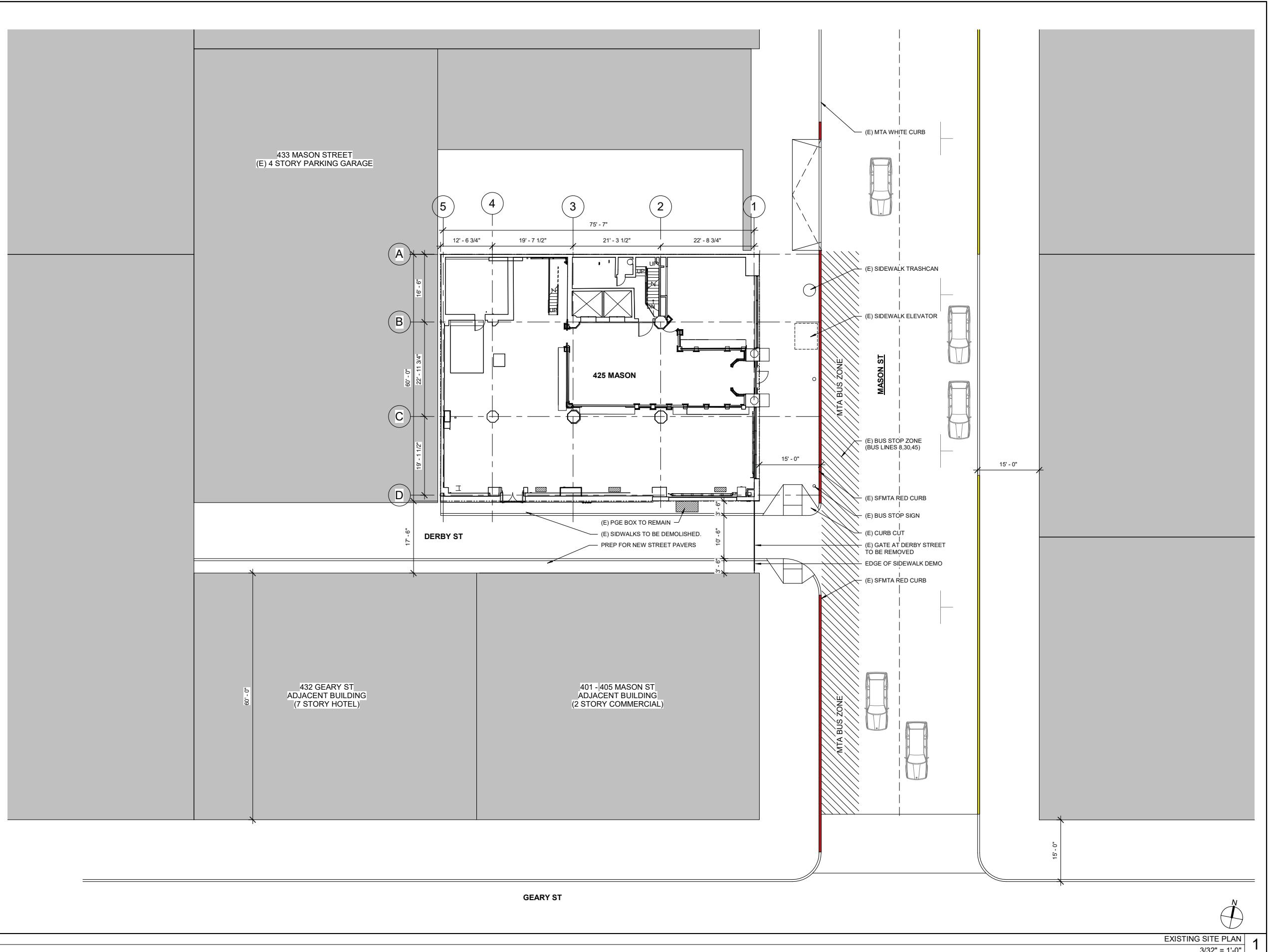
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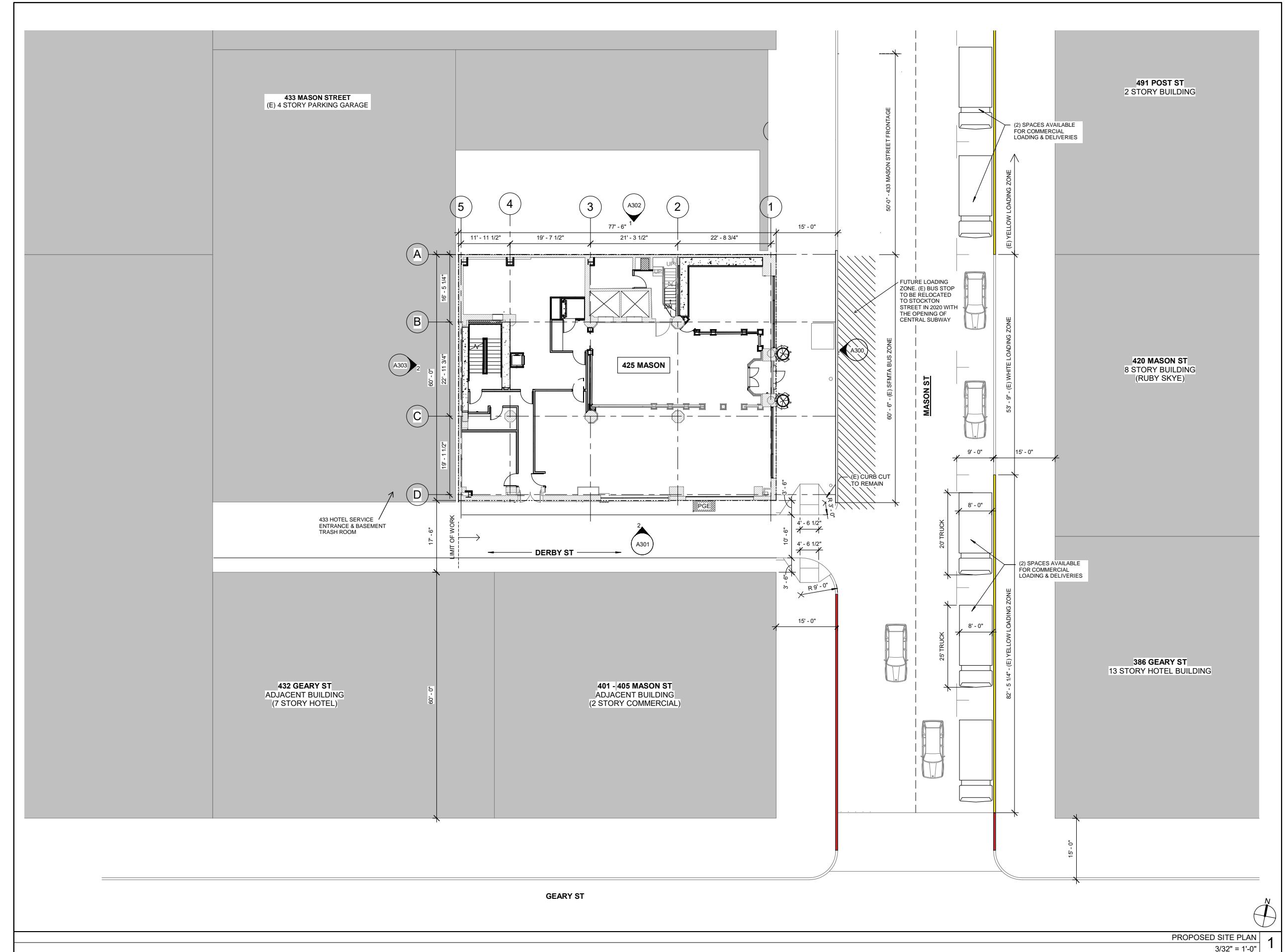
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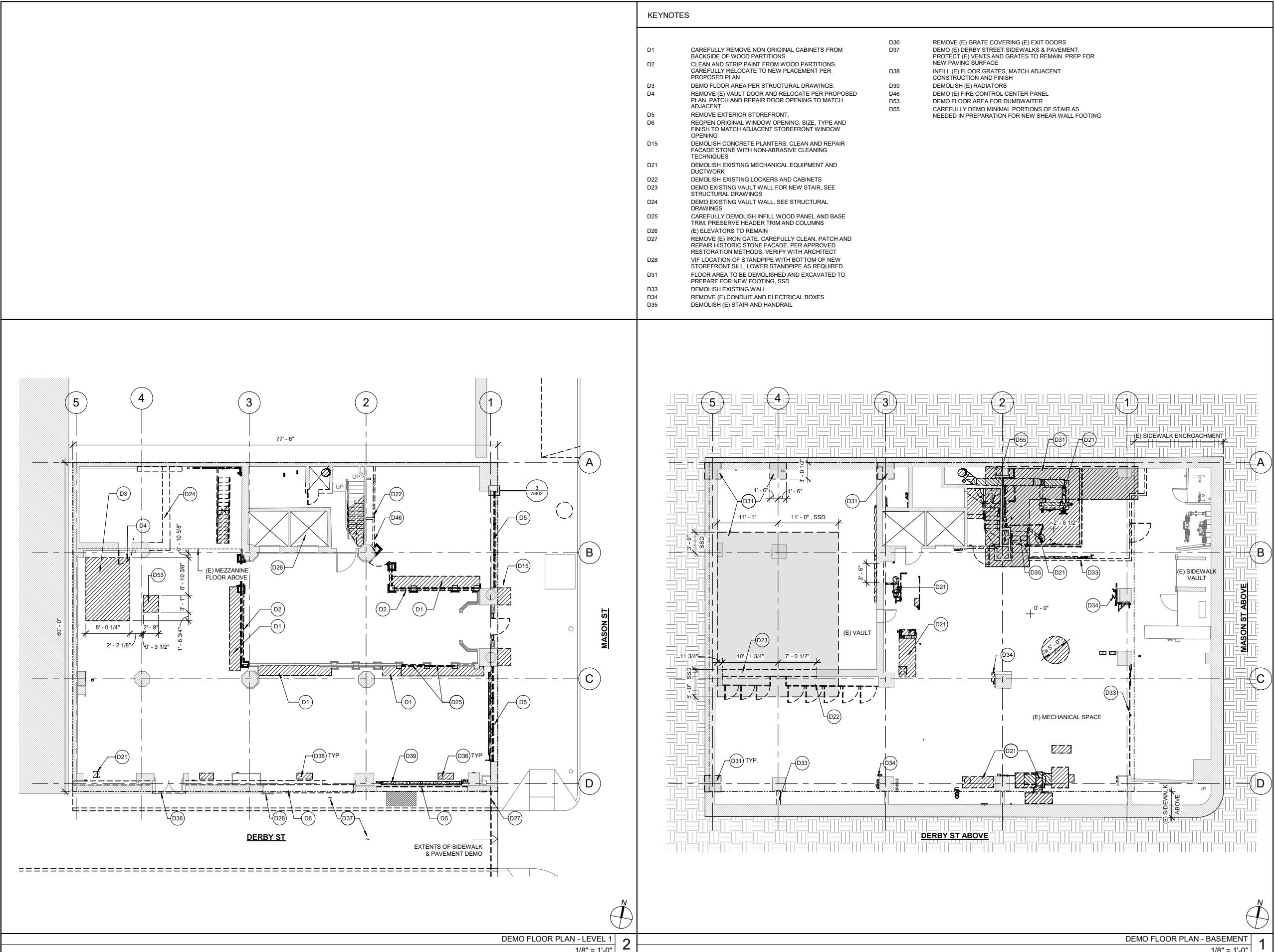
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DEMO FLOOR PLAN - LEVEL B,1

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DEMO FLOOR PLAN - LEVEL M,2

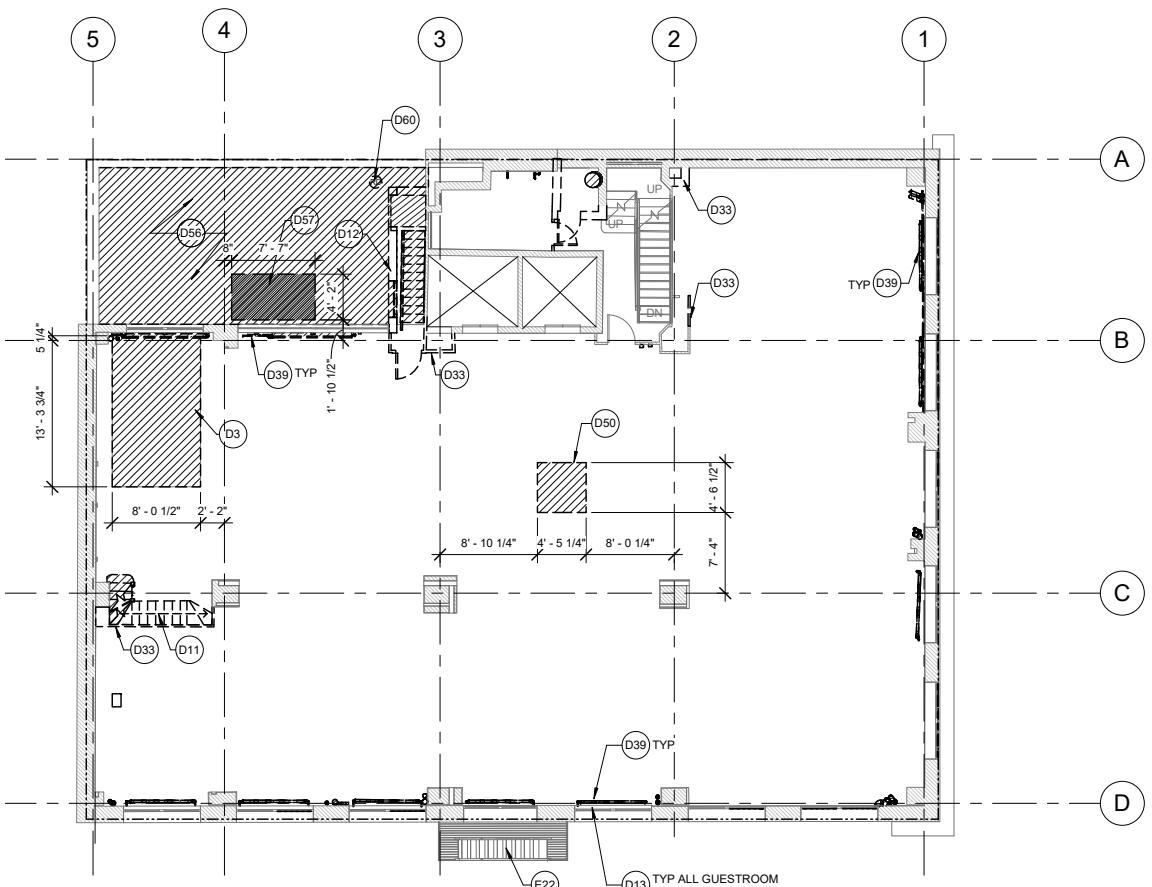
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KEYNOTES

- D3 DEMO FLOOR AREA PER STRUCTURAL DRAWINGS.
- D5 REMOVE EXTERIOR STOREFRONT.
- D6 REOPEN ORIGINAL WINDOW OPENING. SIZE, TYPE AND FINISH TO MATCH ADJACENT STOREFRONT WINDOW OPENING
- D7 DEMOLISH STOREFRONT WALL
- D8 CAREFULLY REMOVE BALUSTRADE AND STORE FOR RELOCATION
- D9 DEMOLISH STAIR UP TO 2ND LEVEL. PATCH AND REPAIR TO MATCH ADJACENT SURFACES
- D10 DEMOLISH BUILT-IN CABINET/CLOSET
- D11 DEMOLISH SECONDARY STAIR, ENCLOSURE AND HAND RAILS ON ALL LEVELS WHERE OCCURS
- D12 DEMOLISH EXTERIOR STAIR ENCLOSURE. PATCH ROOM TO MATCH ADJACENT CONSTRUCTION AND FINISH. INFILL EXTERIOR WALL TO MATCH ADJACENT FINISH
- D13 REMOVE BROKEN, CRACKED AND DAMAGED WINDOW PANES. SEE EXTERIOR ELEVATIONS FOR LOCATIONS
- D30 CUT (N) WINDOW OPENING FOR FIXED WINDOW. MATCH ADJACENT WINDOW STYLE AND FINISH. SEE PLAN FOR LOCATION
- D33 DEMOLISH EXISTING WALL
- D39 DEMOLISH (E) RADIATORS
- D50 DEMO FLOOR AREA FOR (N) SHAFT OPENINGS. COORDINATE WITH MECHANICAL DRAWINGS
- D54 DEMO MEZZANINE FLOOR AREA FOR (N) ADA LIFT
- D56 DEMOLISH (E) ROOFING LAYER, INSULATION, ETC. TO TOP OF (E) ROOF SLAB. PREP FOR NEW ROOF MEMBRANE
- D57 DEMO EXISTING STEEL DECK OVER MEZZANINE FOR (N) LIGHTWELL. SSD
- D60 EXISTING ROOF DRAIN COVER TO BE REMOVED. PREP FOR NEW ROOF DRAIN PER PROPOSED PLAN
- (E) FIRE ESCAPE TO REMAIN
- E22



DEMO FLOOR PLAN - LEVEL 2
1/8" = 1'-0"

DEMO FLOOR PLAN - MEZZANINE
1/8" = 1'-0"



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DEMO FLOOR PLAN - LEVEL 3-6, 7

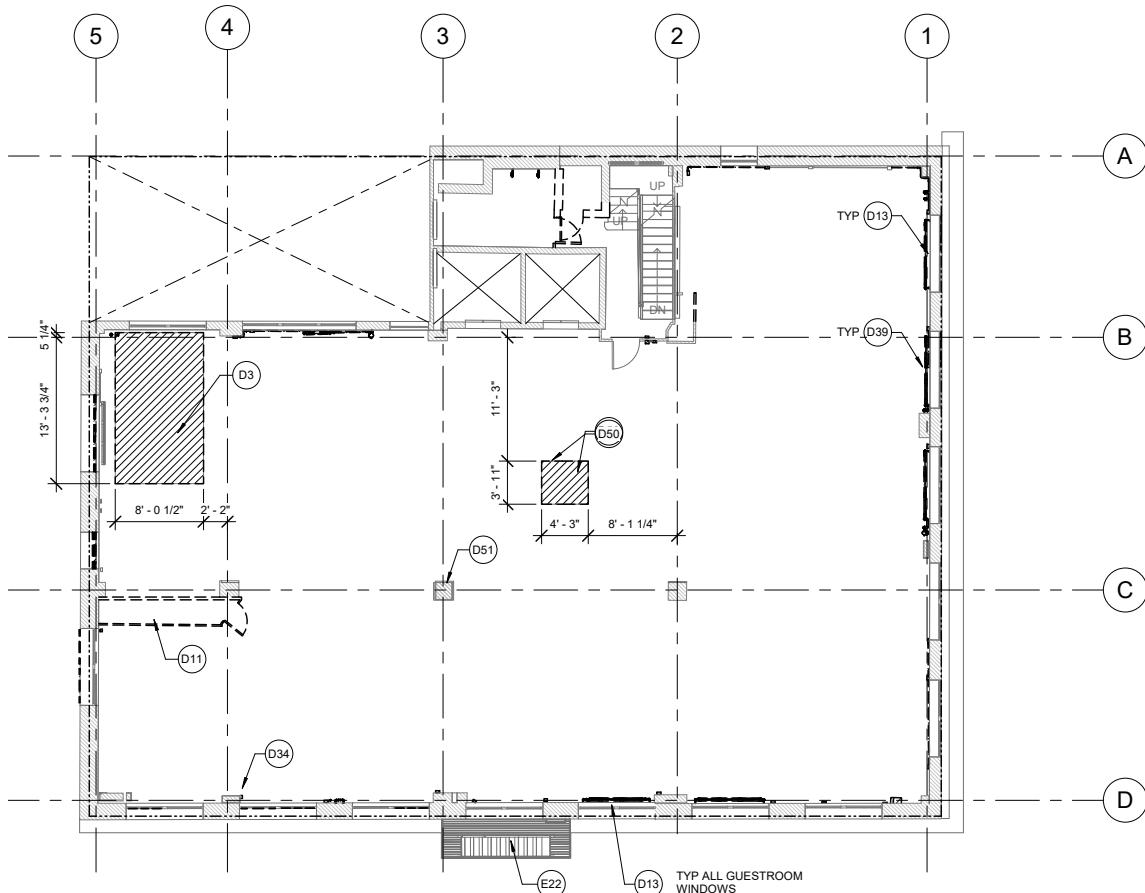
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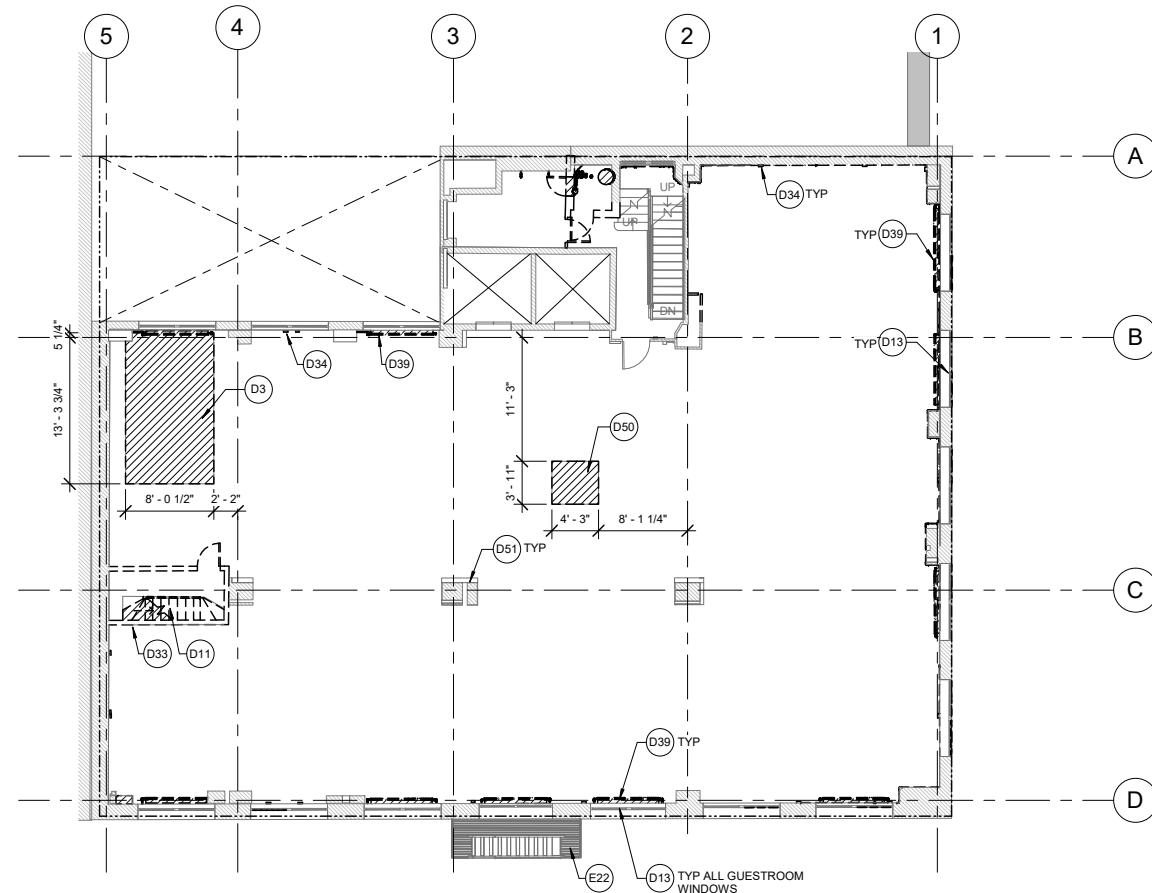
KEYNOTES

- D3 DEMO FLOOR AREA PER STRUCTURAL DRAWINGS.
- D11 DEMOLISH SECONDARY STAIR, ENCLOSURE AND HAND RAILS ON ALL LEVELS WHERE OCCURS
- D13 REMOVE BROKEN, CRACKED AND DAMAGED WINDOW PANES, SEE EXTERIOR ELEVATIONS FOR LOCATIONS
- D33 DEMOLISH EXISTING WALL
- D34 REMOVE (E) CONDUIT AND ELECTRICAL BOXES
- D39 DEMOLISH (E) RADIATORS
- D50 DEMO FLOOR AREA FOR (N) SHAFT OPENINGS, COORDINATE WITH MECHANICAL DRAWINGS
- D51 DEMO ALL BUILT UP CONSTRUCTION AROUND (E) COLUMNS TO EXPOSE STRUCTURAL COLUMN (E) FIRE ESCAPE TO REMAIN
- E22



DEMO FLOOR PLAN - LEVEL 7
1/8" = 1'-0"

3



DEMO FLOOR PLAN - LEVEL 3 (LEVEL 4-6 SIM)
1/8" = 1'-0"

1

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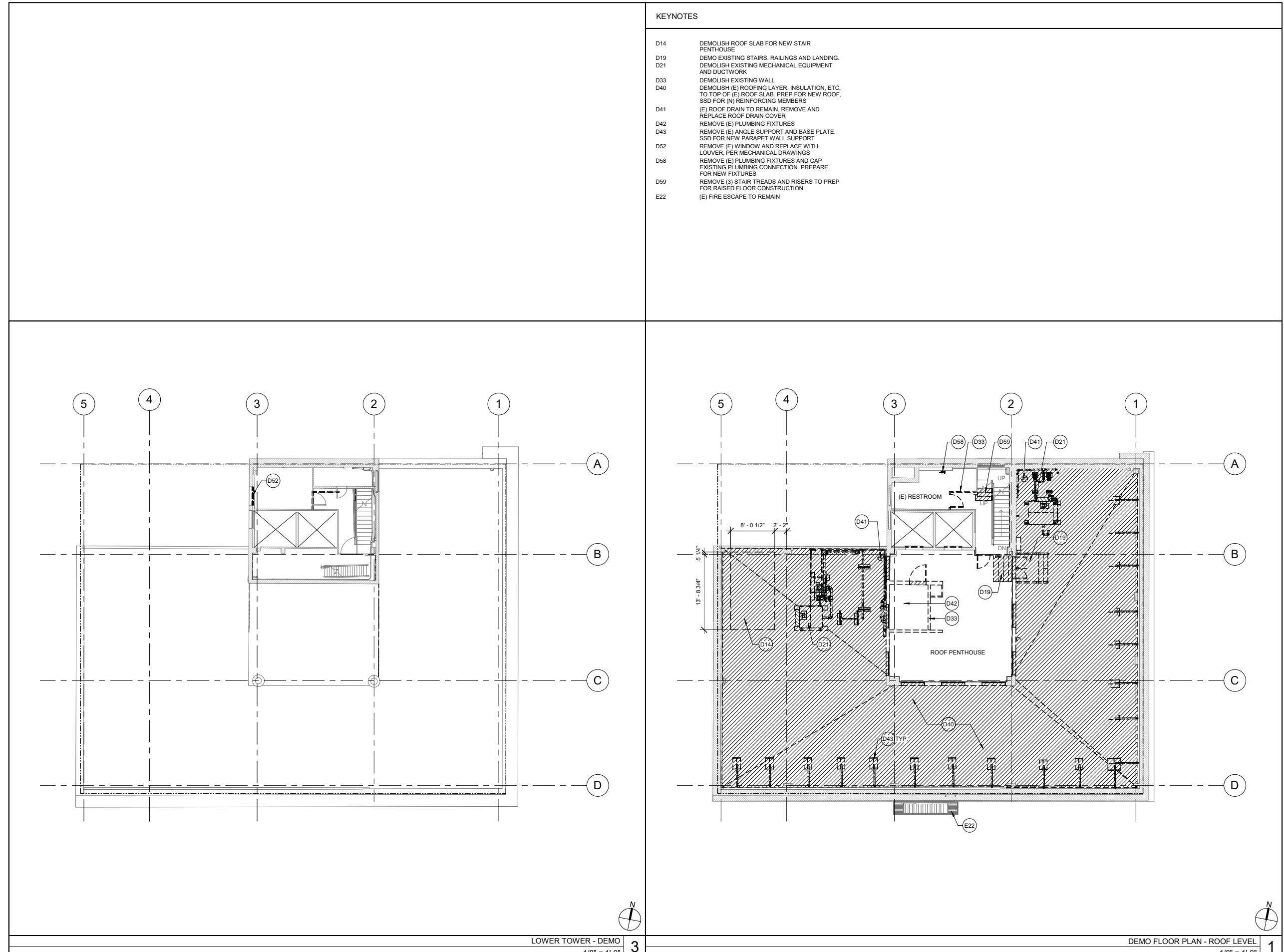
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DEMO FLOOR PLAN - LEVEL 8, LOWER
TOWER

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PROPOSED FLOOR PLAN - LEVEL B,1

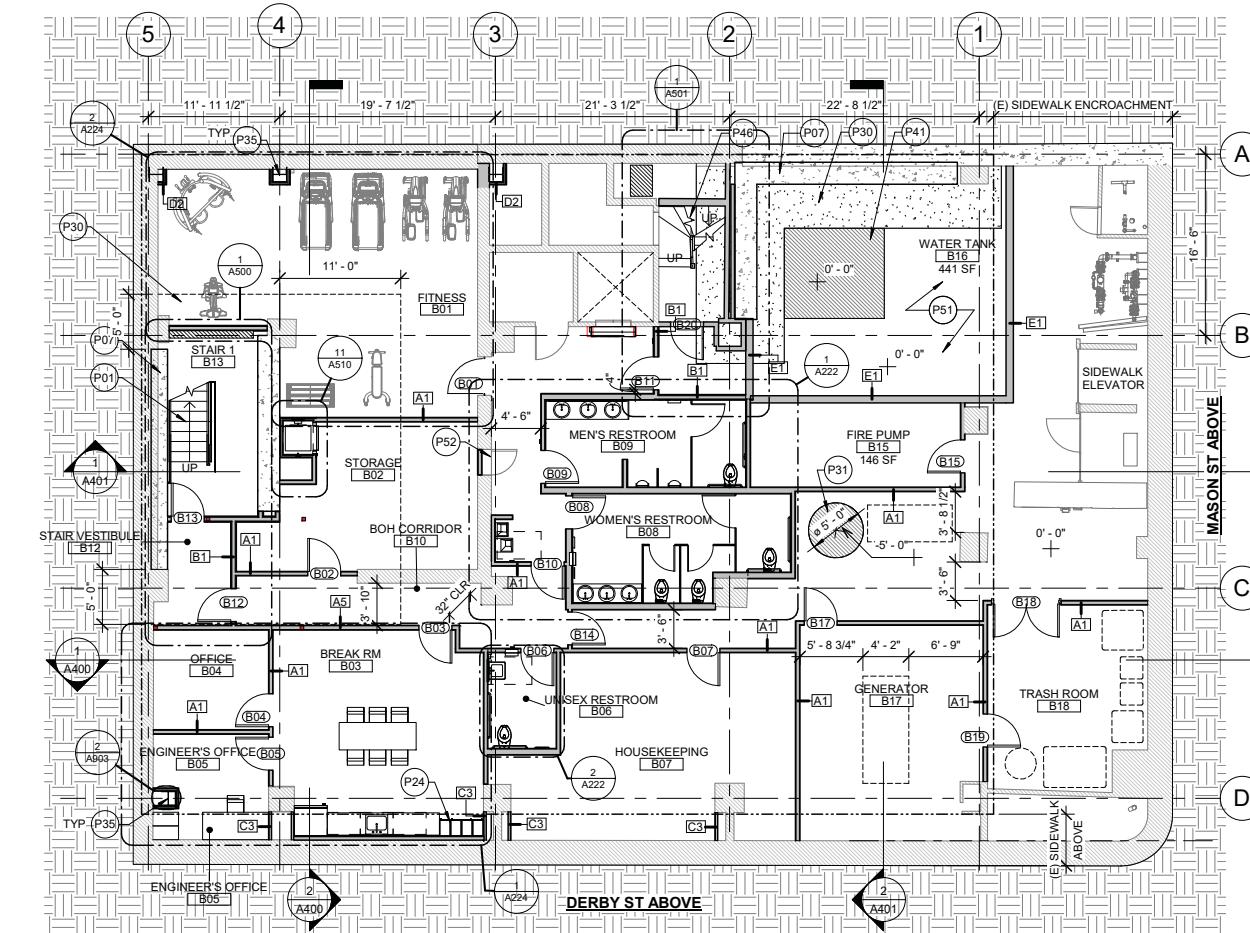
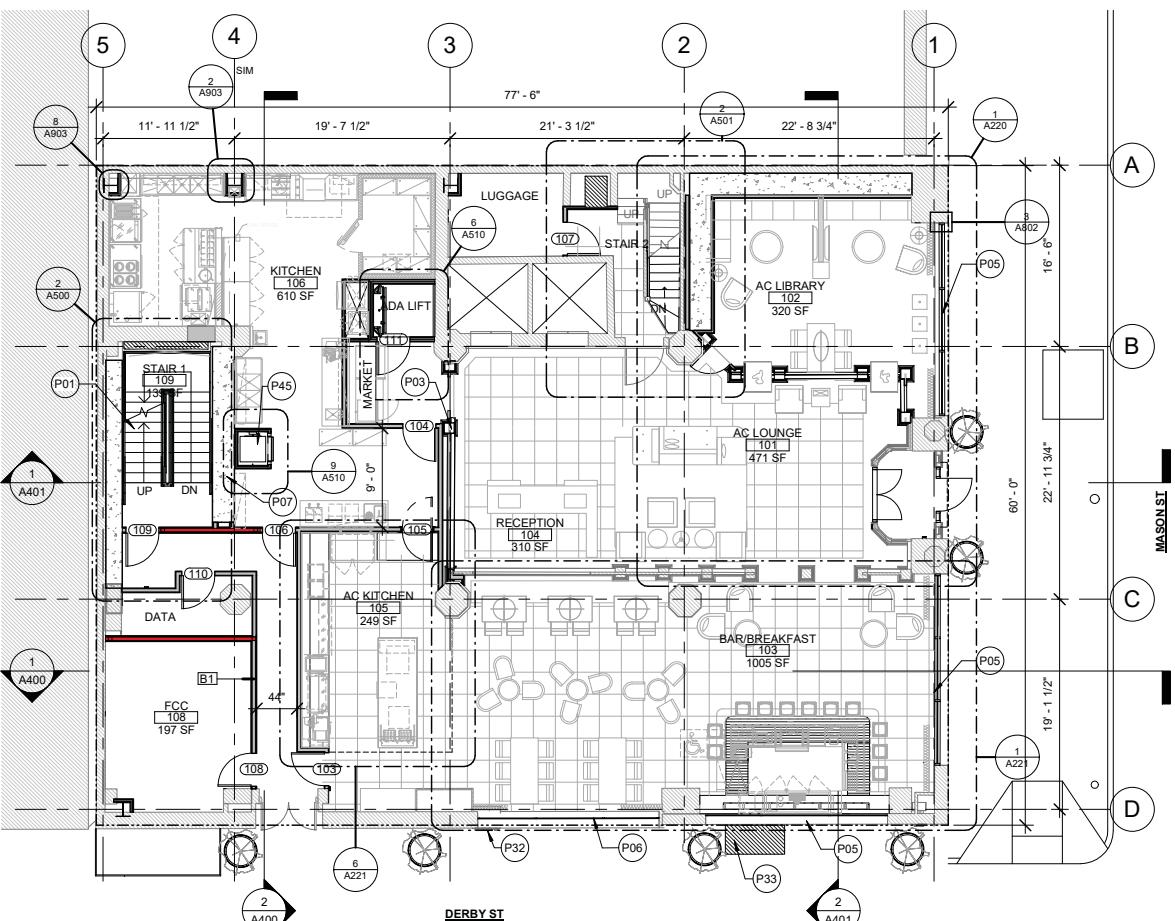
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A210

KEYNOTES

- P01 NEW CODE COMPLIANT EXIT STAIR, EXTENDING FROM BASEMENT TO ROOF LEVEL
- P03 RELOCATED WOOD PARTITION PANELS
- P05 REPLACE EXTERIOR STOREFRONT
- P06 NEW STOREFRONT TO FIT IN REOPENED, ORIGINAL OPENING. MATCH ADJACENT STOREFRONT SIZE AND FINISH
- P07 NEW SHEAR WALL, PER STRUCTURAL DRAWINGS
- P24 EMPLOYEE LOCKERS
- P30 SHEAR WALL CONCRETE FOOTING, SEE STRUCTURAL DRAWINGS
- P31 (N) SUMP PUMP, SEE PLUMBING DRAWINGS FOR LOCATION
- P32 (E) STANDPIPE, RELOCATED BELOW NEW STOREFRONT, VIF
- P35 (N) COLUMN, SSD
- P41 INFILL FLOOR AT (E) DEPRESSED AREA, COORDINATE WITH (N) SHEAR WALL FOOTINGS, SSD
- P45 NEW COMMERCIAL RESTAURANT DUMBWAITER CAREFULLY BRACE EXISTING STAIN AND STAIR WAY, FOR PLACEMENT OF NEW SHEAR WALL AND TO REMOVE AND REPLACE STAIR, WALLS AND DOORS AS NEEDED OR RECONSTRUCT (N) STAIR TO MATCH EXISTING
- P46 PROPOSED WATER TANK ROOM TO CONTAIN 23,565 GALLONS
- P51 EXISTING VAULT DOOR TO REMAIN AND BE CLOSED IN EXISTING LOCATION
- P52



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DRAWING TITLE
PROPOSED FLOOR PLAN - LEVEL M,2

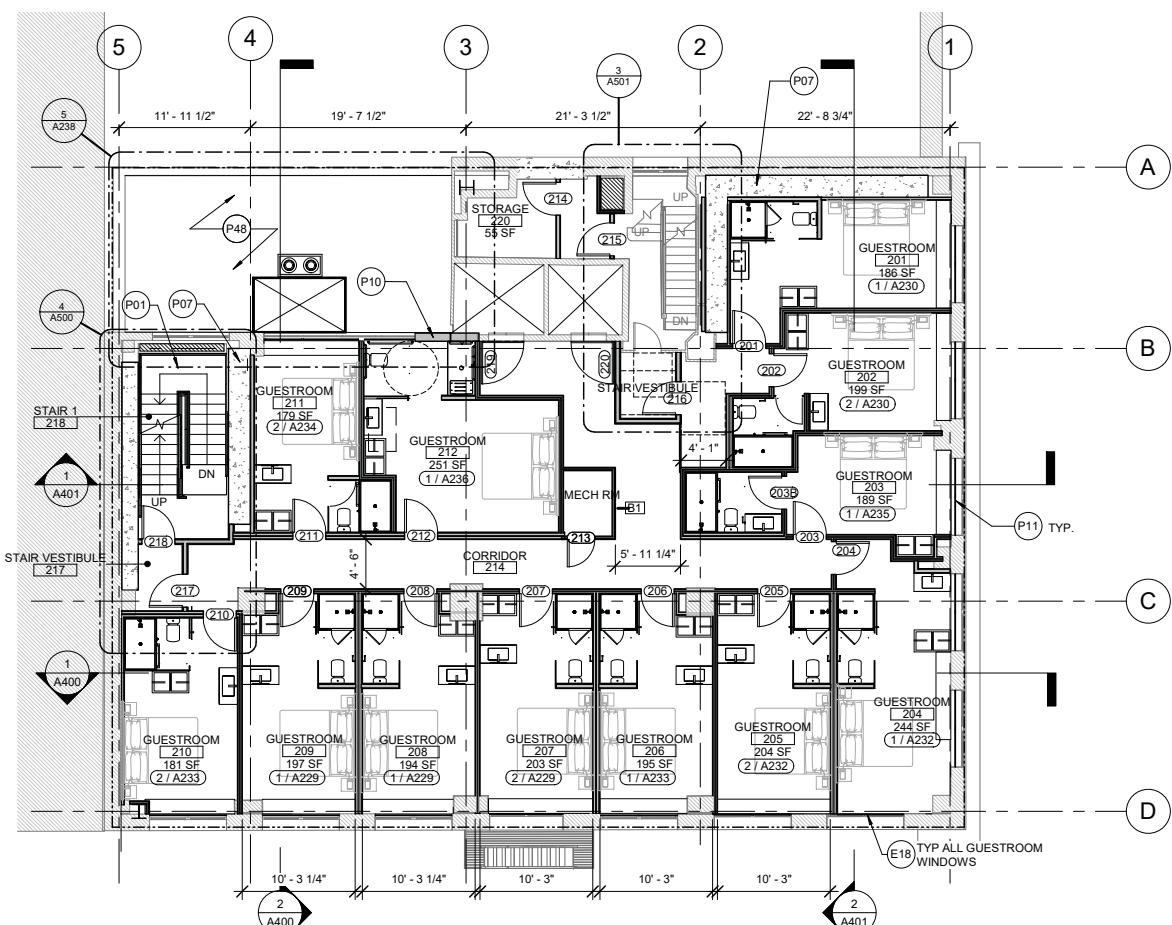
STATUS
2/22/2018

JOB NO. 16004
DRAWN BY Author
SHEET NO.

A211

KEYNOTES

- E18 (N) WINDOW LINER TO FIT WITHIN (E) WINDOW OPENING. REPAIR (E) WINDOW FRAME AS NEEDED AND REPLACE ANY DAMAGED OR BROKEN PANES TO MATCH EXISTING FINISH AND CONSTRUCTION.
- P01 NEW CODE COMPLIANT EXIT STAIR, EXTENDING FROM BASEMENT TO ROOF LEVEL.
- P05 REPLACE EXTERIOR STOREFRONT
- P06 NEW STOREFRONT TO FIT IN REOPENED, ORIGINAL OPENING. MATCH ADJACENT STOREFRONT SIZE AND FINISH
- P07 NEW SHEAR WALL, PER STRUCTURAL DRAWINGS
- P08 EXISTING STAIR TO REMAIN
- P10 INFILL AND PATCH EXTERIOR WALL TO MATCH ADJACENT CONSTRUCTION TYPE
- P11 REPLACE BROKEN, CRACKED AND DAMAGED WINDOW PANES TO MATCH ADJACENT TYPE AND FINISH. SEE ELEVATIONS FOR LOCATIONS OF DAMAGED WINDOWS. INSTALL WINDOW LINERS ALONG INTERIOR SIDE OF ALL WINDOWS ON LEVELS 2-7
- P16 INFILL FLOOR AT OPENING. MATCH ADJACENT FLOOR FINISH
- P17 RELOCATED MEZZANINE BALUSTRADE
- P19 MEZZANINE WALL SETBACK 6" FROM NEW FABRICATED BALUSTRADE
- P20 (N) ACCESSIBLE LIFT
- P47 PATCH AND REPAIR EXISTING CONCRETE COLUMNS IN LOBBY, TYP. REPLACE AND REPAIR PLASTER TO MATCH EXISTING FINISH
- P48 (N) ROOFING MEMBRANE OVER MEZZANINE ROOF



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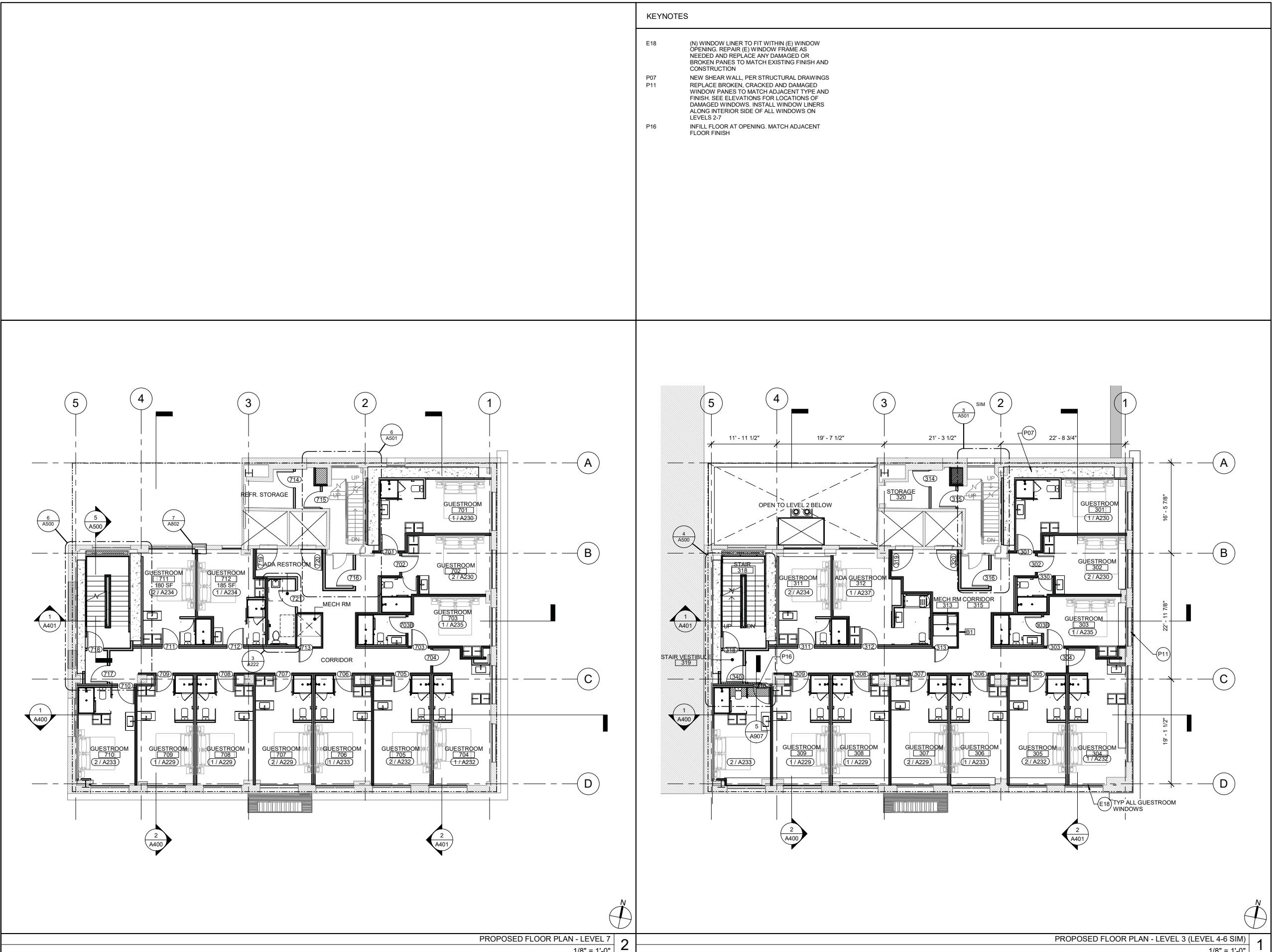
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DRAWING TITLE
PROPOSED FLOOR PLAN - LEVEL 3-6,
7

STATUS
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A212



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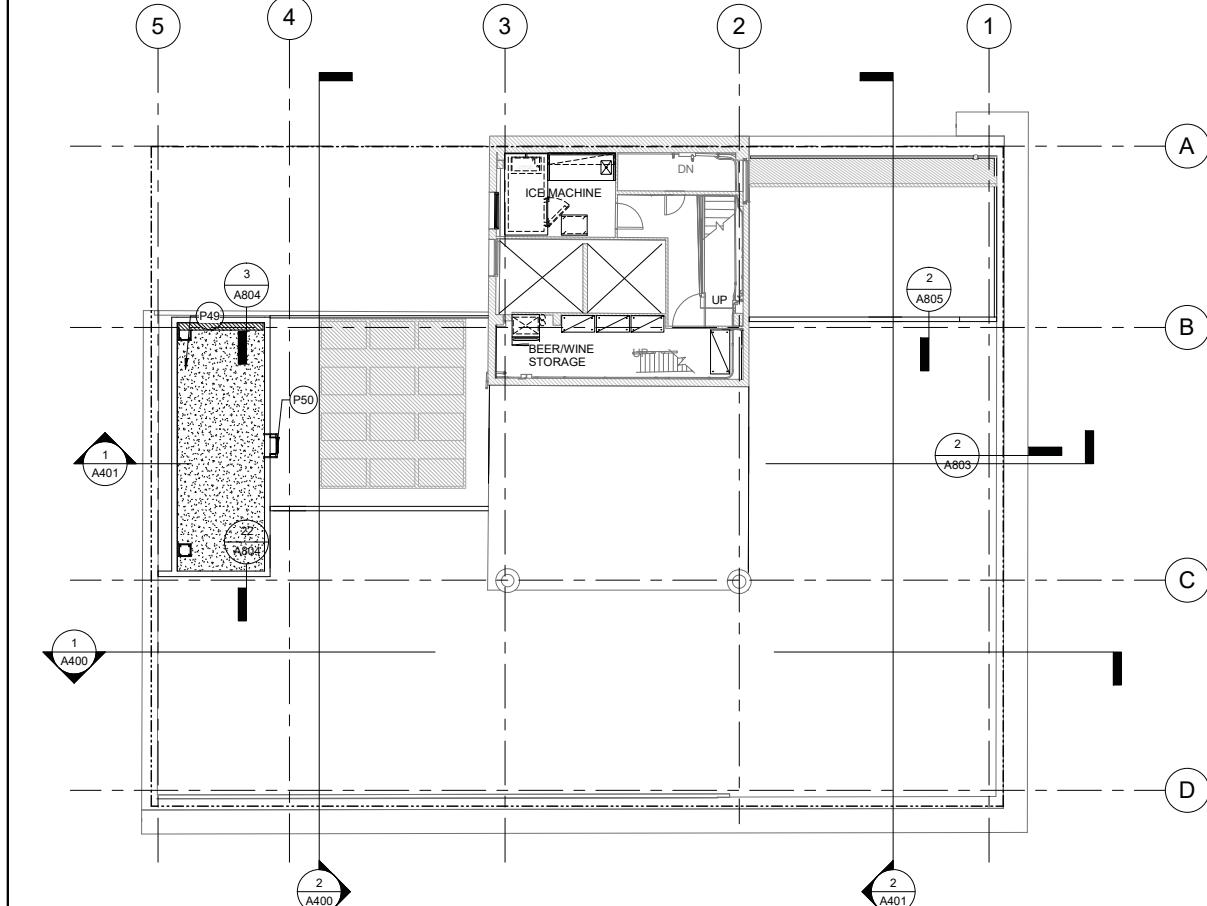
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DRAWING TITLE
PROPOSED FLOOR PLAN - LEVEL 8,
LOWER TOWER

STATUS
2/22/2018

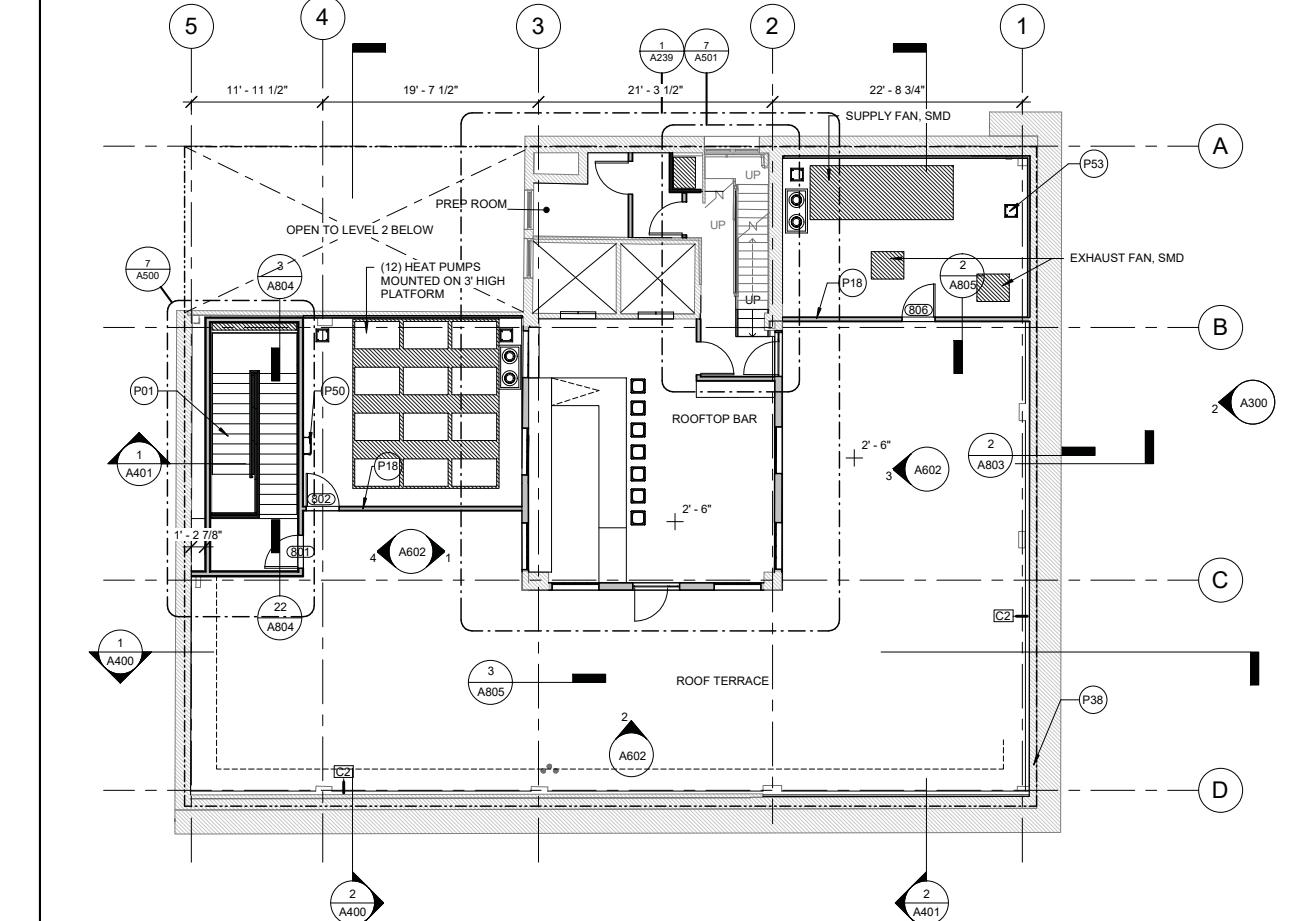
JOB NO. 16004
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A213



PROPOSED FLOOR PLAN - LOWER TOWER

2



PROPOSED FLOOR PLAN - ROOF TERRACE

1

KEYNOTES

- P01 NEW CODE COMPLIANT EXIT STAIR, EXTENDING FROM BASEMENT TO ROOF LEVEL
- P18 8'-0" ACOUSTICAL BAFFLE
- P38 CAREFULLY REPAIR AND RESTORE (E) CORNICE AT EXTERIOR WALL. CONFIRM RESTORATION TECHNIQUE WITH ARCHITECT PRIOR TO COMMENCING WORK
- P49 (N) STAIR PRESSURIZATION FAN ABOVE (N) STAIR PENTHOUSE, SEE MECHANICAL DRAWINGS
- P50 FIXED ACCESS LADDER TO STAIR PENTHOUSE ROOF
- P53 WINDOW WASHING DAVIT LOCATION, SEE ROOF DRAINAGE PLANS FOR LOCATIONS



1

1

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DRAWING TITLE
PROPOSED FLOOR PLAN - UPPER
ROOF

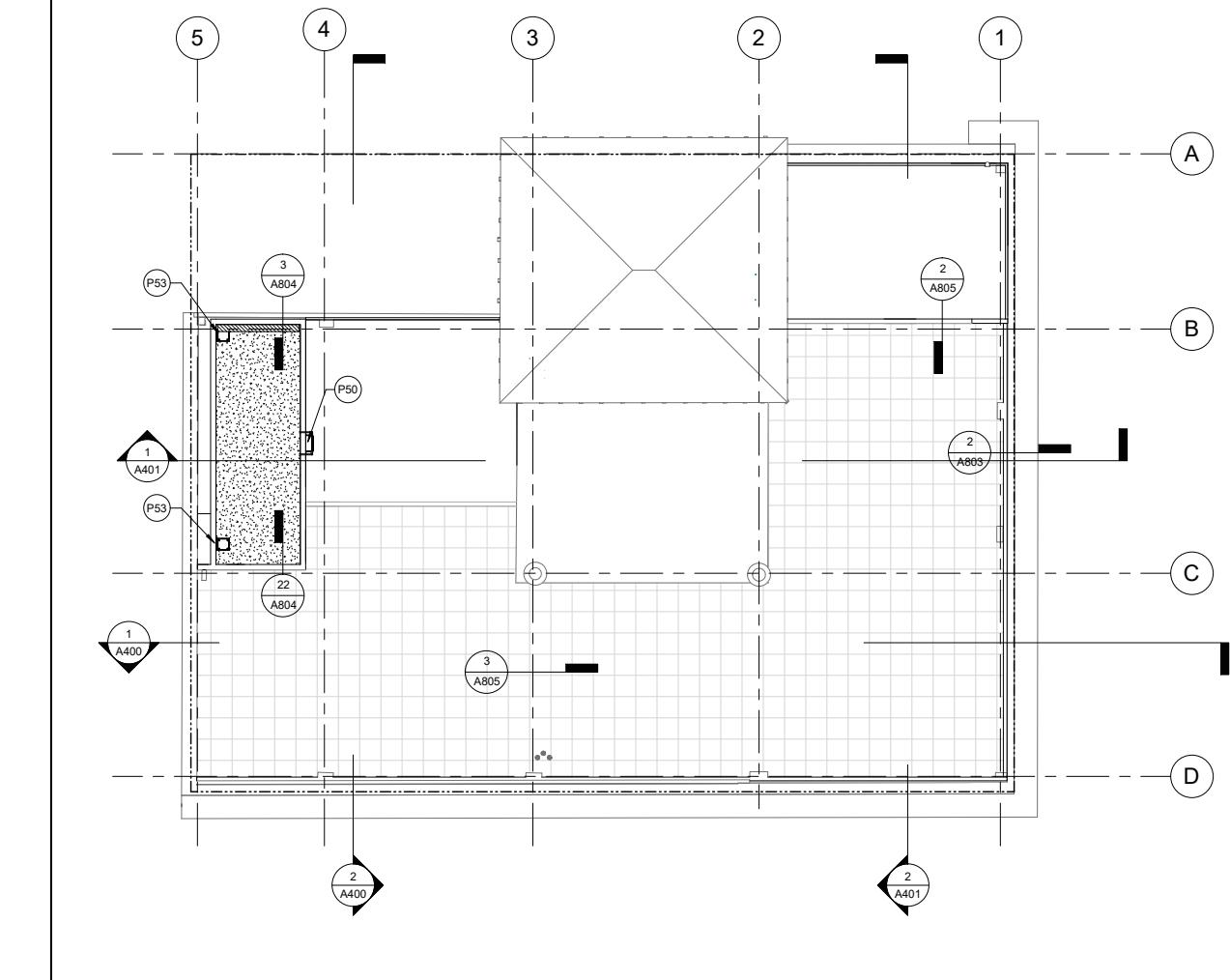
STATUS
2/22/2018

JOB NO. 16004
DRAWN BY Author
SHEET NO.

A214

KEYNOTES

P50 FIXED ACCESS LADDER TO STAIR PENTHOUSE
ROOF
P53 WINDOW WASHING DAVIT LOCATION, SEE ROOF
DRAINAGE PLANS FOR LOCATIONS



PROPOSED FLOOR PLAN - UPPER ROOF PENTHOUSE
1/8" = 1'-0" 1

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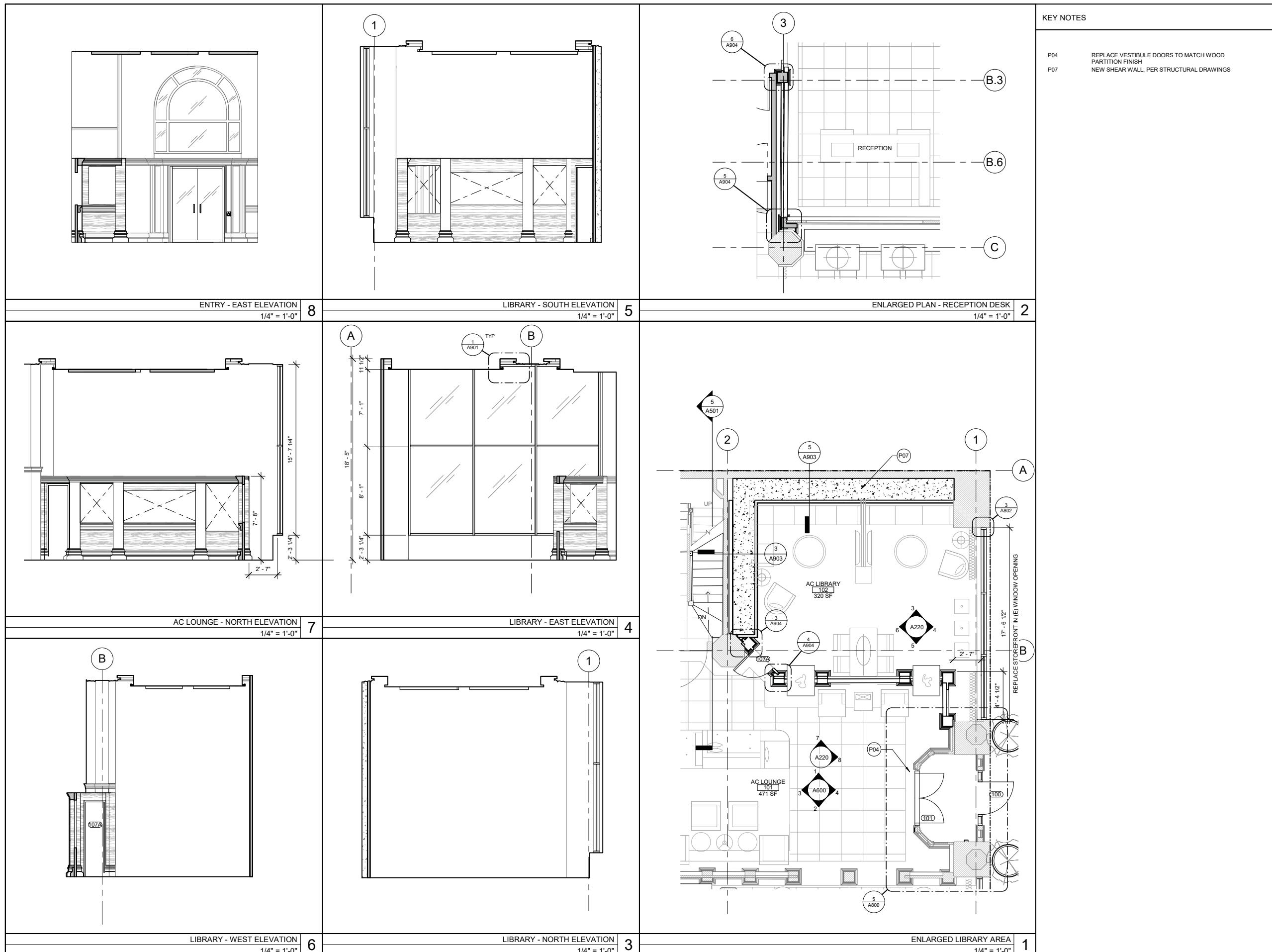
NO. DATE ISSUE

DRAWING TITLE
ENLARGED PLANS - LOBBY

STATUS
2/22/2018

JOB NO. 16004
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A220



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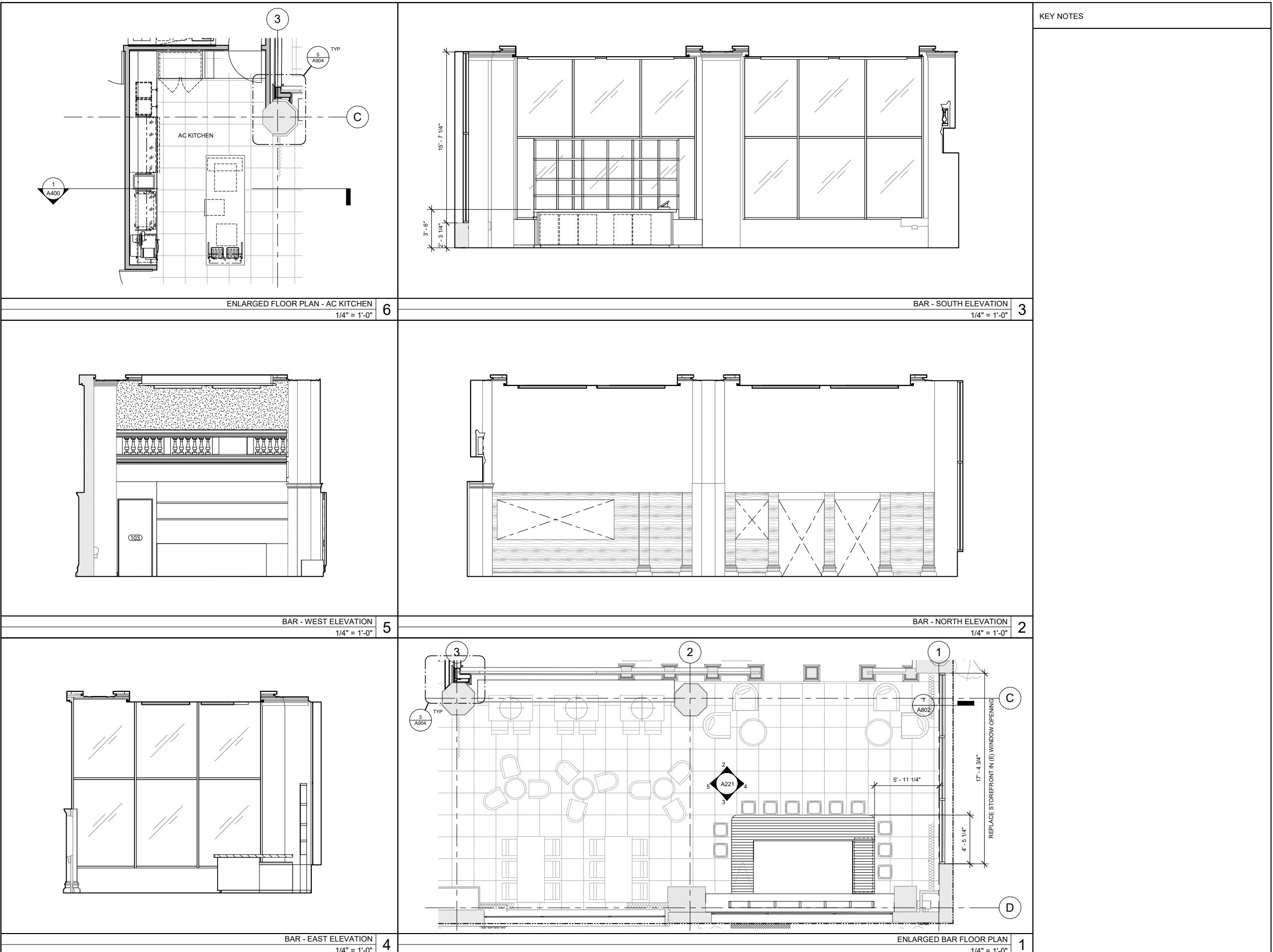
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DRAWING TITLE
ENLARGED PLANS - BAR/BREAKFAST
ROOM

STATUS
2/22/2018

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A221



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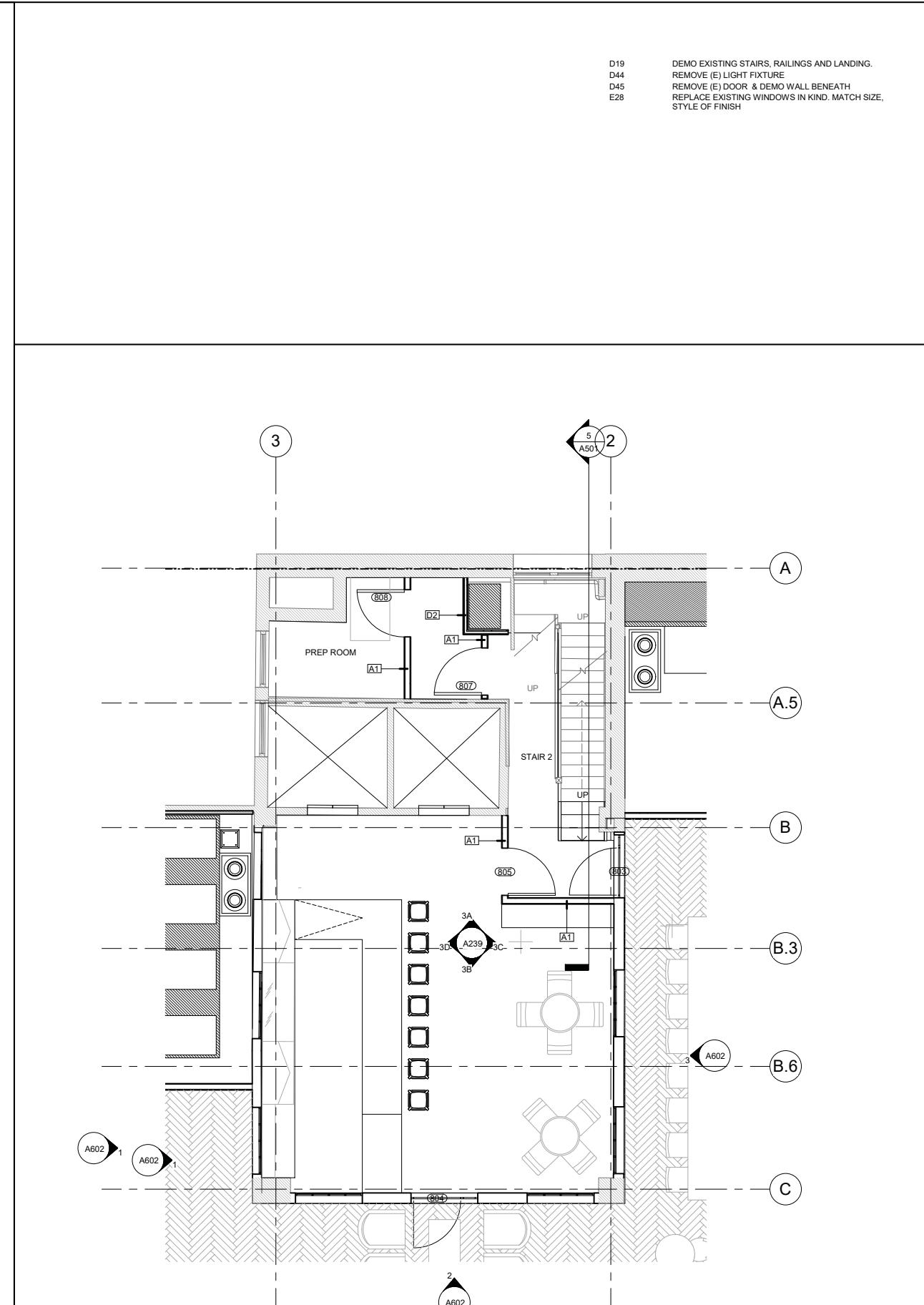
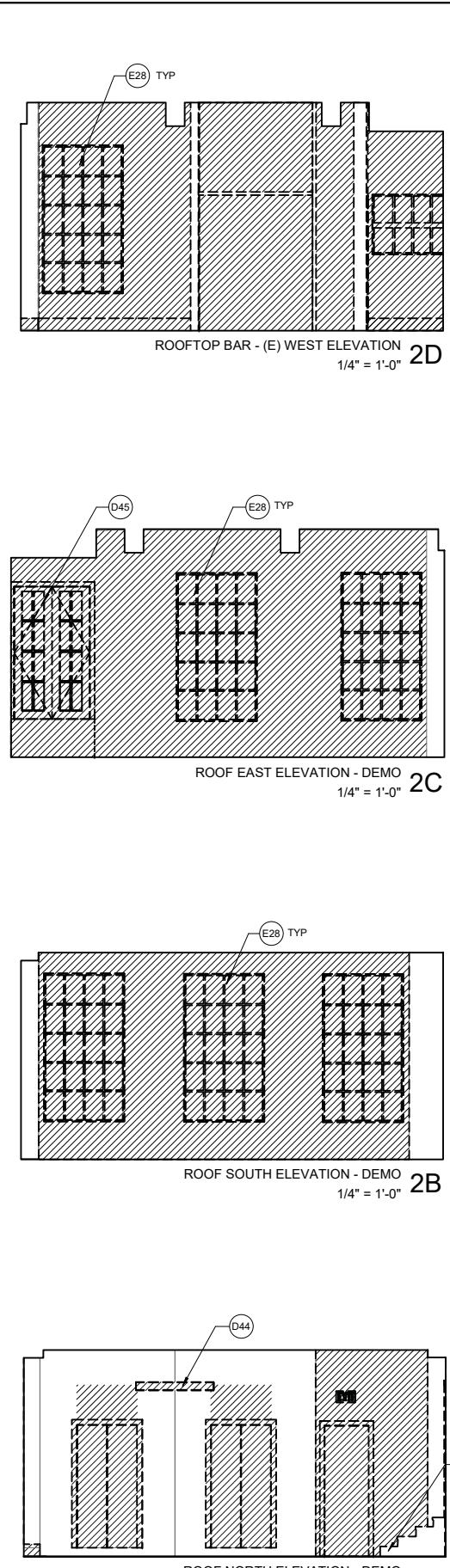
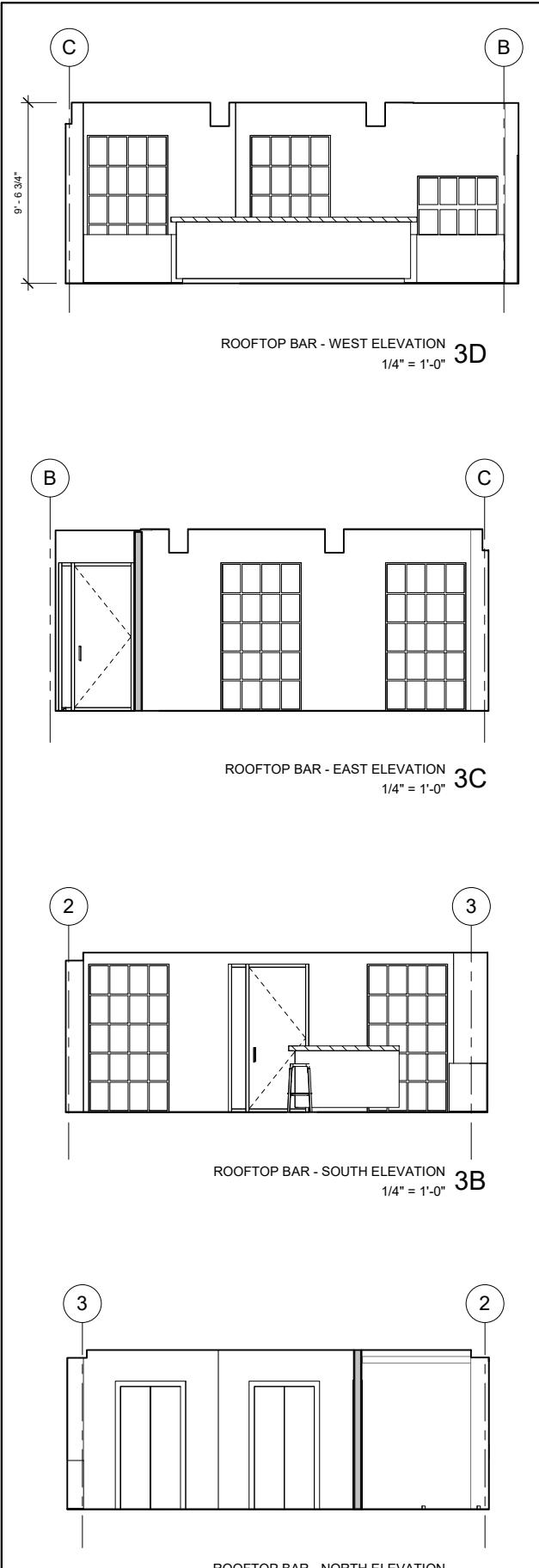
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DRAWING TITLE
ENLARGED PLANS - ROOFTOP

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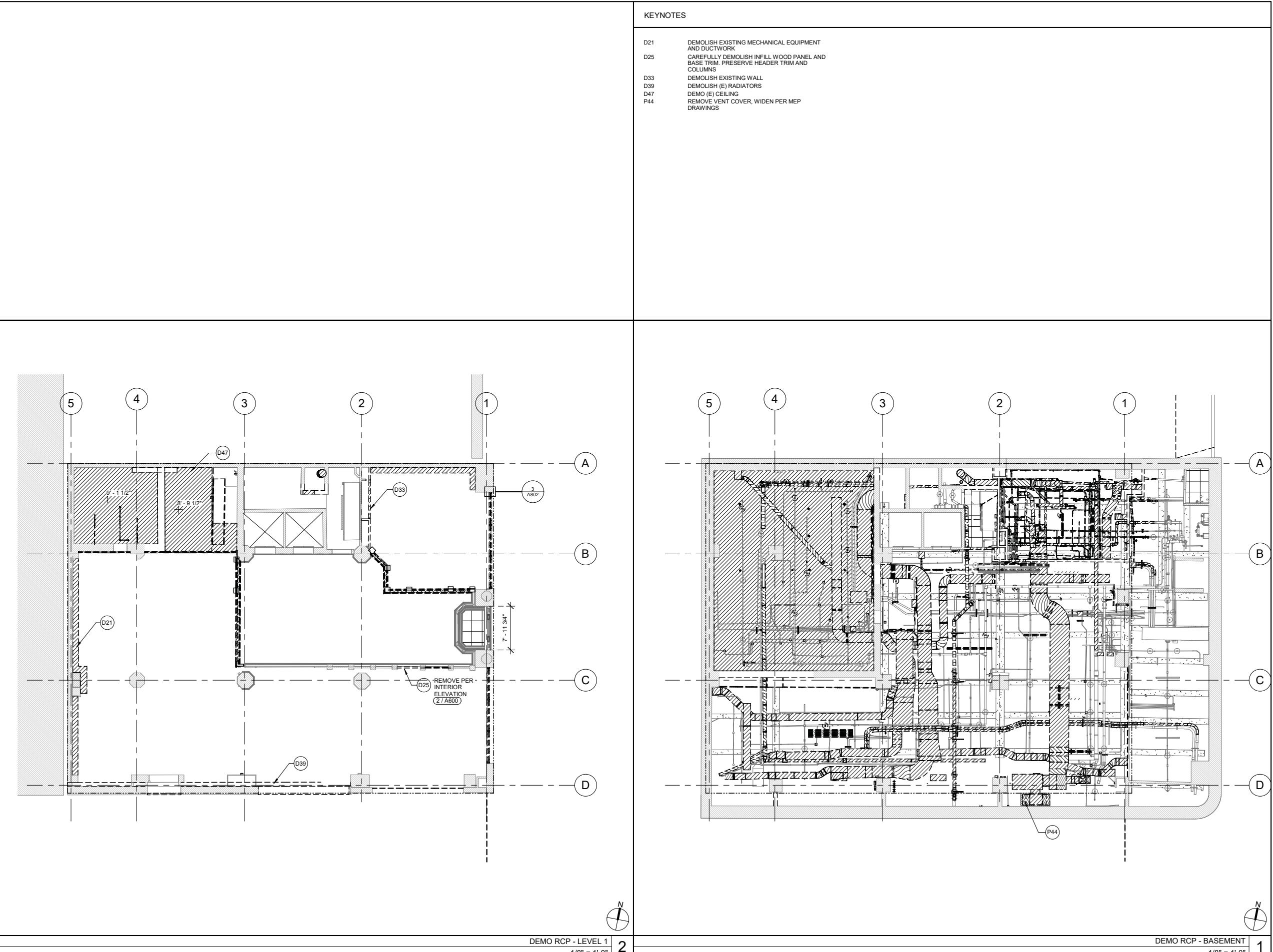
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DEMO RCP - LEVEL B,1

STATUS
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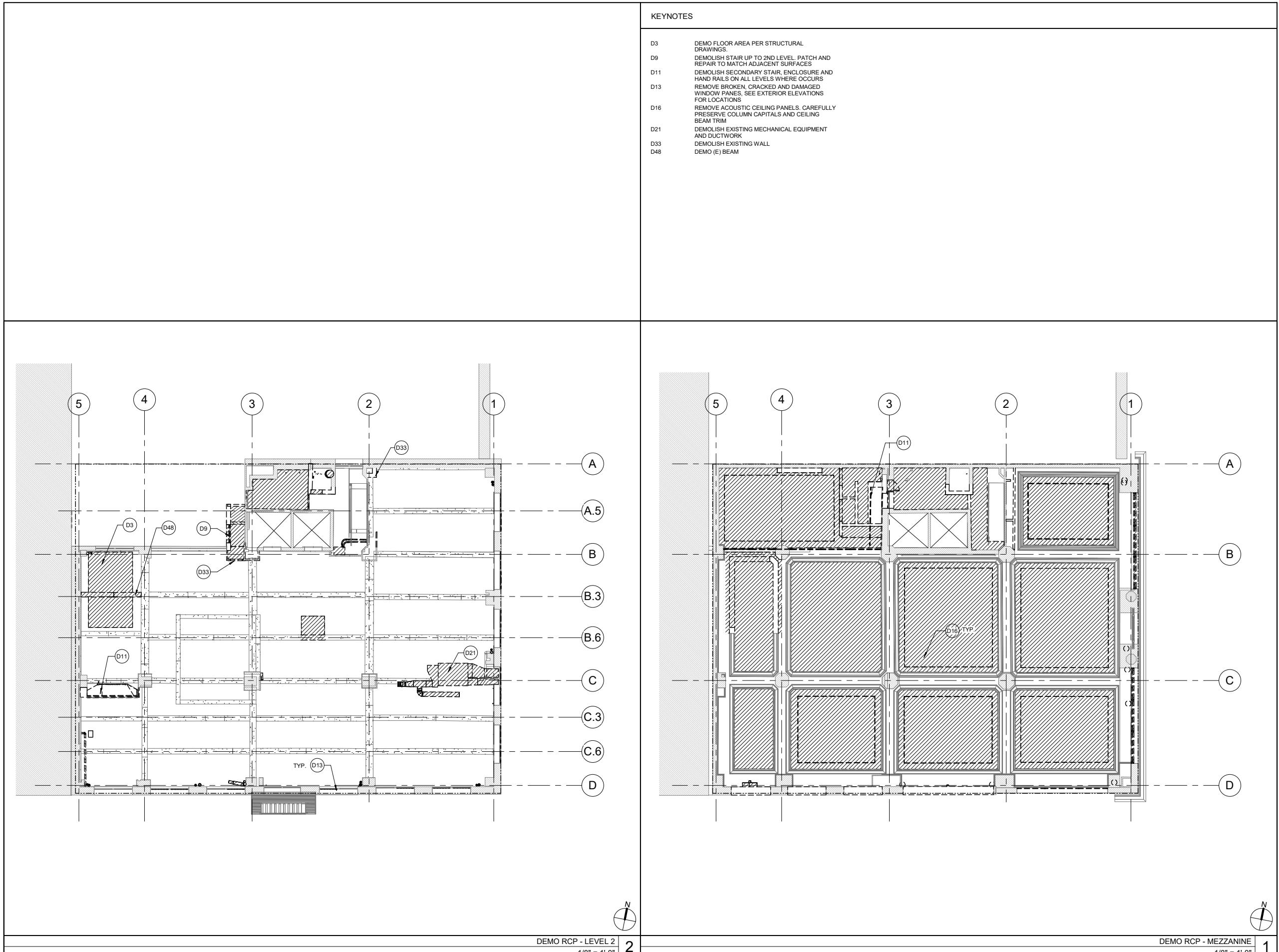
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DEMO RCP - LEVEL M,2

STATUS
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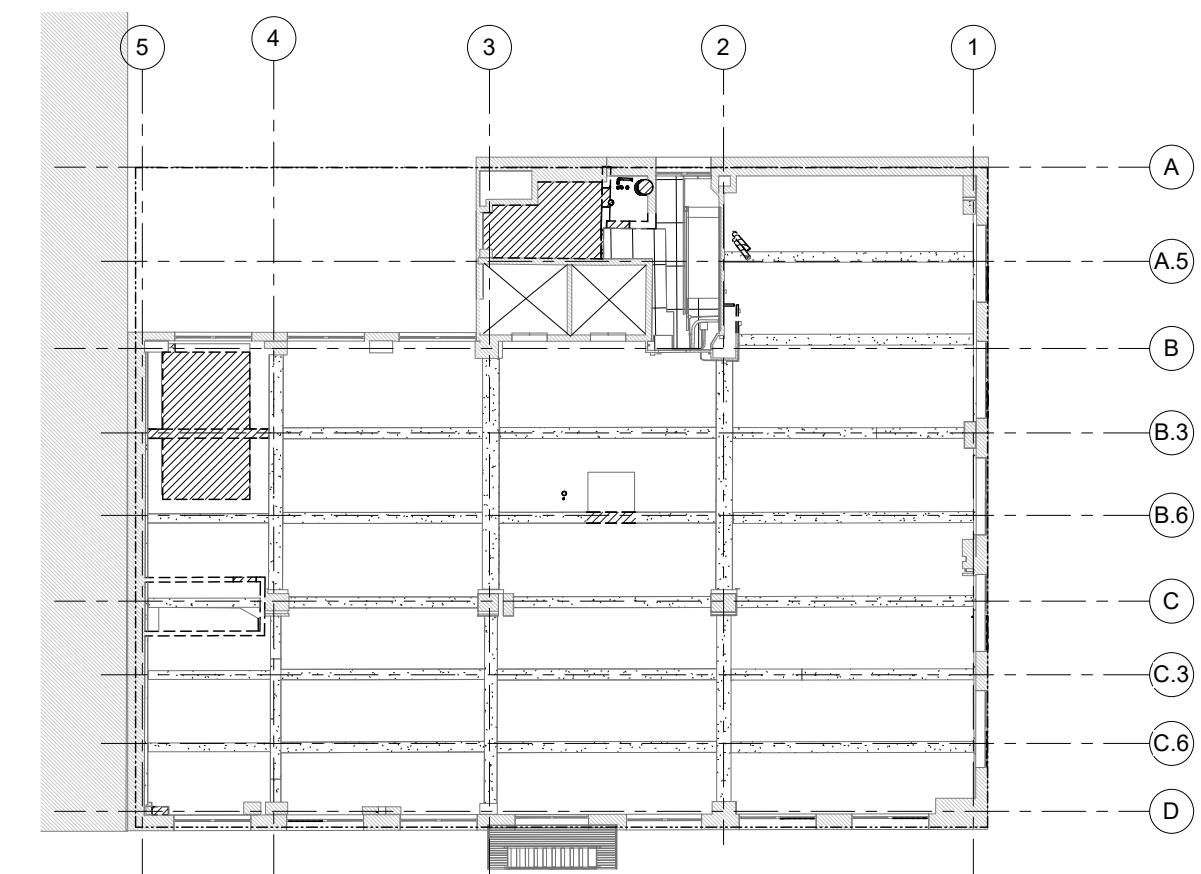
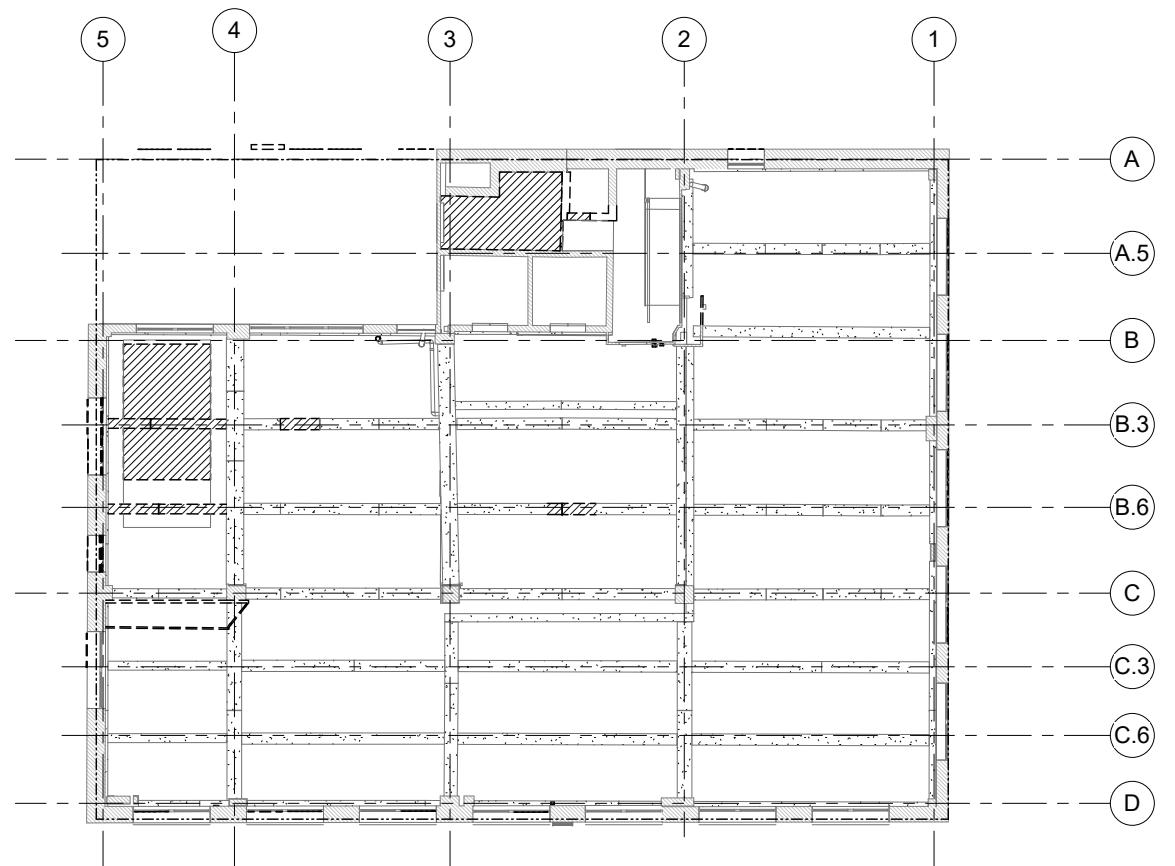
DRAWING TITLE
DEMO RCP - LEVEL 3-6, 7

STATUS
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A242

KEYNOTES



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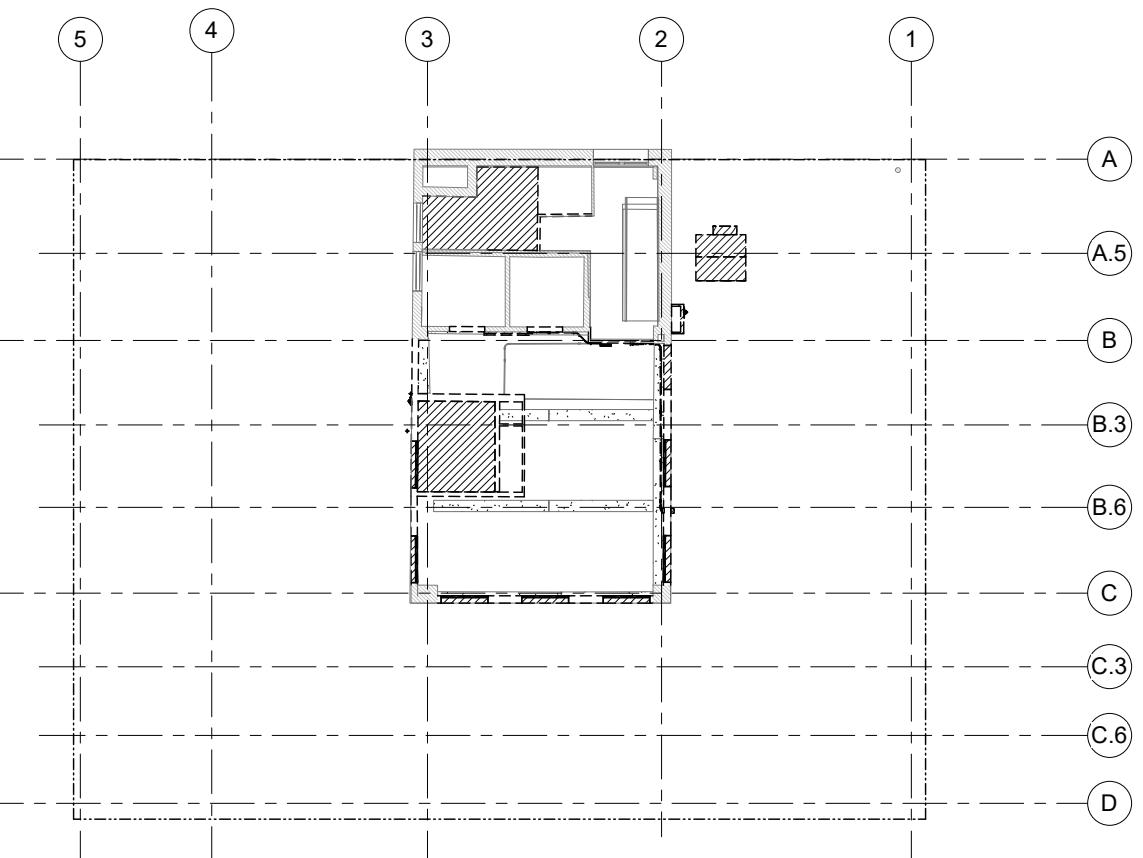
DRAWING TITLE
DEMO RCP - LEVEL 8, LOWER ROOF

STATUS
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KEYNOTES





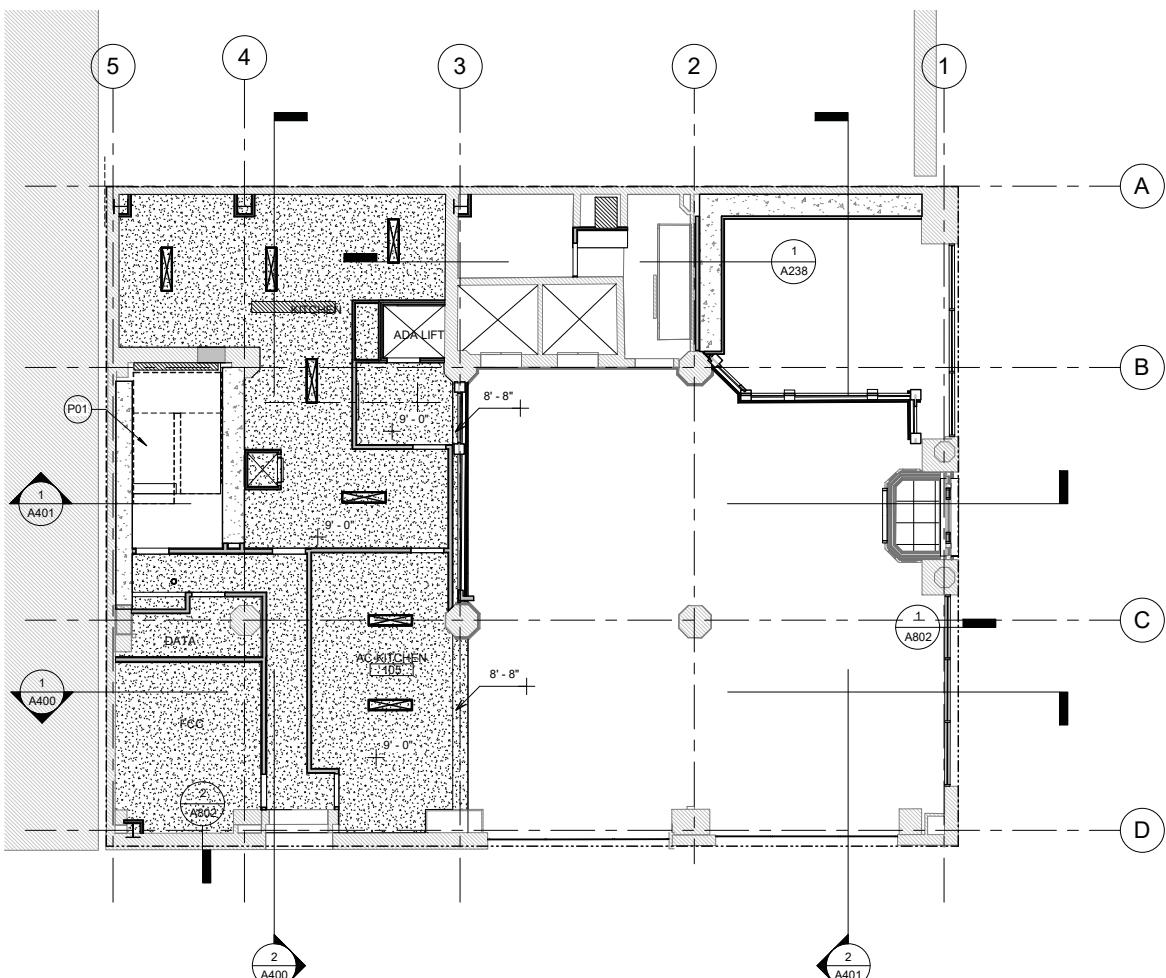
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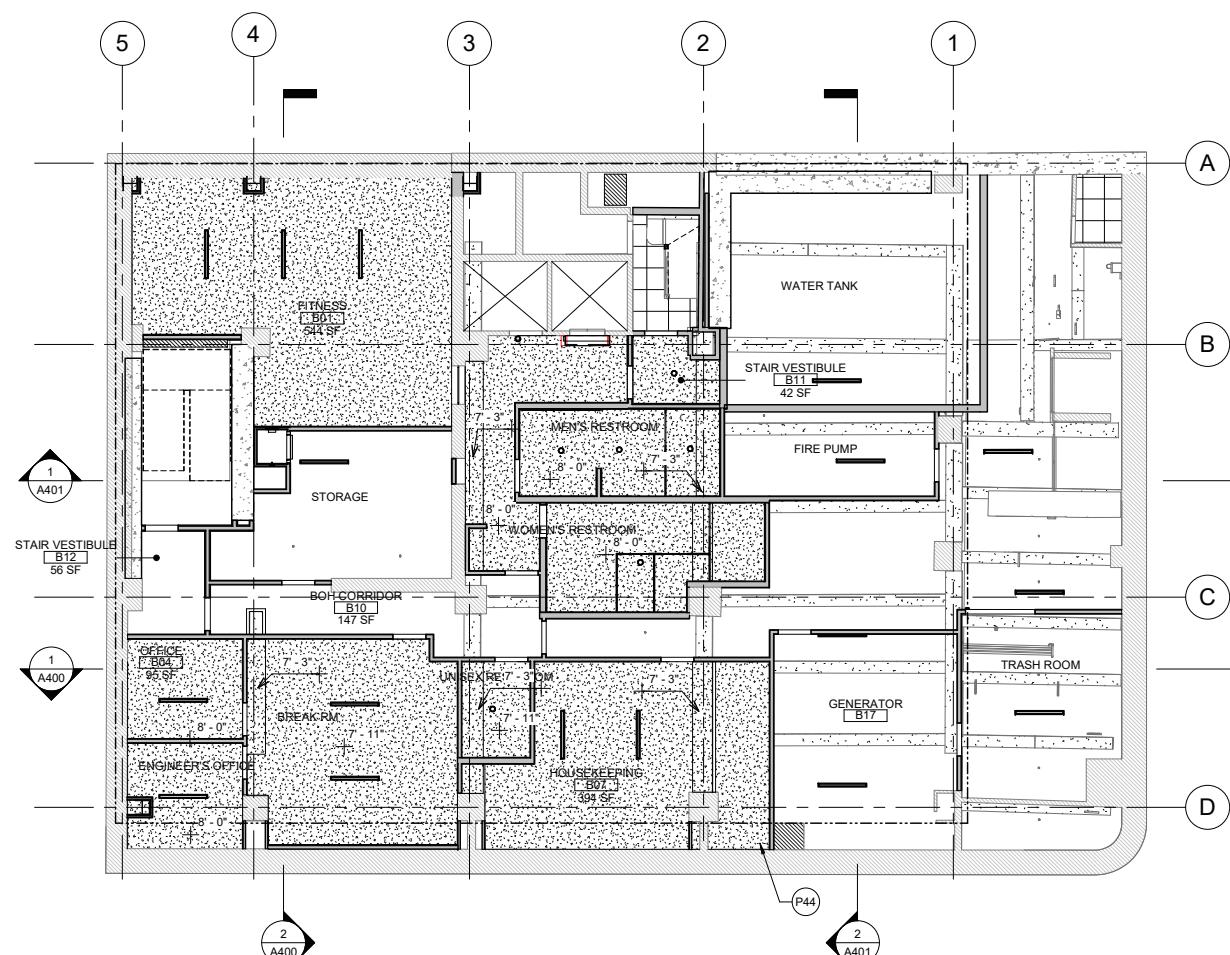
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KEYNOTES

P01 NEW CODE COMPLIANT EXIT STAIR, EXTENDING FROM BASEMENT TO ROOF LEVEL
P44 REMOVE VENT COVER, WIDEN PER MEP DRAWINGS



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PROPOSED RCP - LEVEL M,2

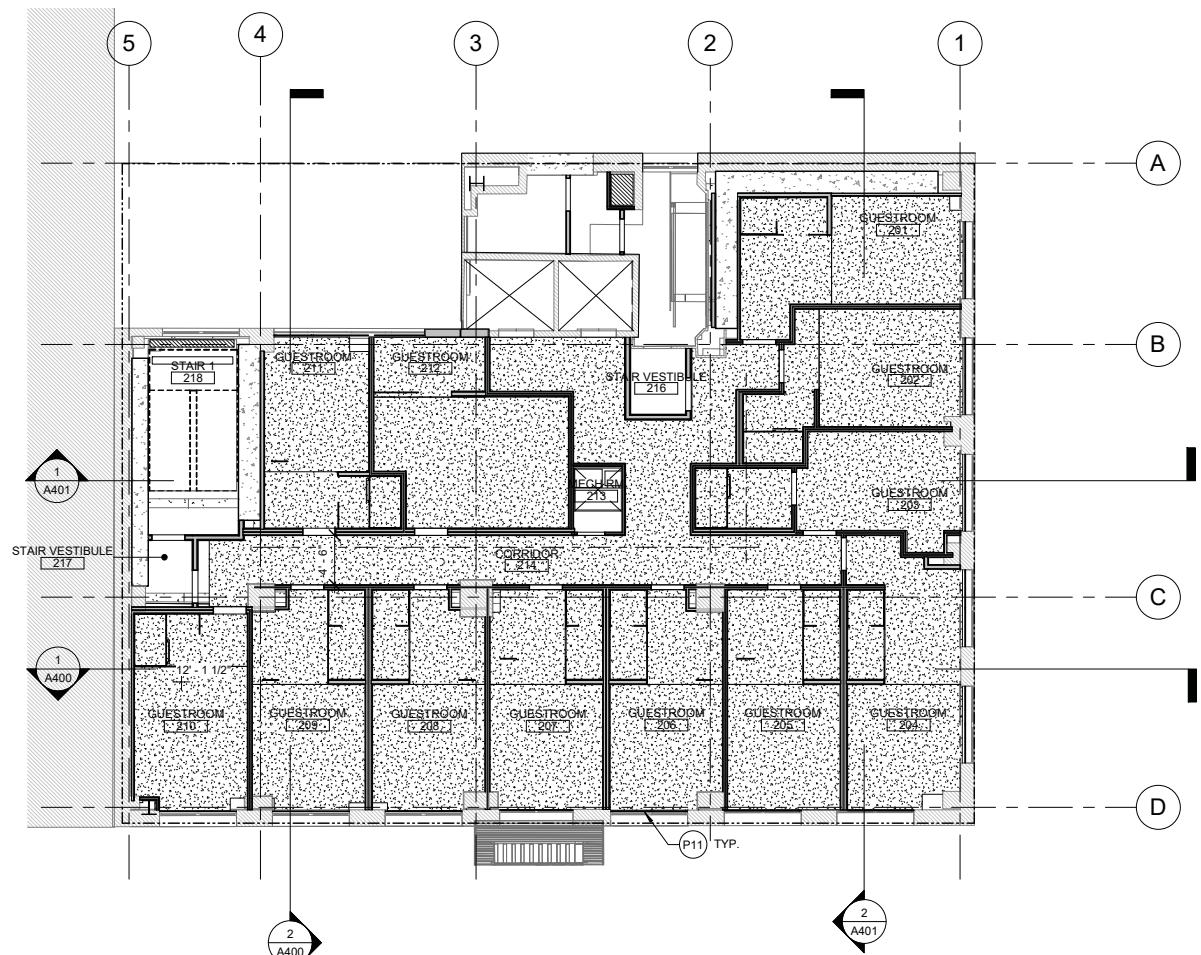
STATUS
2/22/2018

JOB NO. 16004
DRAWN BY Author
SHEET NO.

A251

KEYNOTES

- P07
P11 NEW SHEAR WALL, PER STRUCTURAL DRAWINGS
REPLACE BROKEN, CRACKED AND DAMAGED
WINDOW PANES TO MATCH ADJACENT TYPE AND
FINISH. SEE ELEVATIONS FOR LOCATIONS OF
DALEK GLASS WINDOWS. INSTALL WINDOW LINERS
ALONG INTERIOR SIDE OF ALL WINDOWS ON
LEVELS 2-7.
P14 (N) REVERSE COVE CEILING WITH LED LIGHT,
ACCENT LIGHTING AND ACOUSTIC PANELS,
LEAVING COLUMN CAPITALS AND CEILING TRIM
EXPOSED





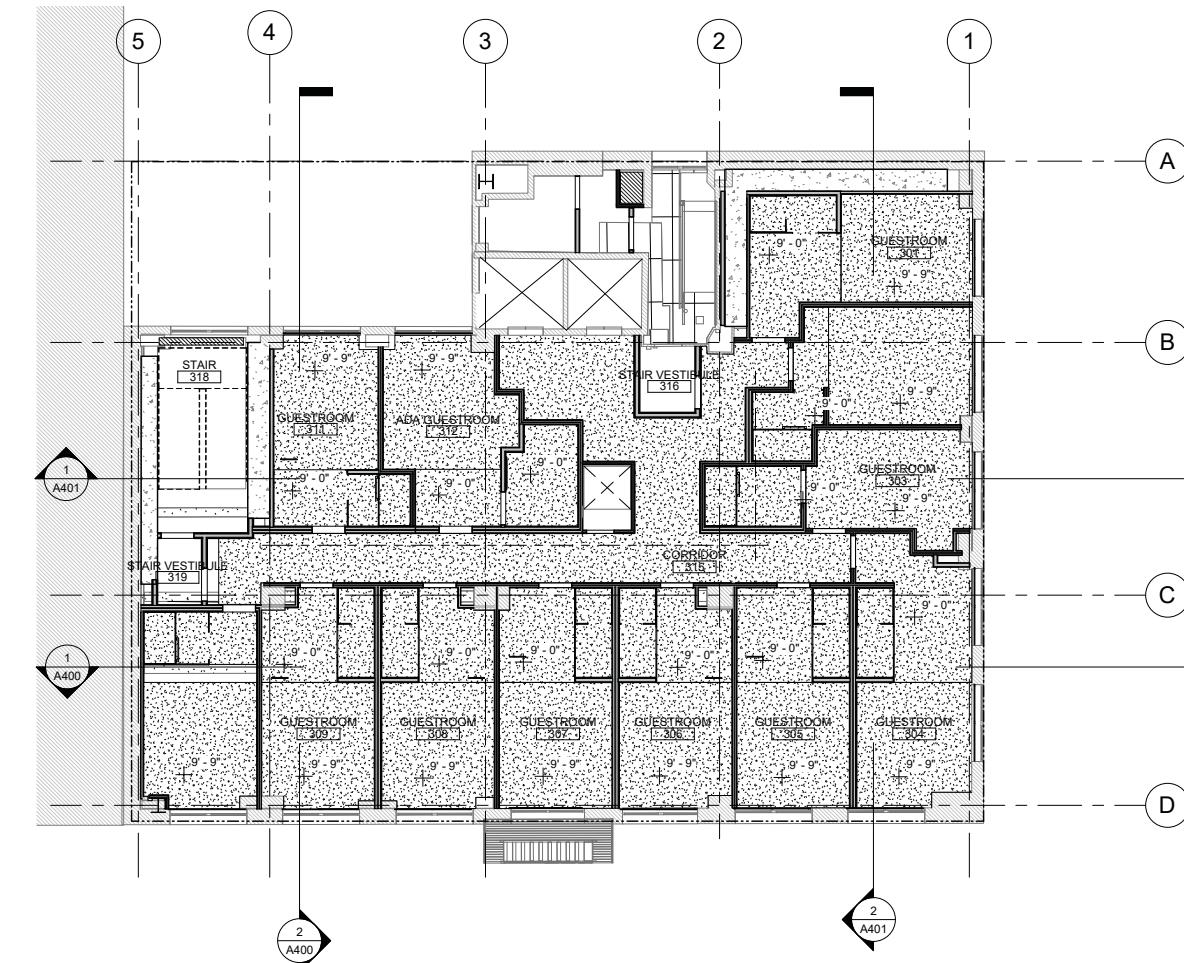
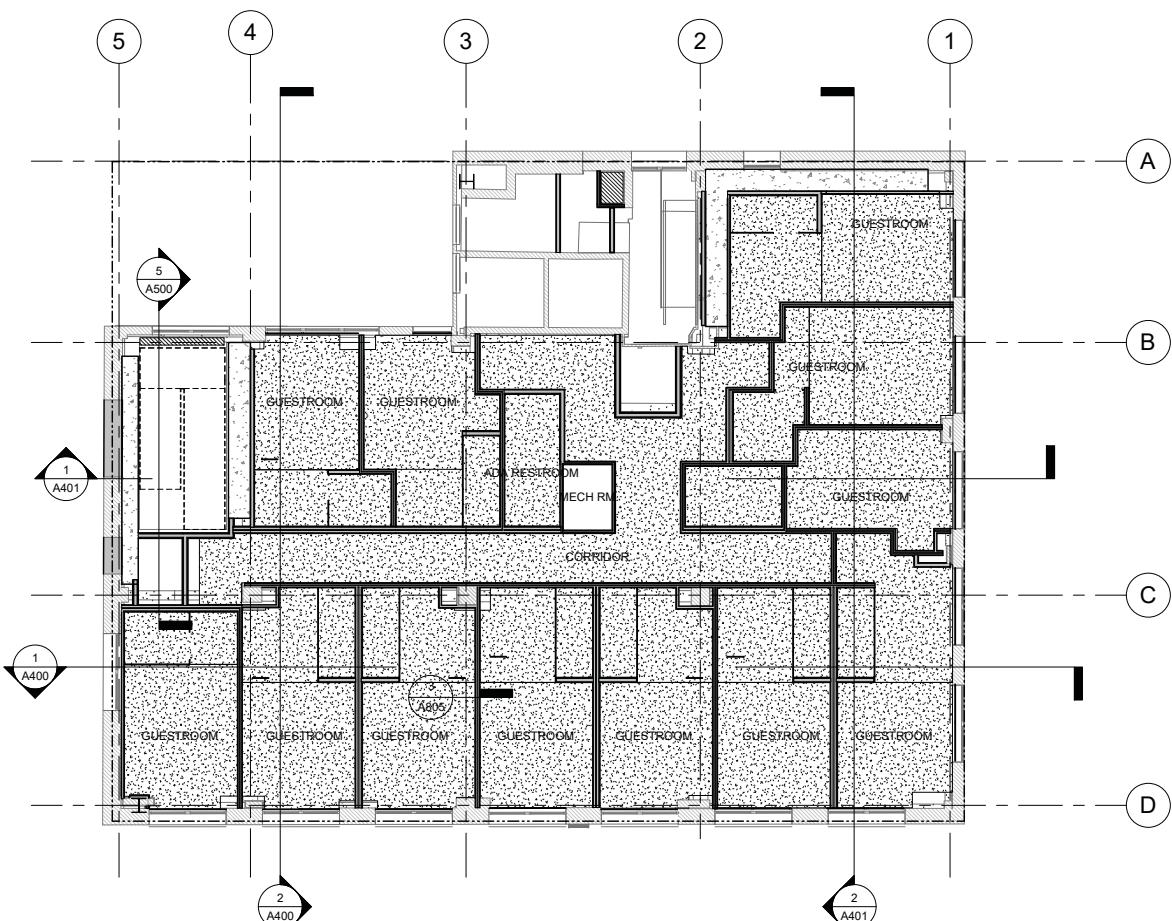
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KEYNOTES

PROPOSED RCP - LEVEL 7
1/8" = 1'-0"

PROPOSED RCP - LEVEL 3 (LEVEL 4-6 SIM) 1
1/8" = 1'-0"

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DRAWING TITLE
PROPOSED RCP - LEVEL 3-6 7

STATUS
12/23/2018

JOB NO.	160
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HEET NO.	

A252

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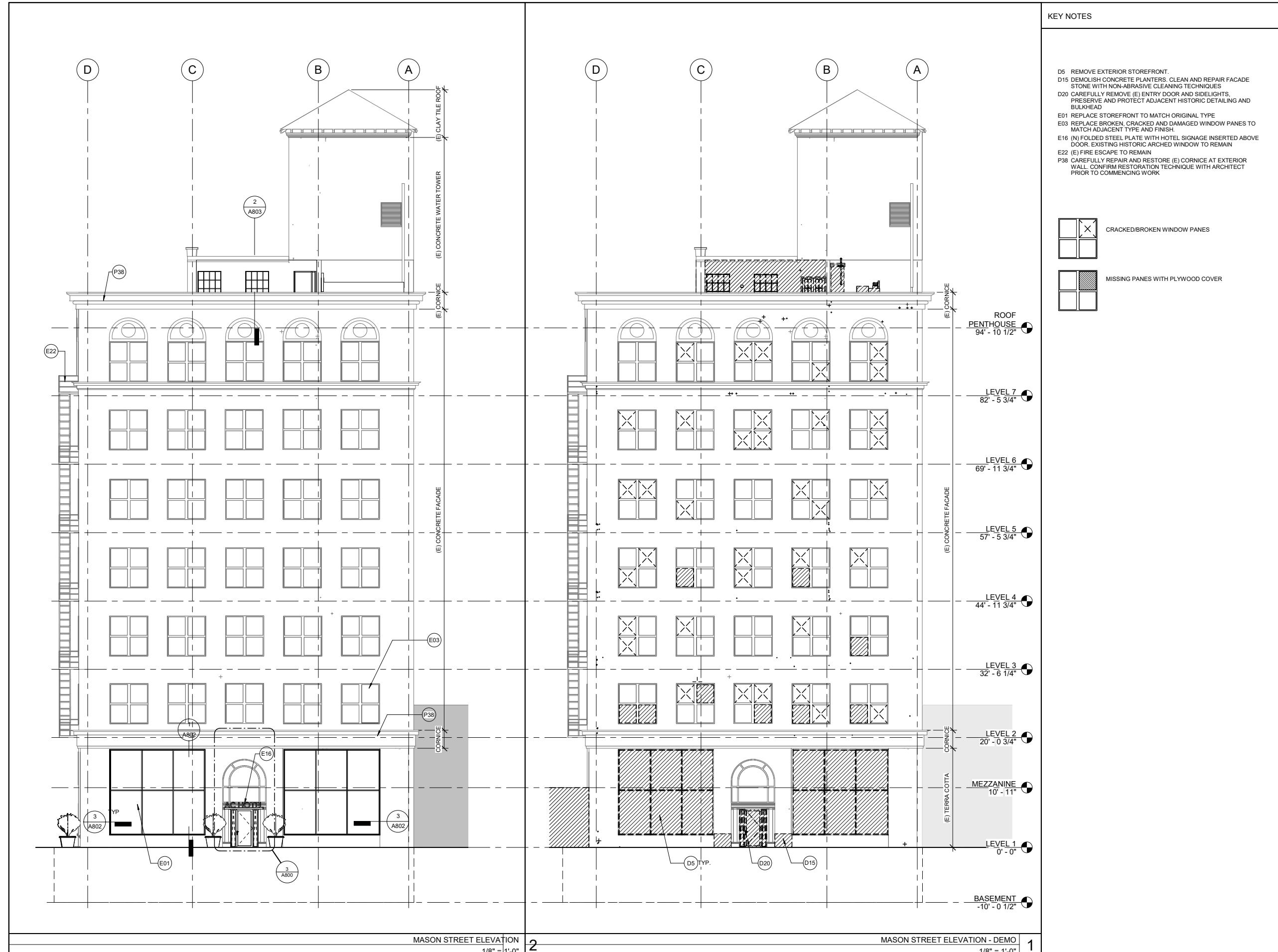
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DRAWING TITLE
MASON STREET ELEVATION

STATUS
2/22/2018

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A300





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DRAWING TITLE
MERRY STREET ELEVATION

STATUS
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A301

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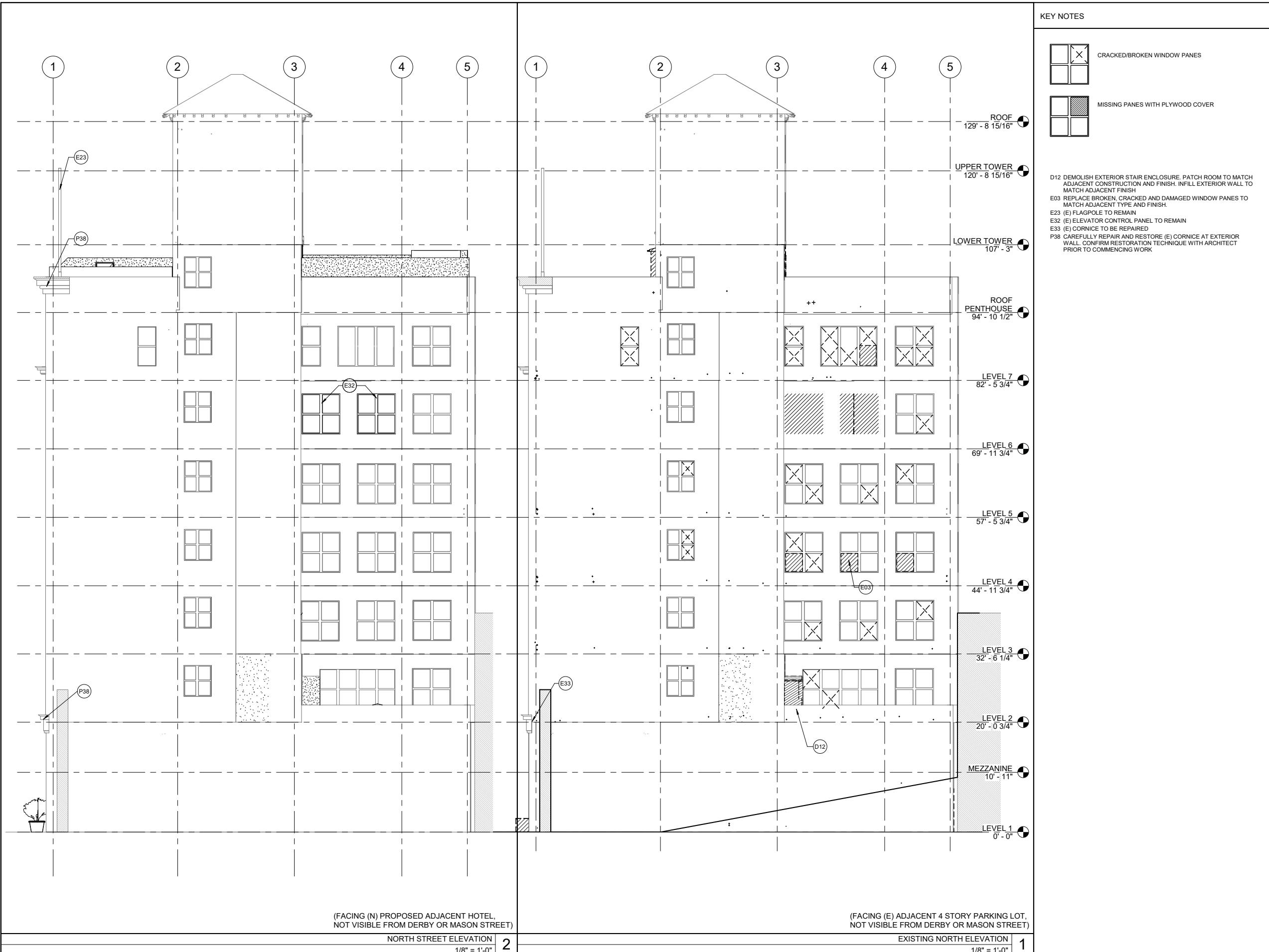
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DRAWING TITLE
NORTH FAÇADE ELEVATIONS

STATUS
2/22/2018

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DRAWING TITLE
WEST FAÇADE ELEVATIONS

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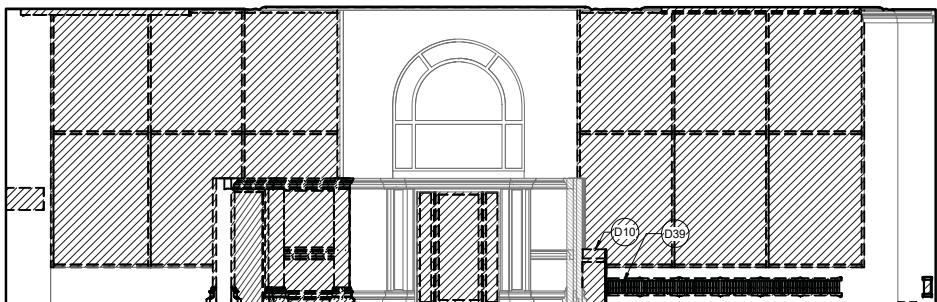
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DRAWING TITLE
(E) LOBBY INTERIOR ELEVATIONS

STATUS
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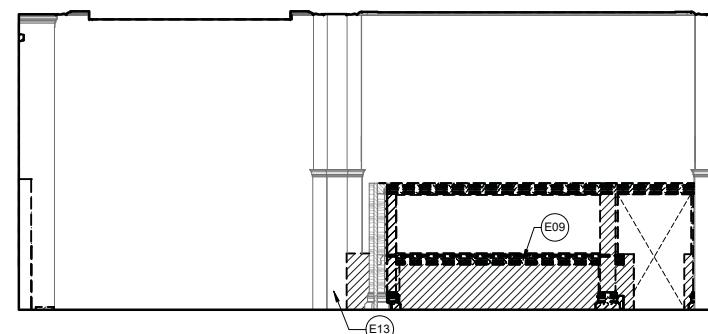
A600



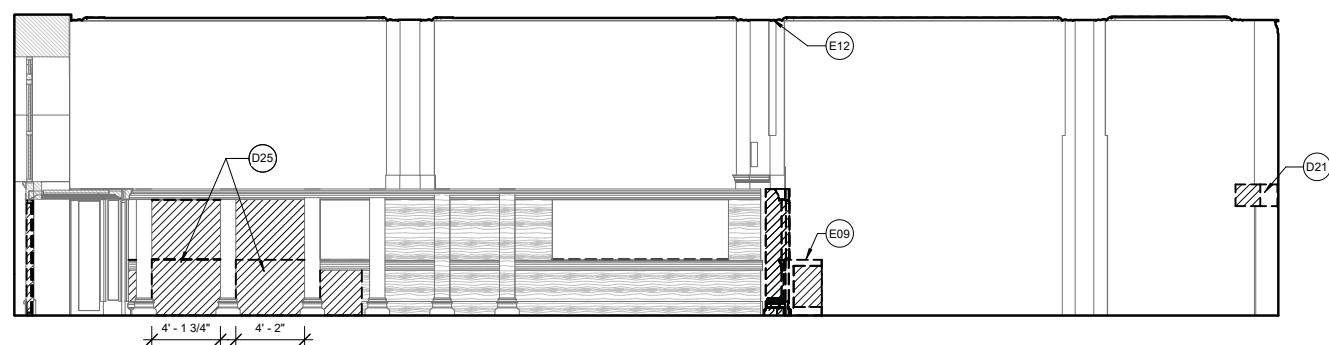
KEY NOTES

D10 DEMOLISH BUILT-IN CABINET/CLOSET
D21 DEMOLISH EXISTING MECHANICAL EQUIPMENT AND DUCTWORK
D25 CAREFULLY DEMOLISH INFILL WOOD PANEL AND BASE TRIM.
PRESERVE HEADER TRIM AND COLUMNS
D30 DEMOLISH (E) RADIATORS
E06 (E) STAIR TO REMAIN
E07 (E) VAULT DOOR TO BE RELOCATED
E08 HISTORIC MURAL AND CLOCK TO REMAIN
E09 WOOD PARTITIONS TO BE STRIPPED OF PAINT AND RELOCATED, PER
PLAN. CABINETS TO BE REMOVED AND NON-ORIGINAL ADDITIONS TO
BE REMOVED
E11 RELOCATED MEZZANINE BALUSTRADE
E12 NON-ORIGINAL ACOUSTIC CEILING TILE TO BE REMOVED. (E)
COLUMN TRIM AND CAPITOLS TO REMAIN
E13 MARBLE FINISH AT ELEVATOR BAY AND ON (2) COLUMNS TO REMAIN
E32 (E) ELEVATOR CONTROL PANEL TO REMAIN

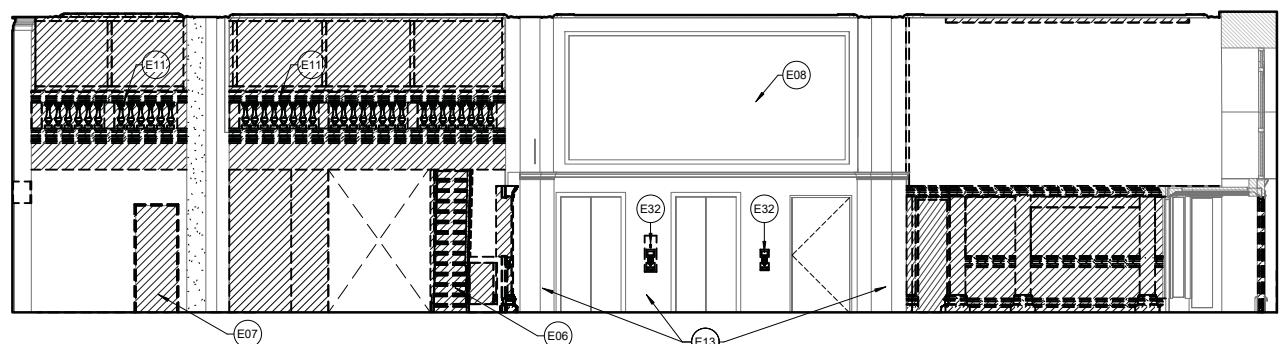
LOBBY - E ELEVATION - DEMO 4
3/16" = 1'-0"



LOBBY - W ELEVATION - DEMO 3
3/16" = 1'-0"



LOBBY - S ELEVATION - DEMO 2
3/16" = 1'-0"



LOBBY - N ELEVATION - DEMO 1
3/16" = 1'-0"

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DRAWING TITLE
(N) LOBBY INTERIOR ELEVATIONS

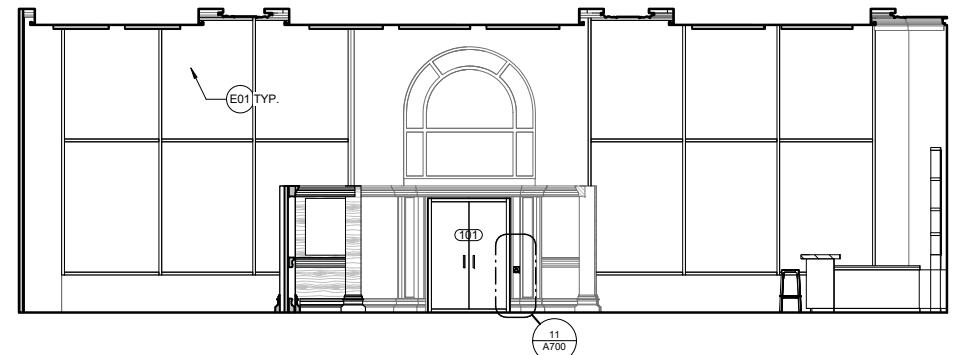
STATUS
2/22/2018

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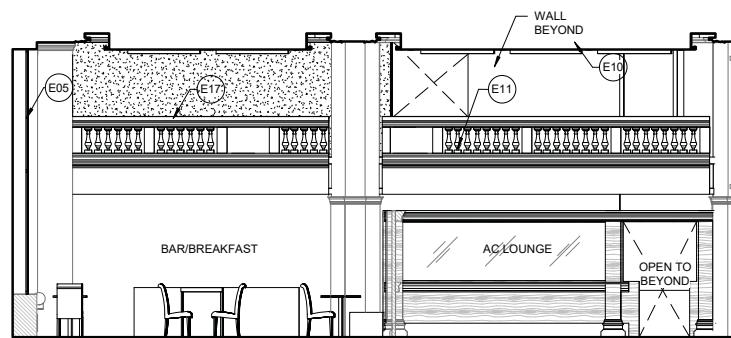
A601

KEY NOTES

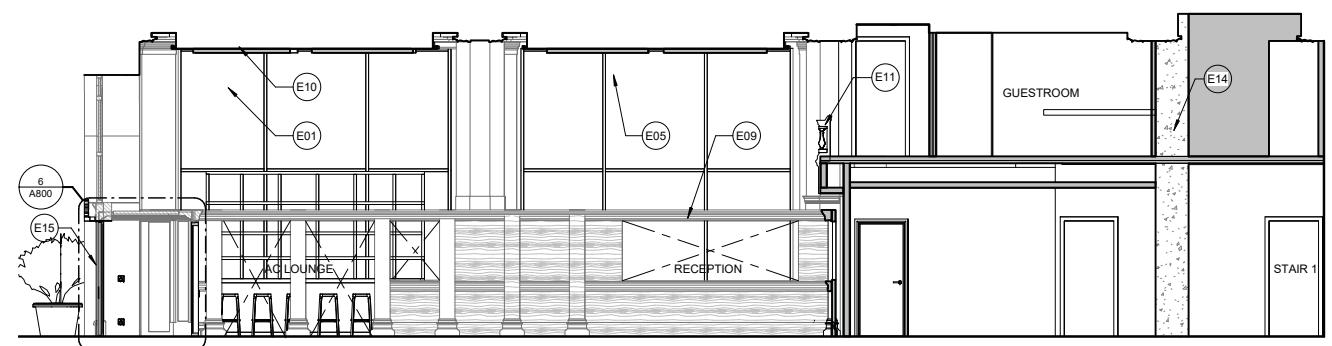
E01 REPLACE STOREFRONT TO MATCH ORIGINAL TYPE
E05 NEW STOREFRONT TO FIT IN REOPENED, ORIGINAL OPENING
E08 HISTORIC MURAL AND CLOCK TO REMAIN
E09 WOOD PARTITIONS TO BE STRIPPED OF PAINT AND RELOCATED, PER PLAN. CABINETS TO BE REMOVED AND NON-ORIGINAL ADDITIONS TO BE REMOVED
E10 (N) REVERSE COVE CEILING WITH LED LIGHT, ACCENT LIGHTING AND ACOUSTIC PANELS, LEAVING COLUMN CAPITALS AND CEILING TRIM EXPOSED
E11 RELOCATED MEZZANINE BALUSTRADE
E13 MARBLE FINISH AT ELEVATOR BAY AND ON (2) COLUMNS TO REMAIN
E14 (N) STRUCTURAL SHEAR WALL
E15 NON HISTORIC ENTRY DOOR AND SIDELIGHTS TO BE REPLACED
E17 MEZZANINE WALL SET BACK 6" FROM NEW FABRICATED BALUSTRADE
E32 (E) ELEVATOR CONTROL PANEL TO REMAIN



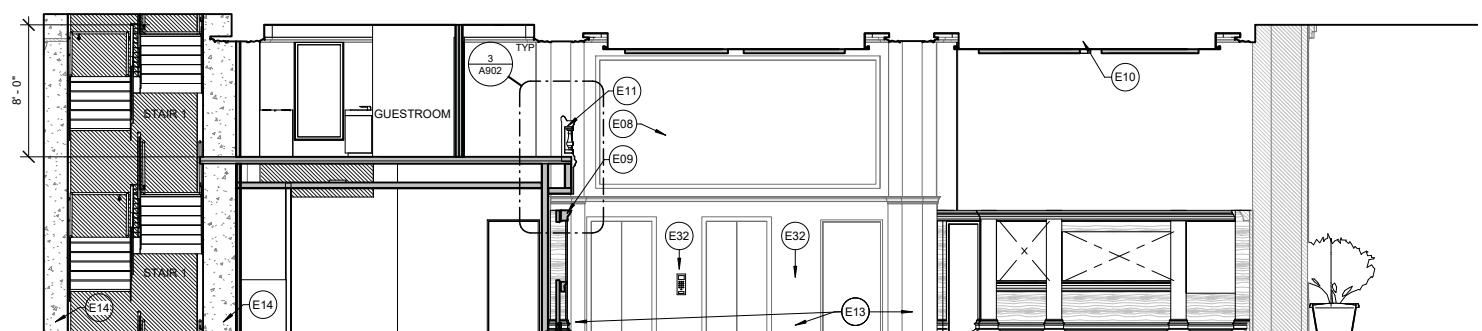
LOBBY - E ELEVATION 4
3/16" = 1'-0"



LOBBY - W ELEVATION 3
3/16" = 1'-0"



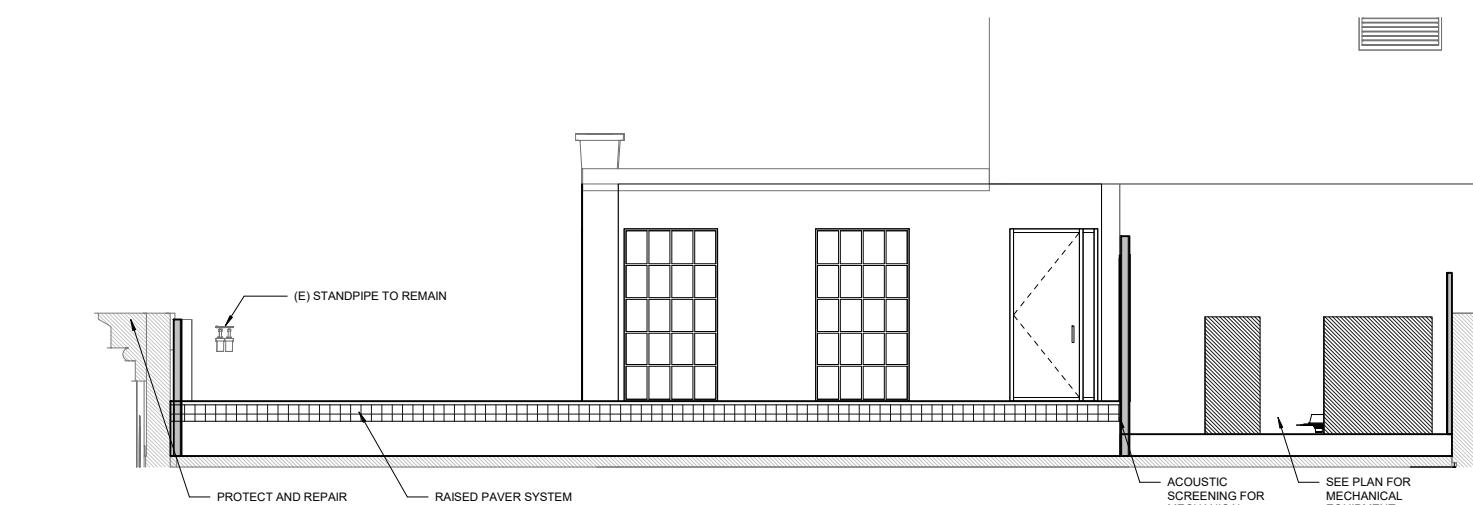
LOBBY - S ELEVATION 2
3/16" = 1'-0"



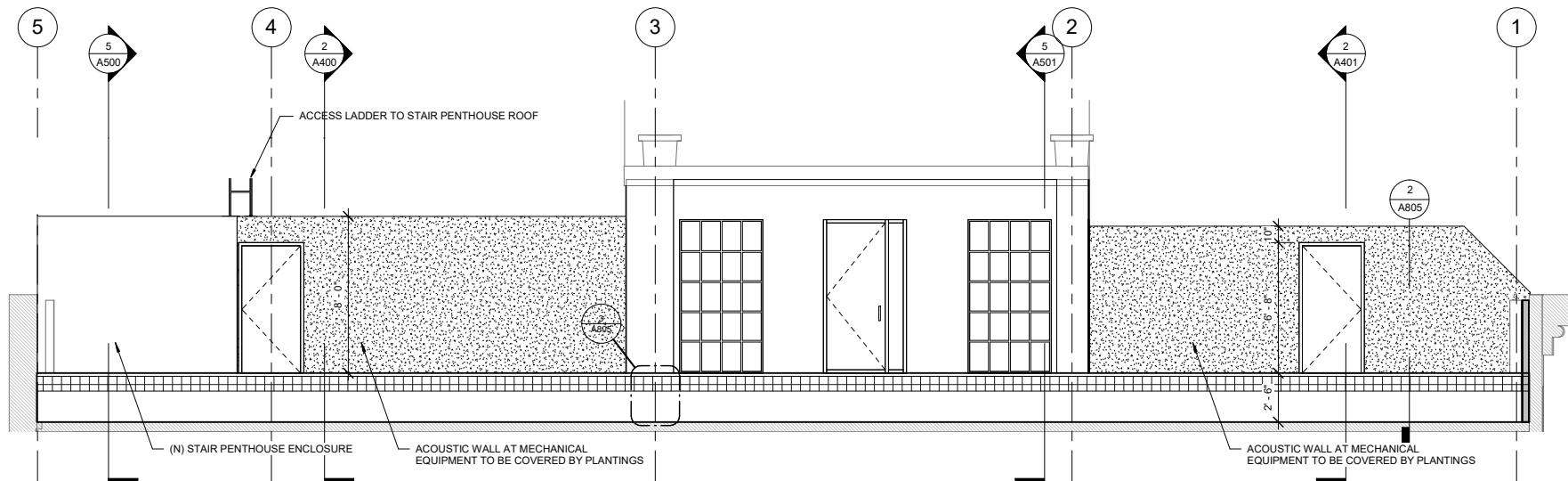
LOBBY - N ELEVATION 1
3/16" = 1'-0"

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ROOF TERRACE - EAST ELEVATION 3
1/4" = 1'-0"



ROOF TERRACE - SOUTH ELEVATION 2
1/4" = 1'-0"

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LICENSED ARCHITECT
MICHAEL STANTON
C-115519
1/31/19
STATE OF CALIFORNIA

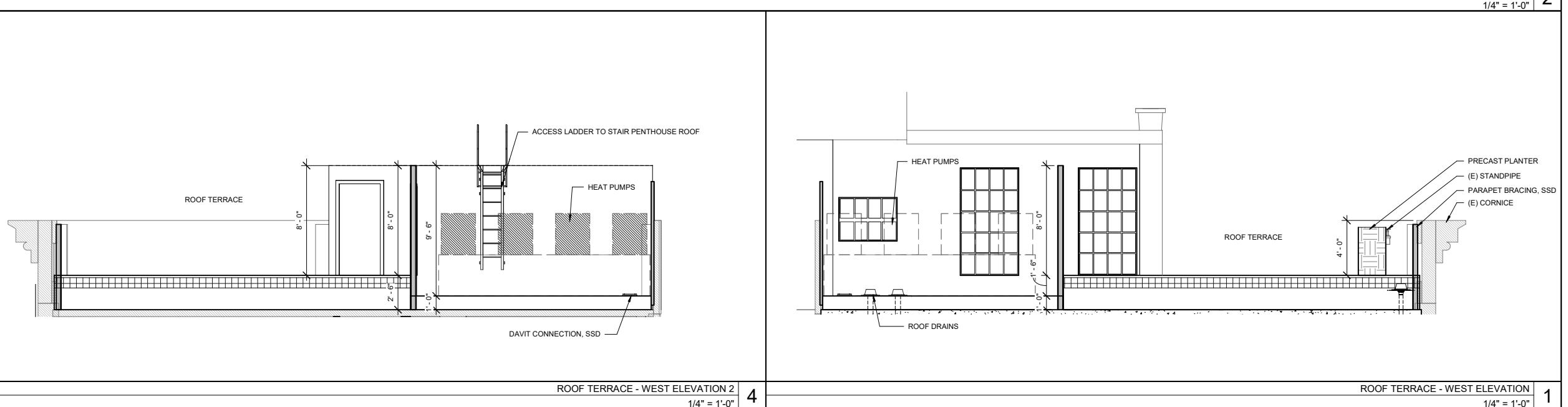
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DRAWING TITLE
ELEVATIONS - ROOF TERRACE

STATUS
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ROOF TERRACE - WEST ELEVATION 2 4
1/4" = 1'-0"
ROOF TERRACE - WEST ELEVATION 1
1/4" = 1'-0"

**SVWC Building,
LLC.**

505 SANSOME ST, SUITE 400
SAN FRANCISCO, CA 94111

425 Mason St Hotel

425 Mason Street
San Francisco, CA 94107



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NO. DATE ISSUE

DRAWING TITLE
ENTRY DETAILS

STATUS
2/22/2018

JOB NO. 16004
DRAWN BY Author
SHEET NO.

A800

	<p>(E) CORNICE DETAIL 4</p>	<p>AC SIGNAGE EXAMPLE 2</p>
<p>SIGNAGE DETAIL 7</p> <p>3" = 1'-0"</p>	<p>VESTIBULE SECTION</p> <p>1/2" = 1'-0"</p> <p>LEVEL 1 0'-0"</p>	<p>ENLARGED VESTIBULE PLAN</p> <p>1/2" = 1'-0"</p> <p>ENLARGED MASON ST ENTRY</p> <p>1/2" = 1'-0"</p> <p>AXON VIEW - SIGNAGE 1</p>

EXHIBIT C



SAN FRANCISCO PLANNING DEPARTMENT

CEQA Categorical Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
425 Mason Street		0306/002
Case No.		Permit No.
2016-005799ENV		
<input checked="" type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRE for Category B Building)	<input type="checkbox"/> New Construction
Project description for Planning Department approval. <p>The project site at 425 Mason Street is located on the west side of Mason Street near the intersection of Geary and Mason streets. The project site consists of a vacant 95-foot-tall, eight story office building with basement, approximately 35,933 square feet in size. The existing building was constructed in 1922. The proposed project would convert the existing building into a 77-room hotel with a street-level bar and a rooftop deck and bar. Aside from the addition of a new stair penthouse, no expansion of the building envelope is proposed. The project sponsor would contribute proportionally to improvements to establish Derby Street as a shared street. These improvements would include high quality pavers, seating, landscaping, and lighting. There is no existing or proposed off-street parking. The project would include one passenger loading space (white color curb) on its street frontage after the Central Subway opens and the Muni bus stop is relocated. The proposed project includes the addition of four shear walls from the basement to the roof level, each requiring a 3 to 5 foot deep footing below the basement level, which would require excavation and removal of approximately 20 cubic yards of material. Construction activities would be completed in a single phase over the course of approximately 11 months.</p>		

STEP 1: EXEMPTION CLASS

Note: If neither class applies, an <i>Environmental Evaluation Application</i> is required.	
<input checked="" type="checkbox"/>	Class 1 - Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/>	Class 3 - New Construction. Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions
<input type="checkbox"/>	Class 32 - In-Fill Development. New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. (b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses. (c) The project site has no value as habitat for endangered rare or threatened species. (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. (e) The site can be adequately served by all required utilities and public services.
FOR ENVIRONMENTAL PLANNING USE ONLY	
<input type="checkbox"/>	Class _____

STEP 2: CEQA IMPACTS

TO BE COMPLETED BY PROJECT PLANNER

If any box is checked below, an *Environmental Evaluation Application* is required.

<input type="checkbox"/>	Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities) within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? (refer to EP_ArcMap > CEQA Catex Determination Layers > Air Pollution Exposure Zone)
<input type="checkbox"/>	Hazardous Materials: If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance - or a change of use from industrial to residential? If yes, this box must be checked and the project applicant must submit an Environmental Application with a Phase I Environmental Site Assessment. <i>Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap > Maher layer).</i>
<input type="checkbox"/>	Transportation: Does the project create six (6) or more net new parking spaces or residential units? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?
<input checked="" type="checkbox"/>	Archeological Resources: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? (refer to EP_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)
<input type="checkbox"/>	Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography)
<input type="checkbox"/>	Slope = or > 20%: Does the project involve any of the following: (1) square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography) If box is checked, a geotechnical report is required.
<input type="checkbox"/>	Seismic: Landslide Zone: Does the project involve any of the following: (1) square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report is required.
<input type="checkbox"/>	Seismic: Liquefaction Zone: Does the project involve any of the following: (1) square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report will likely be required.
If no boxes are checked above, GO TO STEP 3. If one or more boxes are checked above, an <i>Environmental Evaluation Application</i> is required, unless reviewed by an Environmental Planner.	
Comments and Planner Signature (optional): Alesia Hsiao	
-Archeological Review: June 22, 2017, No effect.	
-Historical Resources: Preservation Team Review Form December 11, 2017, No significant impact.	
-Noise Study: April 4, 2018. No significant impact.	
-Hazardous Materials: The project site is located on the Maher map but involves 20 cubic yards of excavation and no subsurface contamination is suspected. No significant impact.	

中文詢問請電: 415.575.9010

Para información en Español llamar al: 415.575.9010

Para sa impormasyon sa Tagalog tumawag sa: 415.575.9121

STEP 3: PROPERTY STATUS - HISTORIC RESOURCE

TO BE COMPLETED BY PROJECT PLANNER

PROPERTY IS ONE OF THE FOLLOWING: (refer to Parcel Information Map)

<input checked="" type="checkbox"/>	Category A: Known Historical Resource. GO TO STEP 5.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 45 years of age). GO TO STEP 4.
<input type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age). GO TO STEP 6.

STEP 4: PROPOSED WORK CHECKLIST

TO BE COMPLETED BY PROJECT PLANNER

Check all that apply to the project.

<input type="checkbox"/>	1. Change of use and new construction. Tenant improvements not included.
<input type="checkbox"/>	2. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	3. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	4. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	5. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	6. Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	7. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	8. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.

Note: Project Planner must check box below before proceeding.

<input type="checkbox"/>	Project is not listed. GO TO STEP 5.
<input type="checkbox"/>	Project does not conform to the scopes of work. GO TO STEP 5.
<input type="checkbox"/>	Project involves four or more work descriptions. GO TO STEP 5.
<input type="checkbox"/>	Project involves less than four work descriptions. GO TO STEP 6.

STEP 5: CEQA IMPACTS - ADVANCED HISTORICAL REVIEW

TO BE COMPLETED BY PROJECT PLANNER

Check all that apply to the project.

<input type="checkbox"/>	1. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input checked="" type="checkbox"/>	2. Interior alterations to publicly accessible spaces.
<input checked="" type="checkbox"/>	3. Window replacement of original/historic windows that are not "in-kind" but are consistent with existing historic character.
<input checked="" type="checkbox"/>	4. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	5. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
<input checked="" type="checkbox"/>	6. Restoration based upon documented evidence of a building's historic condition, such as historic photographs, plans, physical evidence, or similar buildings.

中文詢問請電: 415.575.9010

Para información en Español llamar al: 415.575.9010

Para sa impormasyon sa Tagalog tumawag sa: 415.575.9121

STEP 6: CATEGORICAL EXEMPTION DETERMINATION

TO BE COMPLETED BY PROJECT PLANNER

<input type="checkbox"/>	Further environmental review required. Proposed project does not meet scopes of work in either (<i>check all that apply</i>): <input type="checkbox"/> Step 2 - CEQA Impacts <input type="checkbox"/> Step 5 - Advanced Historical Review STOP! Must file an <i>Environmental Evaluation Application</i>.				
<input checked="" type="checkbox"/>	No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Project Approval Action: Commission Hearing</td> <td style="width: 50%; padding: 5px; vertical-align: top;"> Signature: Alesia Hsiao 04/05/2018 </td> </tr> <tr> <td colspan="2" style="padding: 5px;">If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.</td> </tr> </table>		Project Approval Action: Commission Hearing	Signature: Alesia Hsiao 04/05/2018	If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.	
Project Approval Action: Commission Hearing	Signature: Alesia Hsiao 04/05/2018				
If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.					
<p>Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.</p> <p>In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action.</p> <p>Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.</p>					

STEP 7: MODIFICATION OF A CEQA EXEMPT PROJECT

TO BE COMPLETED BY PROJECT PLANNER

In accordance with Chapter 31 of the San Francisco Administrative Code, when a California Environmental Quality Act (CEQA) exempt project changes after the Approval Action and requires a subsequent approval, the Environmental Review Officer (or his or her designee) must determine whether the proposed change constitutes a substantial modification of that project. This checklist shall be used to determine whether the proposed changes to the approved project would constitute a "substantial modification" and, therefore, be subject to additional environmental review pursuant to CEQA.

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address (If different than front page)		Block/Lot(s) (If different than front page)
425 Mason Street		0306/002
Case No.	Previous Building Permit No.	New Building Permit No.
2016-005799PRJ		
Plans Dated	Previous Approval Action	New Approval Action
	Commission Hearing	
Modified Project Description:		

DETERMINATION IF PROJECT CONSTITUTES SUBSTANTIAL MODIFICATION

Compared to the approved project, would the modified project:	
<input type="checkbox"/>	Result in expansion of the building envelope, as defined in the Planning Code;
<input type="checkbox"/>	Result in the change of use that would require public notice under Planning Code Sections 311 or 312;
<input type="checkbox"/>	Result in demolition as defined under Planning Code Section 317 or 19005(f)?
<input type="checkbox"/>	Is any information being presented that was not known and could not have been known at the time of the original determination, that shows the originally approved project may no longer qualify for the exemption?
If at least one of the above boxes is checked, further environmental review is required.	

DETERMINATION OF NO SUBSTANTIAL MODIFICATION

<input type="checkbox"/>	The proposed modification would not result in any of the above changes.
If this box is checked, the proposed modifications are categorically exempt under CEQA, in accordance with prior project approval and no additional environmental review is required. This determination shall be posted on the Planning Department website and office and mailed to the applicant, City approving entities, and anyone requesting written notice.	
Planner Name:	Signature or Stamp:

中文詢問請電: 415.575.9010

Para información en Español llamar al: 415.575.9010

Para sa impormasyon sa Tagalog tumawag sa: 415.575.9121

EXHIBIT D



SAN FRANCISCO PLANNING DEPARTMENT

Land Use Information

PROJECT ADDRESS: 425 MASON ST
RECORD NO.: 2016-005799CUA

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

	EXISTING	PROPOSED	NET NEW
GROSS SQUARE FOOTAGE (GSF)			
Lot Area	4,647sf	4,647sf	0
Residential	0	0	0
Commercial/Retail	0	0	0
Office	37,974	0	-37,974
Industrial/PDR <small>Production, Distribution, & Repair</small>	0	0	0
Parking	0	0	0
Usable Open Space	N/A	N/A	N/A
Public Open Space	N/A	N/A	N/A
Other (Hotel)	0	39,379	39,379
TOTAL GSF	37,974	39,379	1,405*
	EXISTING	NET NEW	TOTALS
PROJECT FEATURES (Units or Amounts)			
Dwelling Units - Market Rate	0	0	0
Dwelling Units - Affordable	0	0	0
Hotel Rooms	0	77	77
Parking Spaces	0	0	0
Loading Spaces	0	1 (on street)	1 (on-street)
Car Share Spaces	0	0	0
Bicycle Spaces	0	0	0**
Number of Buildings	1	1	0
Number of Stories	8+Mezzanine over basement	8+Mezzanine over basement	Mezzanine Expansion & rooftop egress stair penthouse ***
Height of Building(s)	95'	95'	95'
Other ()			

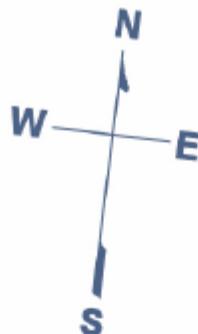
* Total building square footage & gross floor area (F.A.R.) compliance calculations are provided on A003 of drawing set.

** The project is subject to TDM program requirements, therefore bicycle parking spaces may be used to meet the program requirements in the permitting phase.

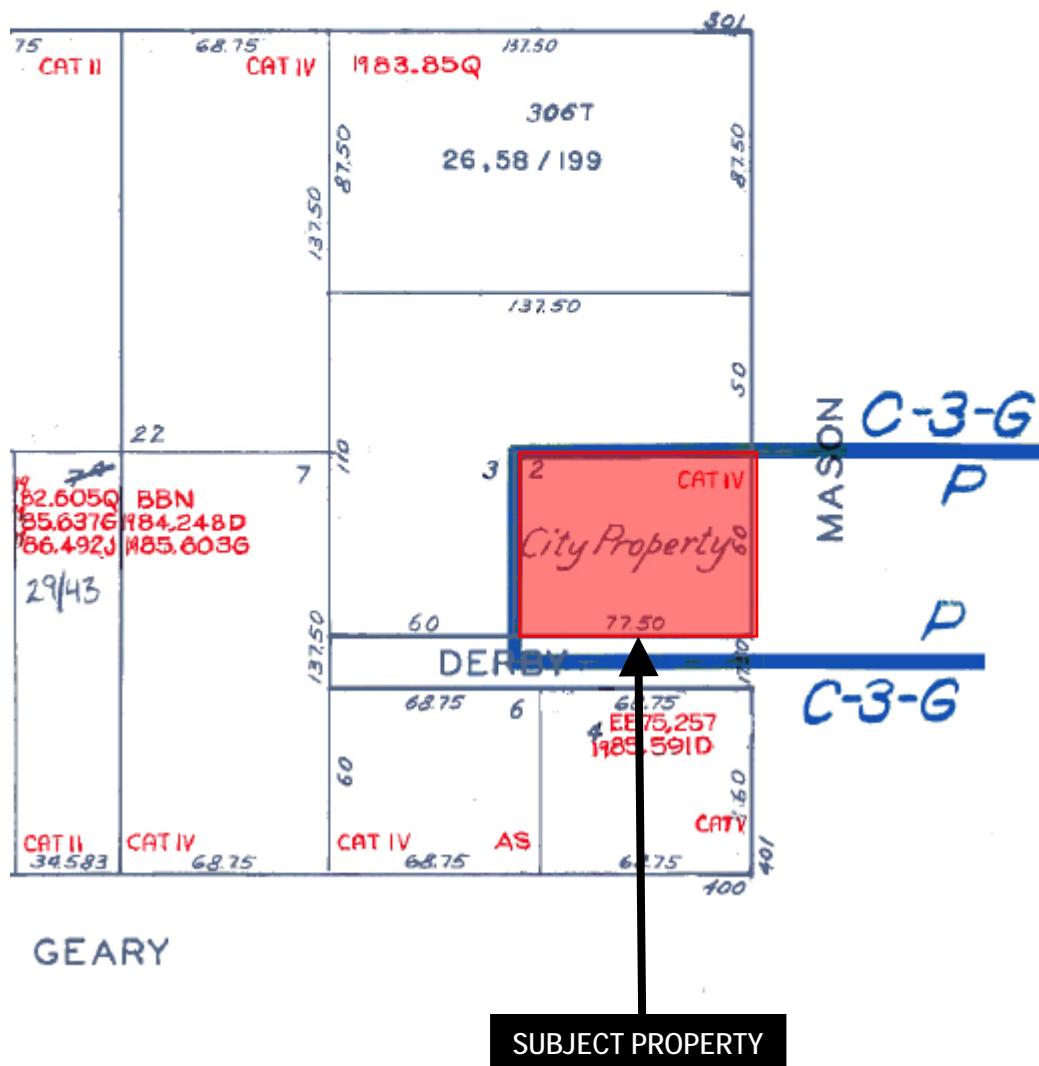
*** Existing Mezzanine floor will be expanded. Existing rooftop enclosure (level 8) will remain. New egress stair penthouse (without vestibule) will be added to the rooftop level (level 8).

EXHIBIT E

Parcel Map



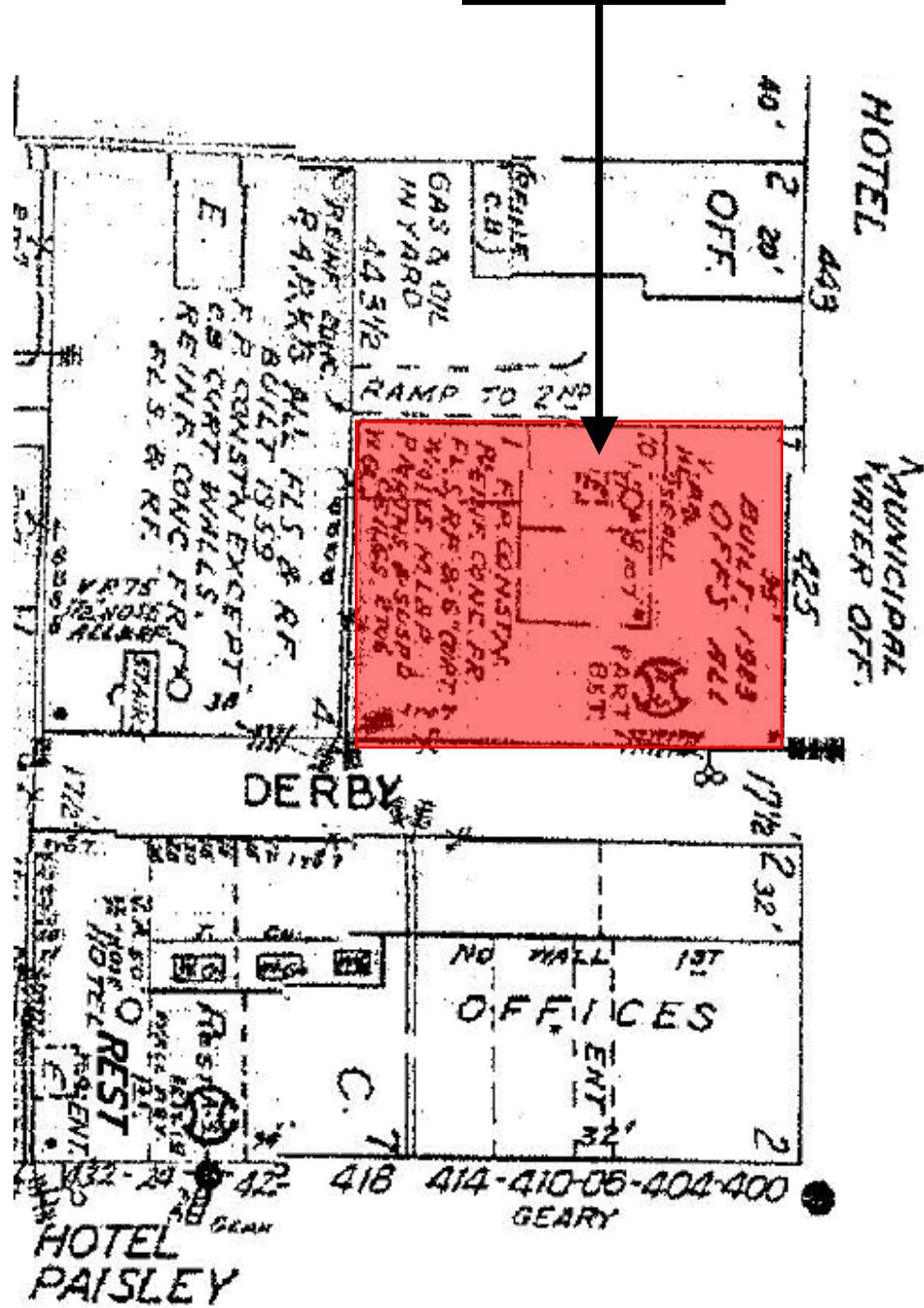
POST



Conditional Use Hearing
 Case Number 2016-005799CUA
 Former Spring Valley Water Co. Building
 425 Mason Street

Sanborn Map*

SUBJECT PROPERTY

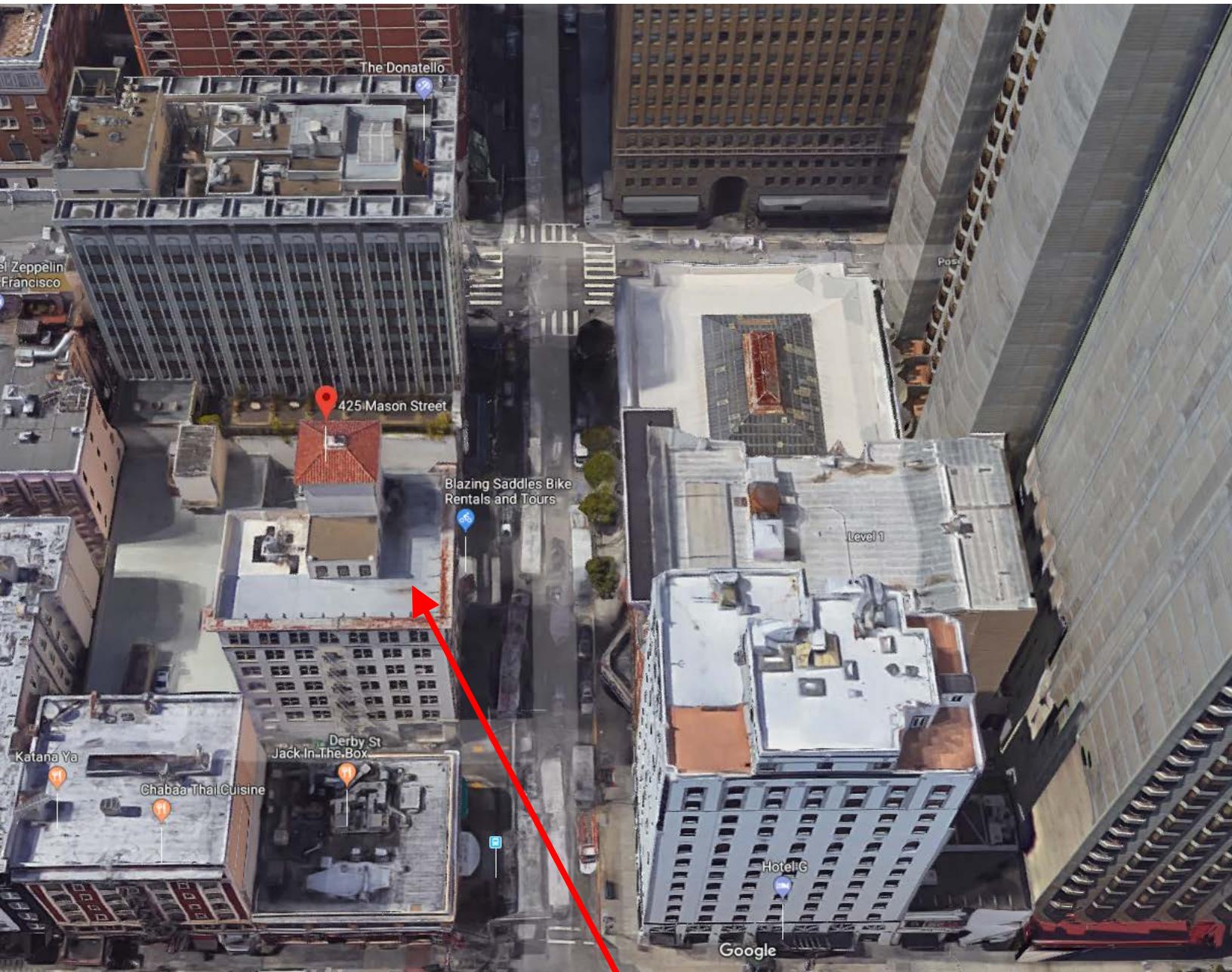


**The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.*



Conditional Use Hearing
Case Number 2016-005799CUA
Former Spring Valley Water Co. Building
425 Mason Street

Aerial Photo

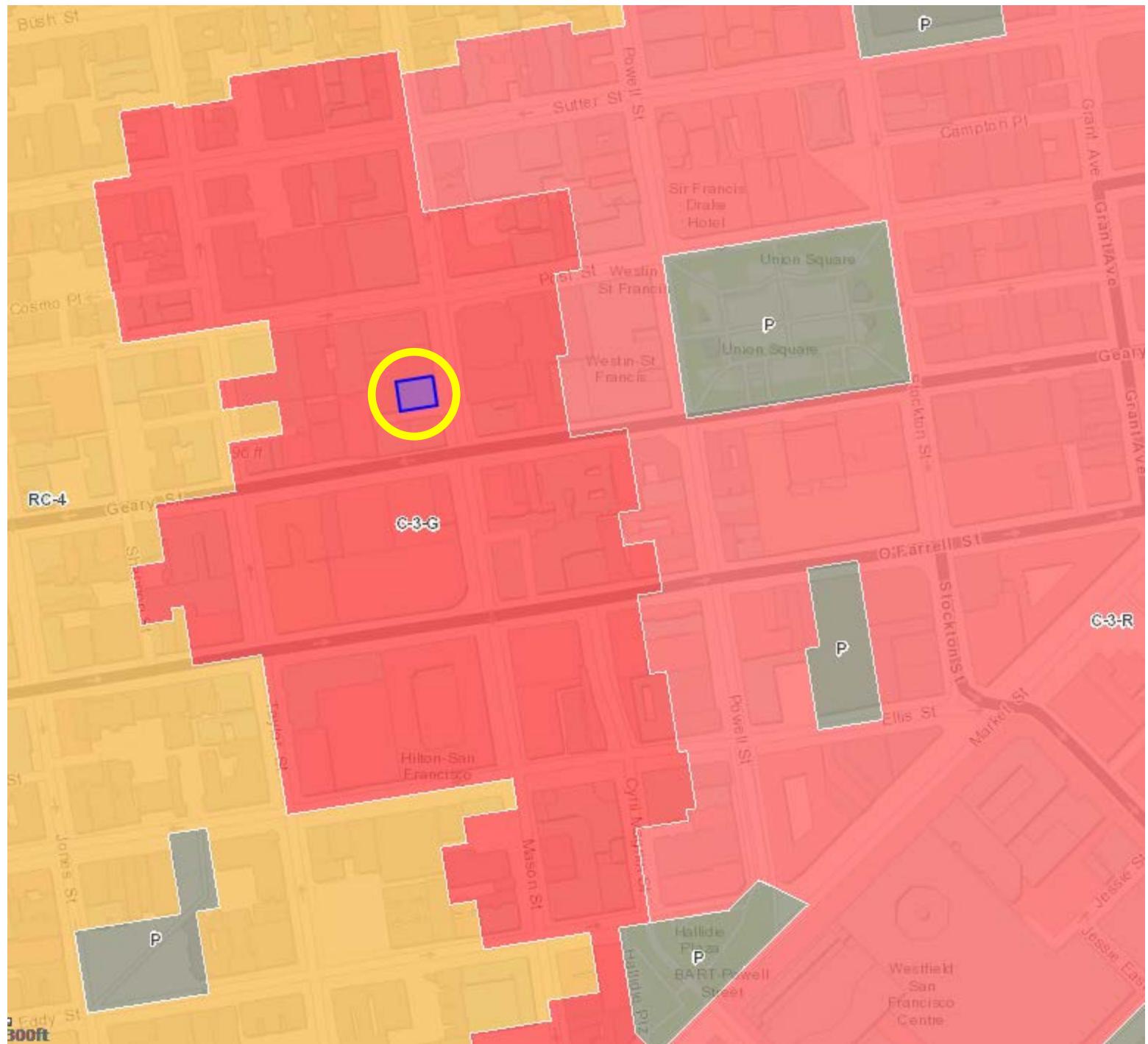


SUBJECT PROPERTY



Conditional Use Hearing
Case Number 2016-005799CUA
Former Spring Valley Water Co. Building
425 Mason Street

Zoning Map



Conditional Use Hearing
Case Number 2016-005799CUA
Former Spring Valley Water Co. Building
425 Mason Street

Historic Photos



Conditional Use Hearing
Case Number 2016-005799CUA
Former Spring Valley Water Co. Building
425 Mason Street

Site Photo



Conditional Use Hearing
Case Number 2016-005799CUA
Former Spring Valley Water Co. Building
425 Mason Street

EXHIBIT F



UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

December 19, 2017

Eliesh Tuffy – Staff Planner
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103-2479

RE: Letter of Support for 425 Mason Street

Dear Ms. Tuffy:

On November 7th, Ross Guehring of Lighthouse Public Affairs representing the project applicant and J Street Hospitality, presented project details regarding 425 Mason Street to the Union Square Business Improvement District's (USBID) Public Affairs Committee. It is our understanding that the 7-story, 34,500 square foot project, once home to the Spring Valley Water Company and designed by the famous Bay Area architect Willis Polk, has sat vacant since 2003. The project applicant proposes converting the vacant property into a tourist hotel with approximately 77 hotel rooms and a ground floor restaurant/bar use. In addition, the project applicant proposes high-quality streetscape upgrades to Derby Alley, a long neglected backstreet that the applicant, adjacent property owners, and the USBID are interested in activating with tables, chairs, lighting, and art.

It was the consensus of committee members, and the USBID Executive Committee, that this new building will be a very positive addition to Union Square's streetscape by providing a compelling and interactive street frontage to engage the street and that the proposed architectural elements are supportive of the Kearny-Mason-Sutter Conservation District design guidelines. We urge the San Francisco Planning Commission to approve the project design and look forward to the hotel's opening to further support Union Square's reputation as one of the City's most vibrant districts.

Sincerely,

Karin Flood

Karin Flood
Executive Director - Union Square Business Improvement District

Cc: John Rahaim, Supervisor Aaron Peskin, Sarah Clark – Stanton Architecture

UNION SQUARE BUSINESS IMPROVEMENT DISTRICT

323 GEARY STREET, SUITE 203 SAN FRANCISCO, CA 94102
TEL (415) 781-7880 FAX (415) 781-0258 VISITUNIONSQUARESF.COM

December 21, 2017

Michael Stanton
Stanton Architecture
1501 Mariposa Street, Suite 328
San Francisco, CA 94107

Re: 425 Mason Street – Easement Review

Dear Michael:

On behalf of SF Heritage's Projects + Policy Committee, I write to grant our approval of the updated plans for alterations to 425 Mason Street, which is protected by a conservation easement held by Heritage. We appreciate your team's responsiveness to the committee's previous feedback and requested design changes, including those that were beyond the scope of Heritage's authority under the terms the easement.

The P+P Committee originally granted conditional approval of the project on November 15, 2016, subject to a series of clarifications and design modifications. The updated plans, reviewed by the P+P Committee in December 2017, reflect changes requested or recommended by Heritage to achieve greater retention and protection of historic fabric at the ground-floor level, specifically:

- **Ground-floor, partial-height wood partitions:** Heritage had requested that partitions on the south and west sides of the lobby area be retained largely in the same footprint, while recognizing that certain sections will need to be removed for circulation.
 - **Response:** The south and west side partitions are being retained largely in the same place. The north partition will be shifted to the north by approximately two feet per the Planning Department. (**Note:** The committee believes that the proposed treatment of the wood partitions needs to be better detailed in construction documents, especially where the west partition is being moved. The screen wall to the south will need to be modified to accommodate this and it needs to be done sensitively.)
- **Columns and column capitals:** Heritage had requested that the depth of the proposed drop ceiling be reduced and the recessed light cove pulled back from the column capitals as much as possible to maximize views to existing cove moldings.
 - **Response:** The drop ceiling has been reduced and recessed cove has been pulled back from column capitals.

- **Flooring:** Heritage had requested that the original flooring in the central lobby area be retained and preserved and that missing sections be replaced in-kind.
 - **Response:** Existing flooring will be retained and repaired to match original flooring with border modified to match new partition locations.
- **Exterior canopy:** Heritage had encouraged the design team to examine options that would not penetrate the façade.
 - **Response:** The canopy has been eliminated; hotel signage will instead be installed on a thin metal plate to not obscure the historic surround on the entry.
- **Glazing at mezzanine level:** Heritage had recommended moving the glazing at mezzanine to span across columns for improved noise separation and insulation, or to provide a similar, compatible glazed partition at this location.
 - **Response:** In lieu of glazing, the Planning Department requested that a duplicate of the non-historic balustrade be fabricated and installed in front of the mezzanine wall; Heritage concurs with this approach.
- **New shearwall adjacent to reception desk:** Heritage had recommended that the new shearwall be located to minimize the impact on the existing historic fabric.
 - **Response:** The shearwall has been placed as close to existing stair as possible to expose cove molding.

Finally, the committee has also reviewed, and approves, the new proposal to remove the non-historic stair to the west of the elevator and add a lift for the mezzanine.

Thank you, again, for your sensitive and thorough response to design changes and treatment recommendations requested by Heritage. We are pleased to approve this project under the terms of the easement. Please contact me directly at 415/441-3000 x15 or mbuhler@sfhc.org should you have additional questions.

Sincerely,



Mike Buhler
President & CEO

March 27, 2018

Jonas Ionin
Commission Secretary
San Francisco Planning Department
1650 Mission Street
San Francisco, California

Dear Members of the Planning Commission,

This letter is in support of the proposed hotel project at 425 Mason Street. As a union representing hospitality employees, we are concerned with whether new jobs created in this industry will serve to lift up the community by providing leading wages and working conditions for the hardworking people who work in our city's hotels.

Hotel developers have historically supported the creation of good quality jobs by agreeing to remain neutral and present no encumbrances to efforts by their employees to form a union. These agreements represent a double win for our community – they ensure that jobs created are good quality jobs, and they also guarantee that hotel developments are free from costly labor disputes.

The developer of this project reached out to us early on in the entitlement process and worked with our union to sign such an agreement. They have also signed an agreement which covers the building trades as well.

This proposed project is located in an area rich with hotels and is located right next door to another proposed hotel project. We support this project for its guarantees of good quality jobs in this critical industry for San Francisco.

Please feel free to contact me if you have further questions.

Best,

Cynthia Gómez
Research Analyst
UNITE HERE, Local 2

INTERNATIONAL ASSOCIATION OF SHEET METAL, AIR, RAIL AND TRANSPORTATION WORKERS
SHEET METAL WORKERS' LOCAL UNION NO. 104
WEST BAY DISPATCH OFFICE

PHONE (415) 621-2930



FAX (415) 621-2554

1939 MARKET STREET, SUITE A, SAN FRANCISCO, CA 94103

March 13, 2018

Ms. Eiliess Tuffy
San Francisco Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Sent via email: eiliess.tuffy@sfgov.org

RE: 425 Mason Street, San Francisco (Case #2016.005799CUA)

Dear Ms. Tuffy:

The Sheet Metal Workers' Local Union No. 104 supports J Street Hospitality's proposed hotel project at 425 Mason, San Francisco. We believe this project will be a benefit to the local community and the City of San Francisco for the following reasons:

- Stimulate the local economy by providing middle-class union construction jobs with living wages, health and retirement benefits, for San Francisco residents
- Ensure sustainable career pathways into union construction apprenticeship and training programs for local youth and United States military veterans
- Developer was open to discuss our concerns and has committed to partner with our local union construction community

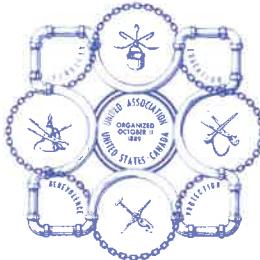
For all of the aforementioned reasons, we urge the Planning Commission to approve this project as proposed.

Respectfully,

A blue ink signature of the name "Danny Campbell".

Danny Campbell
Business Development Representative

TELEPHONE (415) 626-2000



FACSIMILE (415) 626-2009
EMAIL: UALOCAL38@UALOCAL38.ORG

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY

LOCAL UNION NO. 38

1621 MARKET STREET • SAN FRANCISCO, CA 94103

March 14, 2018

Ms. Eiliesh Tuffy
San Francisco Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Sent via email: eiliesh.tuffy@sfgov.org

RE: 425 Mason Street, San Francisco (Case #2016.005799CUA)

Dear Ms. Tuffy:

The Plumbers and Pipefitters Local Union 38 supports J Street Hospitality's proposed hotel project at 425 Mason, San Francisco. We believe this project will be a benefit to the local community and the City of San Francisco for the following reasons:

- Stimulate the local economy by providing middle-class union construction jobs with living wages, health and retirement benefits, for San Francisco residents
- Ensure sustainable career pathways into union construction apprenticeship and training programs for local youth and United States military veterans
- Developer was open to discuss our concerns and has committed to partner with our local union construction community

For all of the aforementioned reasons, we urge the Planning Commission to approve this project as proposed.

Respectfully,

LARRY MAZZOLA, JR
Bus.Mgr. & Fin.Secty-Treas.

SPRINKLER FITTERS AND APPRENTICES

LOCAL 483

OF THE UNITED ASSOCIATION OF PLUMBERS,
PIPEFITTERS AND SPRINKLER FITTERS OF THE
UNITED STATES AND CANADA AFL-CIO



Stanley M. Smith
Business Manager

Jeffrey M. Dixon
John Medina
Organizers

Dylan M. Boldt
Tony Rodriguez
Dan Torres
Business Agents

Bill Bourgeois
Market Development Representative

March 14, 2018

Ms. Eiliessh Tuffy
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94103

Sent via email: eiliessh.tuffy@sfgov.org

Reference: 425 Mason Street, San Francisco (Case #2016.005799CUA)

Dear Ms. Tuffy:

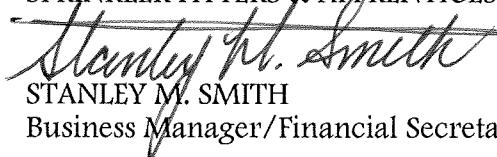
Sprinkler Fitters, UA Local 483 supports J Street Hospitality's proposed hotel project at 425 Mason, San Francisco. We believe this project will be a benefit to the local community and the City of San Francisco for the following reasons:

- Stimulate the local economy by providing middle-class union construction jobs with living wages, health and retirement benefits, for San Francisco residents
- Ensure sustainable career pathways into union construction apprenticeship and training programs for local youth and United States military veterans
- Developer was open to discuss our concerns and has committed to partner with our local union construction community.

For all of the aforementioned reasons, we urge the Planning Commission to approve this project as proposed.

Sincerely,

SPRINKLER FITTERS & APPRENTICES


STANLEY M. SMITH
Business Manager/Financial Secretary



March 19, 2018

Mr. Jonas P. Ionin
Commission Secretary
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: Letter of Support for Proposed Hotel at 425 Mason Street

Dear Mr. Ionin and Honorable San Francisco Planning Commissioners:

On behalf of San Francisco Travel, which represents more than 1,300 Bay Area business partners, I am writing to express our support for the proposed 77 room hotel at 425 Mason Street by J Street Hospitality.

The proposed hotel plans includes a partnership with the Planning Department and San Francisco Heritage to preserve many historical features inside and outside of the building, which has been vacant since 2003. The plan also includes 1,650 square feet of restaurant and bar space, in addition to 1,100 square feet of lobby and hotel lounge. This project also hopes to reactivate Derby Street by cleaning and repaving sidewalks and adding site furnishings, including planters and catenary lights.

Proposed at the edge of Union Square and Tenderloin neighborhoods, the location is prime to meet visitor accommodation demands and is close to countless destinations including world class shopping and cultural institutions. Last year, San Francisco hosted over 25 million visitors to San Francisco who spent \$9 Billion during their stay. Visitor dollars spent here generated \$750,000 in taxes and fees that support the City's general fund budget, health and safety, arts and cultural organizations, recreational facilities, homeless efforts and affordable housing.

San Francisco Travel supports offering a variety of styles of accommodation to suit the needs of the diverse array of traveler and visitor needs to San Francisco. With a bustling convention calendar after the completion of the Moscone Center expansion project, accommodations will be at a higher demand than ever.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe D'Alessandro".

Joe D'Alessandro
President & CEO



April 5, 2018

Mr. Rich Hillis
President
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103-2414

Re: Support for 425 Mason Street

Dear Commissioner Hillis:

On behalf of the Hotel Council of San Francisco and our Board of Directors I am writing to support the approval of the proposed 77 room Hotel development located at 425 Mason Street in San Francisco.

The proposed hotel plans include a partnership with the Planning Department and San Francisco Heritage to preserve many historical features inside and outside, which has remained vacant since 2003. The plans also include restaurant and bar space in addition to the lobby and hotel lounge. The project also looks to reactivate Derby Street by cleaning and repaving sidewalks and adding site furnishings.

The addition of this hotel will not only bring jobs into the neighborhood and tax revenue to support the city but also economic impact for surrounding businesses. Hotel guests spend more money outside of hotels than inside which will benefit other businesses in the neighborhood.

Again, the Hotel Council of San Francisco recommends your support for this project and the construction and hotel jobs that it creates.

Sincerely,

A handwritten signature in black ink that reads "Kevin Carroll".

Kevin Carroll
Executive Director

Tuffy, Eiliesh (CPC)

From: Marvis Phillips <marvisphillips@gmail.com>
Sent: Friday, April 13, 2018 1:19 AM
To: Tuffy, Eiliesh (CPC)
Cc: apolk@stantonarchitecture.com
Subject: Record No. 2016-005799CUA. 425 Mason Street

Dear Eiliesh,

The District 6 Community Planners are in support of the Conditional Use Authorization for this project to rehabilitate the Historic "Spring Valley Water Company" building, (built in 1922), and the to convert the building from an Office use to a Tourist Hotel use, creating 77 tourist hotel rooms. We also appreciate the project sponsors for preserving the "historic lobby features" which are subject to a "Preservation Easement", and we support the establishment of the roof-top lounge.

This site has been under-utilized for a number of years and we are glad to see the property being re-used again. We of the D6CP feel with proper care the buildings historic character and it's historic designation as a contributory building within the

Kearny-Market-Mason-Sutter Conservation District, makes this property a chose property in which to have a Hotel.

So again, we of the District 6 Community Planners are is support of this project and we urge the Planning Commission to approve its Conditional Use Authorization. Thank you.

Sincerely,
Marvis J. Phillips
Interim Board Chair
District 6 Community Planners

--
Thank you for your time and consideration. Please contact me if you have any questions or concerns.

Sincerely,
Marvis J. Phillips
President, ABD6
<http://abd6.cfsites.org/>

EXHIBIT G

REUBEN, JUNIUS & ROSE, LLP

Mark Loper
mloper@reubenlaw.com

April 5, 2018

Delivered Via Email

San Francisco Planning Commission
President Rich Hillis
1650 Mission Street, Suite 400
San Francisco, CA 94103

**Re: 425 Mason Street
Planning Department File No. 2016-005799CUA**

Dear President Hillis and Commissioners:

This office represents J Street Hospitality (“Sponsor”), which proposes to transform the existing vacant Spring Valley Water Company building at 425 Mason Street in Union Square into a 77-room hotel (the “Project”). The Project proposes an adaptive re-use of a historic building, ensuring its long-term viability, and adds a much-needed hotel in an appropriate location proximate to San Francisco’s tourist attractions and downtown commercial core. We ask that you approve this project at your April 26, 2018 hearing.

1. Revitalizing the Spring Valley Water Company Building

The Project site—the Spring Valley Water Company Building—is a Willis Polk-designed building originally constructed in 1922. It served as the headquarters for the water company for eight years, until the city of San Francisco purchased it in 1930. For the next 72 years, it served as the headquarters of the San Francisco Water Department, until 2003.

The Property has been vacant since 2007 and is badly in need of repairs. A previous owner attempted some internal upgrades and repairs but was not able to fully restore the building. All existing partitions and interior improvements have been removed on all levels, except at grade. The original lobby has largely remained intact and several important historic features have remained which are protected with an easement held by SF Heritage.

The Sponsor has worked closely with the Planning Department’s preservation staff and SF Heritage to integrate historic elements of the building into the new lobby space and ensure that they remain present. As noted above, SF Heritage holds a preservation easement over the Property

San Francisco Office
One Bush Street, Suite 600, San Francisco, CA 94104
tel: 415-567-9000 | fax: 415-399-9480

Oakland Office
456 8th Street, 2nd Floor, Oakland, CA 94607
tel: 510-257-5589

www.reubenlaw.com

requiring its affirmative approval for any project at the site. We are happy to report that Heritage has approved and supports the Project's design, finding that it complies with the terms of the easement and protects the unique historic features at the ground floor level.

The Sponsor proposes the complete rehabilitation and conversion of the building into a hotel. The Project sponsor will do a full seismic upgrade, adding several shear walls as well as a new stair that will extend from the basement to the roof. As an Article 11-classified building, the Project will preserve many of the interior historic features, consistent with SF Heritage's easement, while leaving the exterior largely unchanged. Historic features that will be retained and preserved at the ground floor lobby, include the existing wood vestibule, wood partition walls, octagonal column wraps, ceiling detailing, a marble clock, and a mural. Exterior changes almost exclusively involve adding new stair penthouse at the roof, cleaning the terra cotta detailing at the building entrance, and replacing damaged window panes. Given the live music venue across the street, the Project will also install a secondary window system on the interior face of the guestroom windows to help with noise attenuation. The Project's exterior changes are minor enough that despite being in an Article 11 conservation district, it is eligible for a Minor Permit to Alter.

In addition to the building itself and as part of the Project, the Sponsor intends to work with the City and County of San Francisco through the Planning Department and the Property's neighbors to remove a gate installed by the Department of Public Works that currently closes Derby Street to the public. Along the Derby Street façade, the Project will reopen previously infilled windows to allow more light into the lobby, per Willis Polk's original design, and open up a path of visibility from the alley into the ground-floor bar and eating area.

2. Outreach and Support

The Project was first proposed in May 2016, nearly two years ago. Since that time, the Sponsor has engaged in a significant amount of outreach with local businesses and trade organizations, community groups, and owners and occupants of surrounding buildings. To-date, the Project is supported by the Union Square Business Improvement District, Unite Here Local 2, the Hotel Council of San Francisco, SF Travel, Sheet Metal Workers Local Union No. 104, Sprinkler Fitters & Apprentices, UA Local 483, and UA Local 38 Plumbers and Pipefitters. As noted above, SF Heritage—which holds a preservation easement over the Spring Valley Water Company building—has approved the Project as an appropriate adaptive re-use.

3. Appropriate Location for New Hotel

Given its Union Square location and proximity to SoMa and the Financial District, a hotel at this site will be positioned to serve tourist and business travelers. San Francisco continues to have a strong lodging market, and the Project will help meet some of the growing demand for hotel rooms in the City. The project site is located near other tourist hotels, nightlife options, and comparison shopping, adding a complimentary use to a lively part of the city.

The Project will provide well-appointed, affordable accommodations close to the Powell Street BART and MUNI station and the Powell Street Cable Car turnaround, and within a short walking distance to the 38, 38R, 27, 2, 3, 45, 30, 8, 8BX, 8AX, and 31 bus lines, as well as the F Market Streetcar and all the bus routes that run along Market Street in the downtown and Union Square area. The hotel will be a no-parking project and proposes one passenger loading space in front of 433 Mason Street, in conjunction with the sponsor of that project. A second passenger loading space along the 60' street frontage along Mason Street would occur after the implementation of the Central Subway project occurring in 2020 when the red curb and bus stop in front of 425 Mason Street are removed. Freight loading for deliveries would occur at the existing four freight loading spaces along the east side of Mason Street.

San Francisco's visitor industry is thriving, the number of visitors to the City is at an all-time high, and hotel occupancies are at record levels. San Francisco Travel¹ reports 25.2 million visitors to San Francisco in 2016 (10.4 million overnight visitors and 14.8 million day visitors). San Francisco has seen consistent occupancy rates between 80 and 90 percent since 2010. In 2016, occupancy rates reached 87.6 percent. These occupancy numbers have led to significant increases in average daily room rates (average rental income per paid occupied room in one year). Citywide, the average daily room rate was \$276 in 2016—an increase of 20 percent from an average of \$229 in 2013. The long term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity, growth in international travel, and the City's broad appeal to both convention and leisure travelers.

There are a number of other hotels in the Union Square area, but there are several factors that favor tourist hotel use at the Property, and more specifically, this type of hotel product. As new construction with a focus on stylized and livable spaces over large sleeping quarters, the Project will offer something distinctive in the City's boutique hotel market, where almost all such lodging is in renovated older buildings. In addition, the site is located across the street from a lively nightclub and live music venue; the sponsor expects hotel guests will purposefully choose to stay in this bustling neighborhood. Although the Project will replace broken windows and add double panes on the interior to minimize noise entering the guest rooms facing Mason Street, with an historic building and limitations on exterior changes, preventing ambient noise from entering the rooms will be impossible. This makes temporary occupancy of guest rooms more appropriate than long-term residential use, along with factors such as lack of a rear yard and limited space for POPOS other than the roof, proximity of adjacent existing buildings and privacy for rear-facing units, and others.

Further, the Property is in a well-established location for tourist and business visitor activity. Centrally located in Union Square, it is walking distance from shopping, theaters, entertainment, Yerba Buena Gardens, the recently re-opened SF MOMA, the Moscone Convention Center, and the Financial District and Transbay District. Easy access to the Powell Street BART

¹ San Francisco Travel is the private, not-for-profit organization that markets the city as a leisure, convention, and business destination.

President Rich Hillis
San Francisco Planning Commission
April 5, 2018
Page 4

station provides a direct link to both the San Francisco and Oakland airports, as well as the East Bay and Silicon Valley.

4. Community Benefits

The Project offers a range of community benefits. It will lead to both temporary construction jobs and permanent hotel employment opportunities. The Project Sponsor has signed agreements with the local hotel worker's union as well as construction trades (mechanical, electrical, pipe fitting, and sheet metal). It does not provide any on-site car parking, a nod to its location in a transit-rich and walkable part of San Francisco. It will pay a host of impact fees and taxes, including the Transient Occupancy Tax (14% annually), the Child Care Fee, the Jobs-Housing Linkage Fee, and the Transportation Sustainability Fee.

5. Conclusion

The Project adds an appropriate and contextual use in the heart of San Francisco's Union Square, appropriate for tourist visitors and business travelers alike. It will rehabilitate an important Willis Polk-designed building, maintaining and adapting historic elements of the original ground floor while undertaking minimal work to the exterior façade, simply upgrading and soundproofing windows. Supported by a wide range of individuals and community groups, the Project offers a host of community benefits and will integrate seamlessly into the neighborhood. We respectfully request you approve this project.

Thank you.

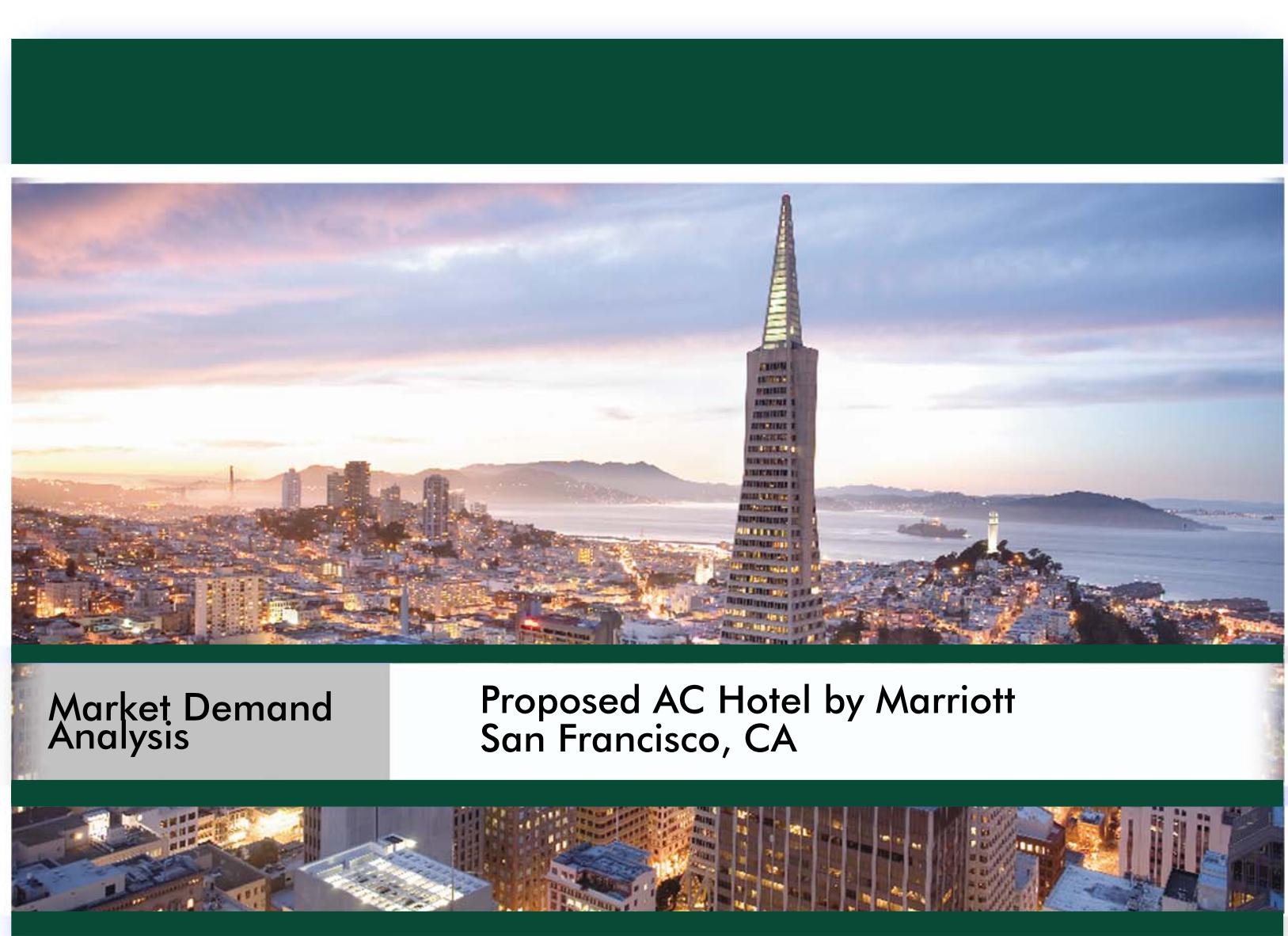
Sincerely,

REUBEN, JUNIUS & ROSE, LLP



Mark Loper

EXHIBIT H



Market Demand Analysis

Proposed AC Hotel by Marriott San Francisco, CA

Prepared For:
Mr. Sajan Hansji
Manager
SVWC Building, LLC
321 7th Avenue
San Diego, CA 92101

Prepared By:
CBRE Hotels, Consulting
San Francisco, CA

Date of the Report:
May 10, 2017

17-490SF-036

CBRE

Chris Kraus
Managing Director
CBRE Hotels, Consulting

CBRE, Inc.
101 California Street, 44th Floor
San Francisco, CA 94111

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

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

May 10, 2017

Mr. Sajan Hansji
Manager
SVWC Building, LLC
321 7th Avenue
San Diego, CA 92101

Re: Market Demand Analysis – Proposed Hotel
425 Mason Street
San Francisco, CA 94102
CBRE, Inc. File No. 17-490SF-0036

Dear Mr. Hansji:

In accordance with your request, we have completed our engagement contract, which is a study of the potential market demand for a proposed 77-room AC Hotel by Marriott (the “Subject” or “Hotel”) to be located at 425 Mason 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 April and May of 2017. This report is intended for your internal management use as well as for presentation to representatives of the City and County of San Francisco for understanding the potential market demand for the proposed Hotel within the City of San Francisco lodging market.

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

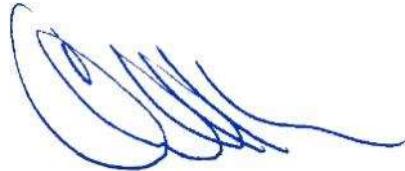
SVWC Building, LLC
Proposed Hotel – 425 Mason Street – San Francisco, CA
May 10, 2017
Page 2

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, Consulting



By: Chris Kraus
Managing Director
chris.kraus@cbre.com | 415.652.4483



By: Catherine Bolstad
Director
catherine.bolstad@cbre.com | 415.772.0357

A. INTRODUCTION

1. OVERVIEW OF THE MARKET STUDY

CBRE Hotels was formally retained on April 6, 2017, by Mr. Sajan Hansji of SVWC Building, LLC, who controls the identified Subject site. The site, which is located at 425 Mason Street in San Francisco, California, is currently improved with a vacant seven-story structure. As we understand it, SVWC Building, LLC has plans to redevelop the structure with an AC Hotel by Marriott, an upscale, lifestyle hotel. 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 September 1, 2019, in line with the developer's construction timeline.

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 2021 is presented below (from *CBRE Hotels Hotel Horizons, March – May 2017 Edition*). It should be noted that this table includes hotels in San Francisco, San Mateo, and Marin Counties (totaling approximately 51,600 rooms) and is generally referred to as the San Francisco MSA lodging market.

SAN FRANCISCO LODGING MARKET HISTORICAL AND PROJECTED PERFORMANCE					
Year	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2009	71.2%	\$135.74	-	\$96.65	-
2010	75.1%	\$135.98	0.2%	\$102.12	5.7%
2011	79.0%	\$154.79	13.8%	\$122.24	19.7%
2012	80.3%	\$171.64	10.9%	\$137.77	12.7%
2013	82.8%	\$187.33	9.1%	\$155.02	12.5%
2014	84.0%	\$208.08	11.1%	\$174.83	12.8%
2015	84.4%	\$222.28	6.8%	\$187.58	7.3%
2016	84.3%	\$230.87	3.9%	\$194.54	3.7%
CAGR/Avg.	80.1%	7.9%		10.5%	
2017 (F)	83.7%	\$229.54	-0.6%	\$192.06	-1.3%
2018 (F)	83.2%	\$237.40	3.4%	\$197.45	2.8%
2019 (F)	84.7%	\$245.54	3.4%	\$208.03	5.4%
2020 (F)	85.6%	\$254.14	3.5%	\$217.60	4.6%
2021 (F)	86.2%	\$263.65	3.7%	\$227.33	4.5%

Source: CBRE Hotels, Consulting

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 84.4 percent by 2015, and has been approximately 20 percentage points above national averages for each of the past eight years. ADR has also been very strong; it increased by a CAGR of 7.9 percent between 2009 and 2016, significantly higher than the national average growth rate of approximately 3.0 percent over the same period. Based on performance data through year-end 2016, ADR is projected to remain relatively flat in 2017 at approximately \$230. With strong occupancy and ADR growth, RevPAR growth rates have also been nearly double national averages between 2009 and 2015. 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 beginning in 2018.

2. COMPETITIVE LODGING MARKET

Presented in the following table is a summary of historical performance for the 17 San Francisco hotels that comprise the proposed Subject's competitive market from 2011 to 2016. We have also presented the competitive market's projected performance between 2017 and 2024, coinciding with the proposed Subject's first five years of operation.

PROPOSED AC HOTEL – SAN FRANCISCO, CA HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2011	926,005	-	724,201	-	78.2%	\$181.12	-	\$141.65	-
2012	919,631	-0.7%	728,818	0.6%	79.3%	\$199.68	10.2%	\$158.25	11.7%
2013	926,059	0.7%	780,560	7.1%	84.3%	\$218.50	9.4%	\$184.17	16.4%
2014	930,572	0.5%	804,748	3.1%	86.5%	\$239.49	9.6%	\$207.11	12.5%
2015	923,386	-0.8%	799,585	-0.6%	86.6%	\$253.31	5.8%	\$219.35	5.9%
2016	1,090,130	18.1%	940,061	17.6%	86.2%	\$251.15	-0.9%	\$216.58	-1.3%
CAGR/Avg.	3.3%	-	5.4%	-	83.5%	6.8%	-	8.9%	-
2017	1,176,395	7.9%	1,021,800	8.7%	87%	\$251.00	-0.1%	\$218.02	0.7%
2018	1,226,765	4.3%	1,042,800	2.1%	85%	\$259.00	3.2%	\$220.16	1.0%
2019	1,236,255	0.8%	1,038,500	-0.4%	84%	\$267.00	3.1%	\$224.29	1.9%
2020	1,254,870	1.5%	1,054,100	1.5%	84%	\$275.00	3.0%	\$231.00	3.0%
2021	1,254,870	0.0%	1,054,100	0.0%	84%	\$283.00	2.9%	\$237.72	2.9%
2022	1,254,870	0.0%	1,054,100	0.0%	84%	\$291.00	2.8%	\$244.44	2.8%
2023	1,254,870	0.0%	1,054,100	0.0%	84%	\$300.00	3.1%	\$252.00	3.1%
2024	1,254,870	0.0%	1,054,100	0.0%	84%	\$309.00	3.0%	\$259.56	3.0%
CAGR	0.9%	-	0.4%	-	-	3.0%	-	2.5%	-

Note: Assumes the June 2017 opening of the 131-room Proper San Francisco, the June 2017 opening of the 200-room YOTEL San Francisco, and the September 2019 opening of the proposed 77-room Subject.

Source: CBRE Hotels, Consulting

As shown, the competitive market's occupancy has increased from 78.2 percent in 2011 to approximately 86 percent in 2016, in line with MSA averages. Over this period, the competitive market's average occupancy was 83.5 percent. ADR for the competitive market has increased by a CAGR of 6.8 percent, slightly below levels achieved by the MSA. As of year-end 2016, ADR for the competitive market was approximately \$251 as compared to the \$231 ADR indicated by 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. 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 under-served 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 2019. 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 ADR growth beginning in 2018.

3. SUBJECT

Finally, we have presented our projections of future performance for the proposed 77-room Subject. We have assumed that the Subject will open as of September 1, 2019 and will represent a nationally affiliated, upscale, lifestyle hotel.

PROPOSED AC HOTEL - SAN FRANCISCO, CA PROJECTED PERFORMANCE									
Year	Hypothetical ADR	Market Growth	Introductory Discount	Actual ADR	Percent Change	Subject Occupancy	Subject Penetration	RevPAR	Percent Change
2016	\$300	-	-	-	-	-		-	-
2017	\$300	0%	-	-	-	-		-	-
2018	\$309	3%	-	-	-	-		-	-
2019	\$318	3%	2%	\$312	-	80%	95%	\$250	-
2020	\$328	3%	0%	\$328	5%	85%	101%	\$279	12%
2021	\$338	3%	0%	\$338	3%	88%	104%	\$297	7%
2022	\$348	3%	0%	\$348	3%	88%	104%	\$306	3%
2023	\$358	3%	0%	\$358	3%	88%	104%	\$315	3%
2024	\$369	3%	0%	\$369	3%	88%	104%	\$325	3%

Source: CBRE Hotels, Consulting

If the Hotel were open as of year-end 2016, we believe that it could have achieved an ADR of approximately \$300 based upon the performance of other nationally-affiliated, upscale hotels of similar quality in the City of San Francisco. Applying the same growth rates for the competitive market, we project an ADR of \$312 upon opening in September of 2019. We expect the proposed Subject to achieve a stabilized occupancy of 88 percent, above the stabilized levels projected for the competitive market. With this occupancy, the Hotel will be functionally operating near maximum capacity year-round.

As noted, the proposed Hotel is assumed to open on September 1, 2019. Accordingly, we must convert the calendar year forecast into fiscal year periods. To accomplish this for the fiscal year 2019/2020, we have taken a weighted average of four months of the calendar year 2019 and eight months of the calendar year 2020 to derive the fiscal year projection. We have then performed this analysis for each subsequent fiscal year. In doing so, it is our calculation that for the first fiscal year, the proposed Subject will achieve an ADR of \$323 with a corresponding occupancy of 83 percent. We project a long-term stabilized occupancy of 88 percent beginning in 2021/22.

**PROPOSED AC HOTEL - SAN FRANCISCO, CA
PROJECTED FUTURE PERFORMANCE**

Calendar Year Projections				Fiscal Year Conversion			
Year	Occupancy	ADR	Percent Change	Fiscal Year	Occupancy	ADR	Percent Change
2019	80.0%	\$312.00	-	-	-	-	-
2020	85.0%	\$328.00	5%	2019/20	83.0%	\$323.00	-
2021	88.0%	\$338.00	3%	2020/21	87.0%	\$335.00	4%
2022	88.0%	\$348.00	3%	2021/22	88.0%	\$345.00	3%
2023	88.0%	\$358.00	3%	2022/23	88.0%	\$355.00	3%
2024	88.0%	\$369.00	3%	2023/24	88.0%	\$365.00	3%

Note: Average daily rates rounded to the whole dollar

Source: CBRE Hotels, Consulting

C. SITE AND PROJECT DESCRIPTION

1. SITE DESCRIPTION

The site, which encompasses 4,647 square feet (0.11 acres), is located on the west side of Mason Street between Post and Geary Streets. The physical address of the site is 425 Mason Street. The existing improvements of this location consist of a seven-story vacant office building. We understand that the existing building will be redeveloped into a 77-room upscale hotel.

The proposed Subject site is located in San Francisco's Union Square district. It benefits from a prime location one block west of Union Square, which is bounded by Geary, Powell, Post, and Stockton Streets. Union Square is the city's principal retail shopping area, featuring some of the area's best known retailers, including Saks Fifth Avenue, Macy's, Neiman-Marcus, Tiffany and Company, Gump's, Brooks Brothers, and a number of specialty retailers such as Burberry's, Armani, Thomas Pink, Louis Vuitton, among many others. The renowned Powell Street Cable Car line that runs from Union Square to Fisherman's Wharf is one block east of the Subject site. The large Moscone Convention Center is located in the South of Market Area ("SOMA"), seven blocks southeast of the subject property in the city's cultural region, with additional attractions such as the Museum of Modern Art, Yerba Buena Gardens, and the Metreon Complex. The City Opera House and Davies Symphony Hall are all within a five-minute drive. The Financial District of San Francisco is located approximately ten blocks from Union Square.

Furthermore, the site benefits from its location less than one half mile north of Market Street, one of the city's busiest commercial streets, and near the Powell Street BART Station, which facilitates direct access to the city's financial district and to the region's two main airports: the San Francisco International Airport ("SFO") and the Oakland International Airport ("OAK").

Surrounding uses consist of a variety of commercial buildings. A photograph of the site as it exists today is presented below.

PHOTOGRAPH OF THE SITE



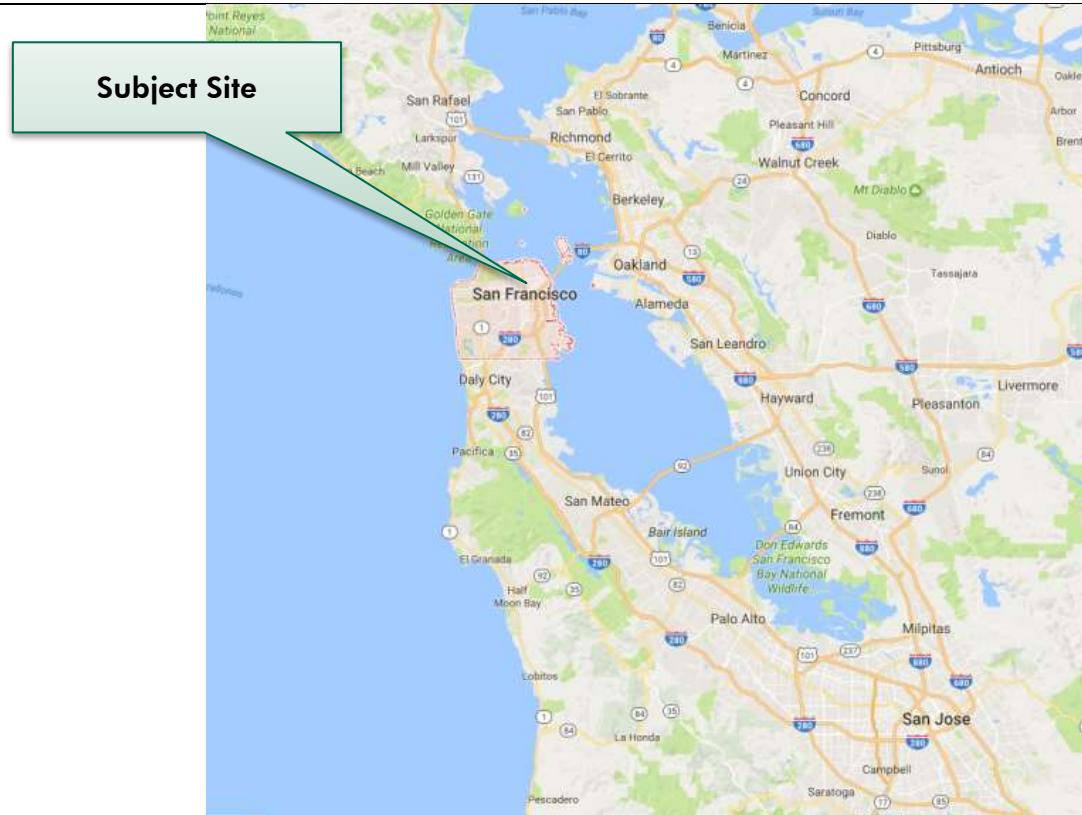
View Facing Southwest



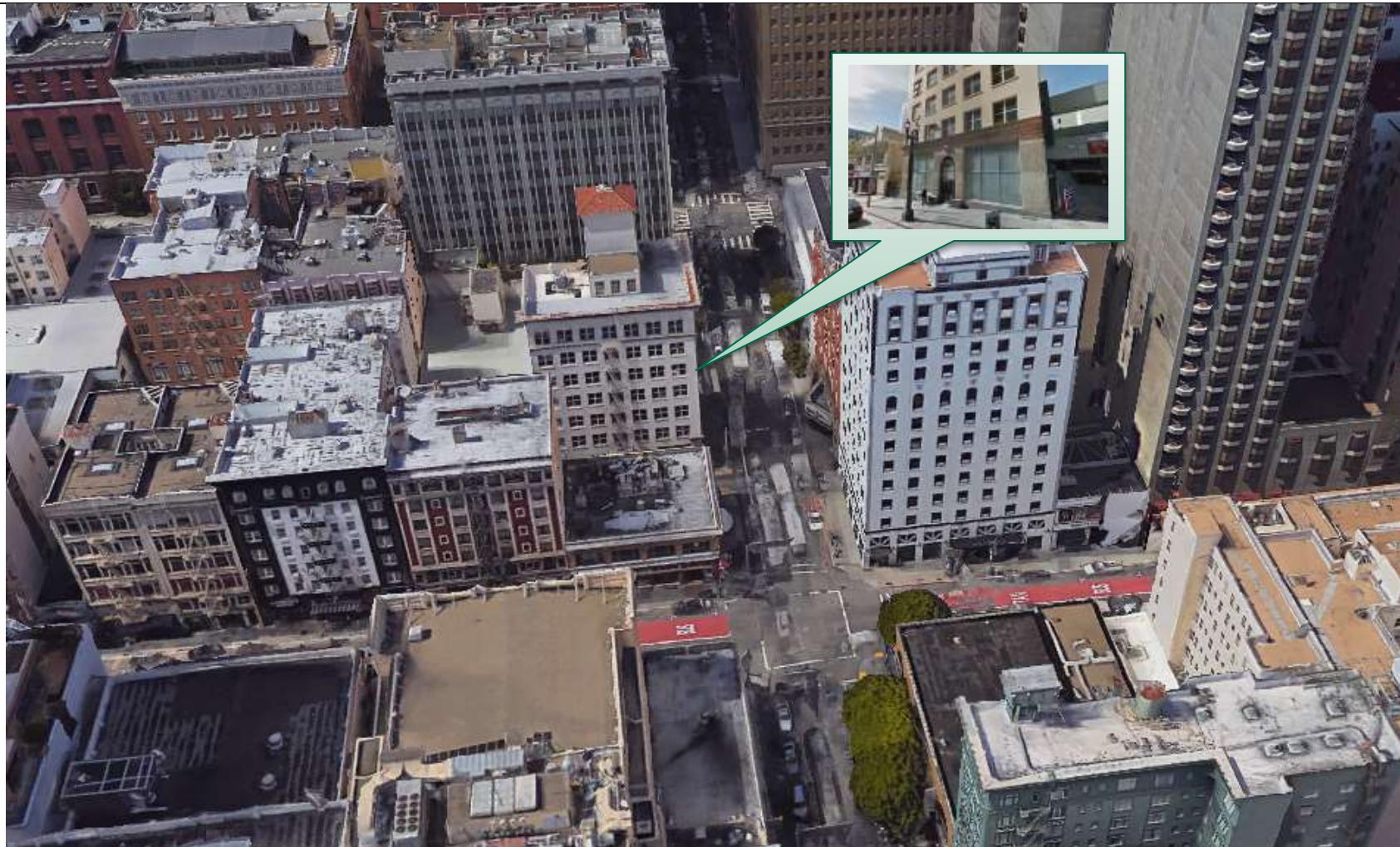
View Facing Northwest

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

REGIONAL MAP



NEIGHBORHOOD MAP



PARCEL MAP



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

SUBJECT SITE ANALYSIS

	Excellent	Very Good	Good	Fair	Poor
Accessibility	X				
Visibility	X				
Proximity to Demand	X				
Long-term Strategic Potential	X				

2. PROPOSED PROJECT DESCRIPTION

A stated earlier, the Subject site is improved with a seven-story vacant office building. SVWC Building, LLC proposes to redevelop the building into a nationally affiliated, upscale, lifestyle hotel. The proposed Hotel will be affiliated with Marriott International, Inc. as an AC Hotel by Marriott. The proposed Hotel will represent a higher and better use for the site.

The existing building is commonly known as the Spring Valley Water Company Building. The Spring Valley Water Company Building was constructed in 1922 by the San Franciscan architect Willis Polk and held the offices of the privately-held Spring Valley Water Company until 1930. Upon the sale of Spring Valley Water to the City and County of San Francisco in March of 1930, the building served as the headquarters of the San Francisco Water Department until 2003 when it was declared as a surplus property and placed onto the market. The building has sat vacant since.

As we understand it, the proposed Subject will represent an upscale, AC Hotel by Marriott affiliated with Marriott International, Inc. ("Marriott"). As of year-end 2016, there were 95 AC Hotels located throughout North America, Latin America, and Europe totaling 12,758 rooms, and there were 90 properties with 14,780 rooms in the pipeline.

Based on our review of preliminary plans provided to us by SVWC Building, LLC, we understand that the proposed Subject will be a 77-room hotel. The gross square footage of the building is 38,363 square feet. As an AC Hotel by Marriott, the proposed Subject will feature an AC lounge and breakfast area, a rooftop bar (2,600 square feet), meeting facilities, a fitness center, and bike storage. Back-of-house facilities will be located on the ground floor and on the basement level. Public areas will be located on the ground floor and the roof (rooftop bar), and guestrooms will be located on the mezzanine level and on levels two through seven. The main entrance of the Hotel will be located on Mason Street, and parking will be provided off-site.

According to the preliminary development timeline, the proposed Hotel is anticipated to be open and available for occupancy by September 1, 2019. Based upon our understanding of the development program presented in this section, the proposed Hotel and support facilities and amenities should be well served by the City of San Francisco.

Renderings and floor plans of the proposed Hotel upon completion are presented below.

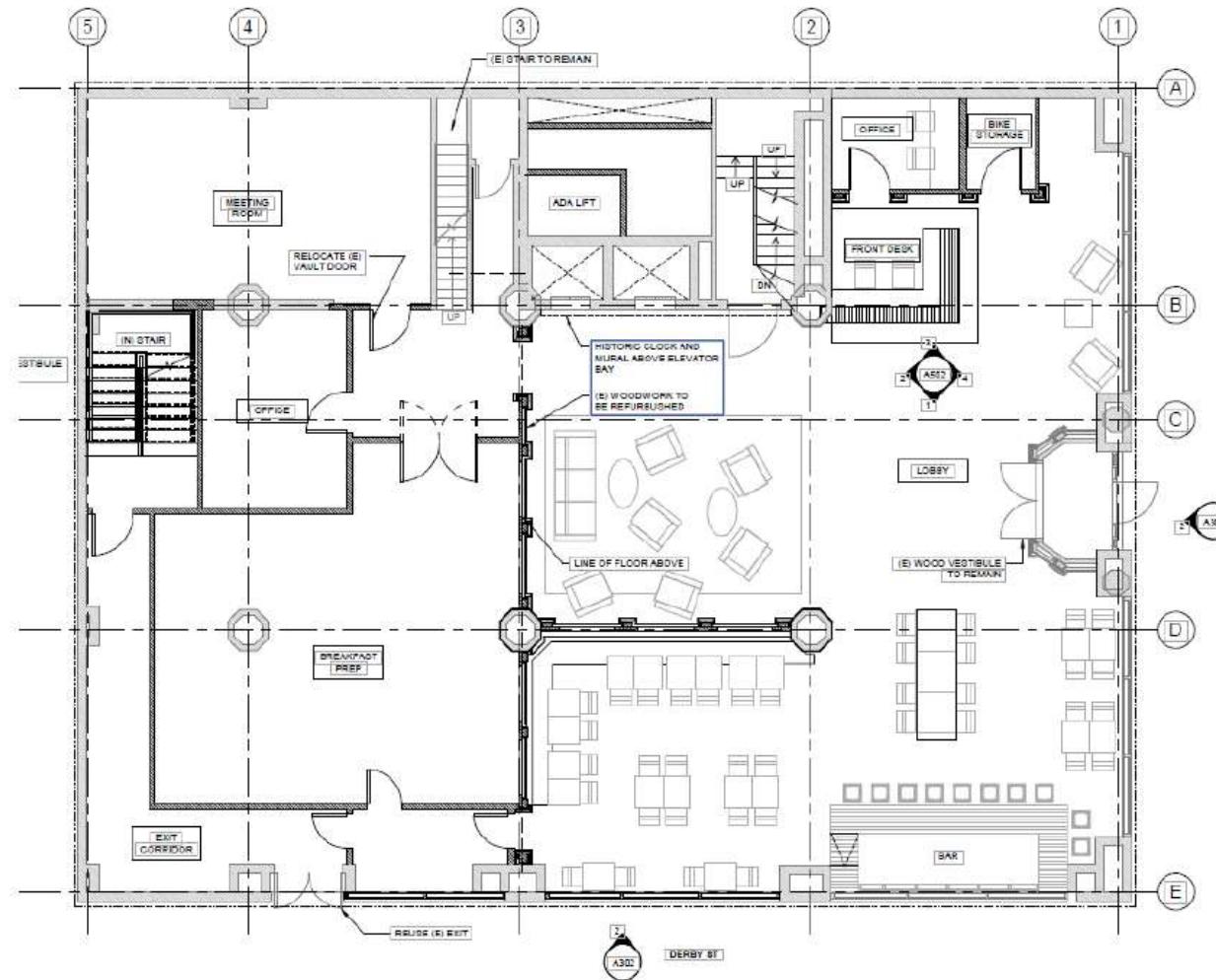
EXTERIOR RENDERING

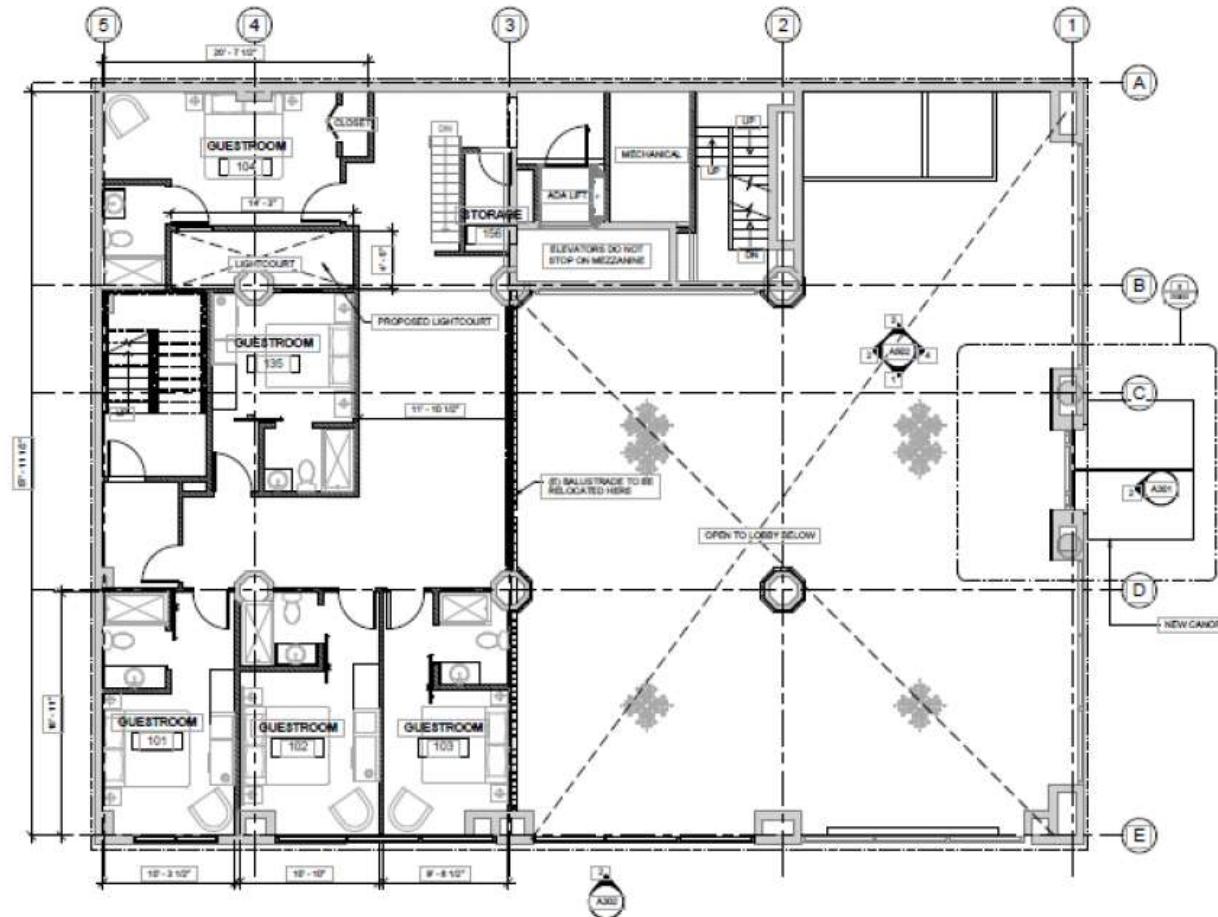


INTERIOR RENDERINGS



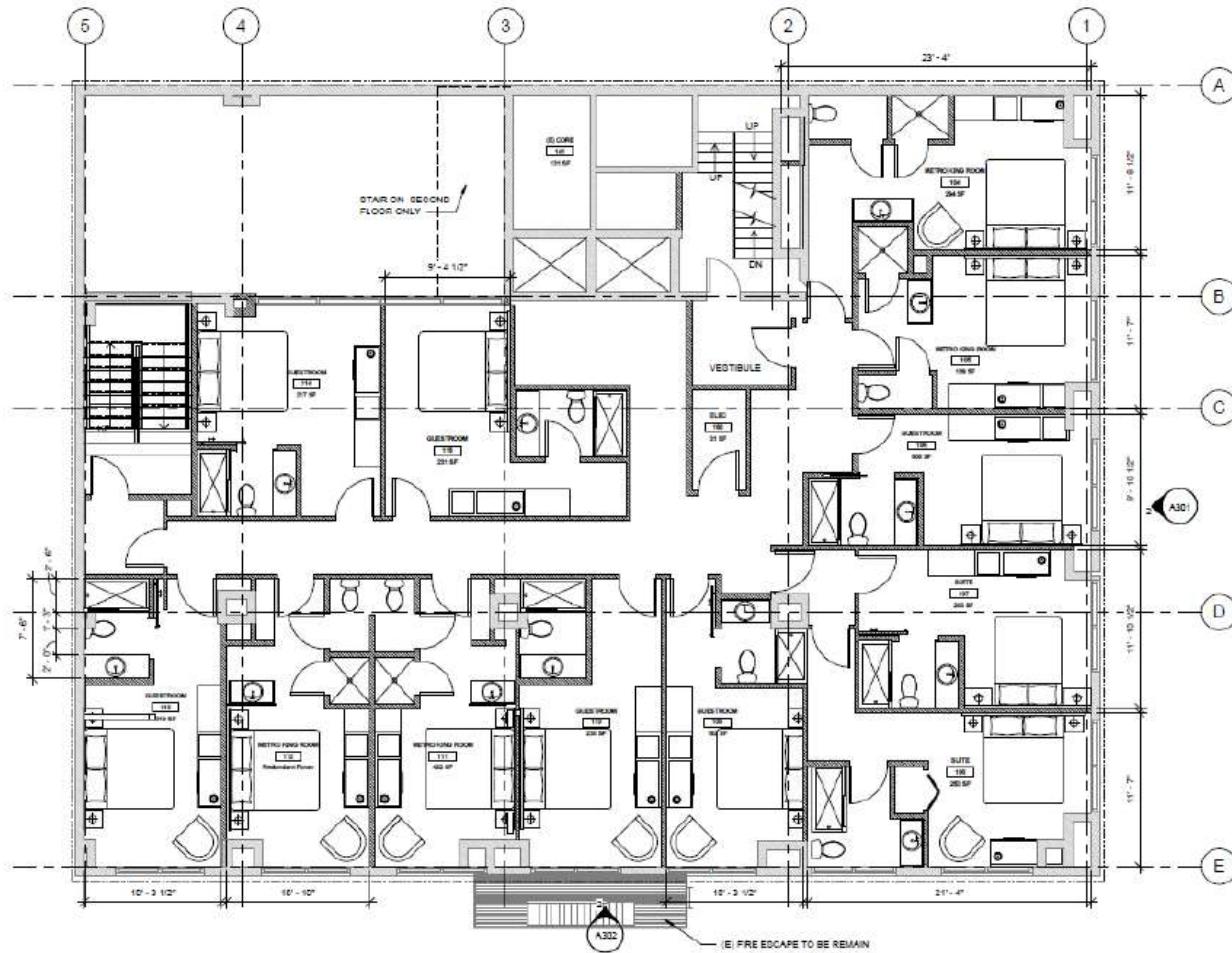
FLOORPLANS

Level One

FLOORPLANS

Level One Mezzanine

FLOORPLANS



Typical Guestroom Level

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

The economy slowed somewhat in Q4 2016, according to the U.S. Bureau of Economic Analysis. The real gross domestic product grew at an annual rate of 1.9 percent, less than the exuberant 3.5 percent seen in Q3. Of the four broad categories of expenditure, three—consumption, investment, and government expenditure—contributed to the growth of GDP in the fourth quarter, while net exports detracted from growth. Consumption contributed 1.7 percent, less than Q3's 2.0 percent. Investment showed a market increase, contributing 1.7 percent in Q4 compared to 0.5 percent in Q3. Investment was made both in inventories and in fixed investment. Government expenditures increased GDP growth slightly at 0.21 percent. On the other hand, net exports steeply declined, detracting 1.7 percent from GDP, and essentially offsetting all contributions from consumption. The real dollar strengthened 3.4 percent against a broad index of foreign currencies in Q4 compared to the previous quarter according to the Federal Reserve Board, contributing to the trade deficit.

The national unemployment rate dipped to 4.7 percent, according to the Bureau of Labor Statistics, the lowest unemployment rate since the Great Recession. The number of total non-farm employees increased by 510,000 in Q4 2016. Consumer prices increased year-over-year at an average of 1.8 percent in Q4. Just shy of the fed target pf 2.0 percent. Real weekly earnings showed some signs of movement, increasing 0.5 percent year-over-year, according to the BLS. Crude oil increased slightly to \$49-50 per barrel, according to Moody's. CBRE Econometric Advisors' baseline outlook is that inflation is forecast to increase well above recent levels, to around 3.0 percent.

2. STATE OF CALIFORNIA

As the state's economy has recovered from the Great Recession, the past four budgets have significantly expanded government spending. The state has also paid down its budgetary borrowing and addressed some long-standing problems – such as implementing plans to restore fiscal health to its retirement benefit plans and making major improvements to the state's water system.

State revenues, which had surged several years of the recovery, are now beginning to lag expectations. Consequently, the budget - which remained precariously balanced even in the strongest revenue years – now faces a deficit of almost \$2 billion if action is not taken.

The Budget proposes a variety of solutions to bring the state's finances back into balance from 2017-18 and future years based on current projections. The Budget prioritizes the protection of the most significant accomplishments of the past four years – steady growth for education, the creation of the state's first earned income tax credit, a minimum wage that will responsibly increase to \$15 per hour, and the expansion of health care coverage to millions of Californians. To protect these priorities, the Budget proposed to pull back on a variety of one-time spending commitments made in last year's budget and temper anticipated spending increases.

While rebalancing the budget is the immediate task at hand, the state must continue to plan and save for the next recession. By the time the budget is enacted in June, the economy will have finished its eighth year of expansion, three years longer than the average recovery. The best way to protect against future cuts is to continue to build up the state's Rainy Day Fund. Under Proposition 2, the fund's balance will reach 63 percent of its constitutional target in the coming year.

The Budget also assumes the continuation of existing federal fiscal policy. The incoming presidential administration and leaders in Congress have suggested major changes to Medicaid, trade and immigration policy, and the federal tax structure. Many of the proposed changes could have serious and detrimental effects on the state's economy and budget. At this point, it is not clear what those changes will be or when they will take effect.

Proposition 2 establishes a constitutional goal of having 10.0 percent of tax revenues in the Rainy Day Fund. By the end of 2017-18, the state's Rainy Day Fund will have a total balance of \$7.9 billion (63 percent of the constitutional target). While a Rainy Day Fund might not eliminate the need for further spending reductions in case of a recession or major federal policy changes that trigger a budget crisis, saving now would allow the state to spend from its Rainy Day Fund later to soften the magnitude and length of any necessary cuts.

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 866,583 as of January 2016. The population has grown at a compound annual growth rate ("CAGR") of 1.2 percent since 2010, slightly above the statewide growth rate of 0.9 percent over the same period due primarily to the city's rapid economic growth following the recent recession. Going forward, San Francisco's population is projected 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 543,900 as of March 2017. 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 2016 is presented in the following table.

SAN FRANCISCO – TOP TECH COMPANIES	
Company	San Francisco Employees
Salesforce.com, Inc.	5,870
Twitter, Inc.	2,000
Uber	1,980
Yelp Inc.	1,717
Google Inc.	1,500
Lending Club	1,305
LinkedIn Corp.	1,250
Autodesk Inc.	1,200
Lucasfilm Ltd.	1,200
Adobe Systems	1,150

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 3.0 percent as of March 2017, lower than the national rate of 4.5 percent and the statewide rate of 4.9 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 79.1 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 Union Square sector.

According to CBRE Research's Q4 '16 San Francisco Office Marketview, the San Francisco office market experienced a steady year in 2016 characterized by flat rents, moderate supply expansion and active leasing activity. Demand rebounded strongly after a slow start in Q1 caused by turmoil in the financial markets and caution in the tech industry that rebalanced market dynamics toward tenants and led to increased sublease space availability. As a result, landlords have shown greater willingness to offer leasing incentives such as free rent and higher tenant improvement allowances.

The market wide vacancy rate remained relatively tight at 6.3 percent through year-end, a decline of 60 basis points from the prior quarter and not too much higher than the 2015 year-end figure of 5.6 percent. Leasing activity did slow by 8.0 percent in 2016 versus 2015, but a rebound in large leases during the fourth quarter boosted the annual total to 8.7 million sq. ft. Half of leasing activity was by expanding tech tenants, which, when combined with pre-leased construction completions, resulted in 479,285 sq. ft. of occupancy gains during the fourth quarter and 1.5 million sq. ft. for the year. An additional 3.2 million sq. ft. of new construction deliveries are expected in 2017; however, with only 41 percent of this space pre-committed, these additions are likely to raise the vacancy rate. An active leasing environment with stable rents and a moderate rise in vacancy is expected by year-end 2017.

Lease Rates: The average asking lease rate grew less than 1.0 percent during 2016, closing the year at \$72.79 FSG. This stark yet healthy distinction from the 18 percent average annual growth rate between 2011 and 2015 stems from a rebalancing of supply and demand that caused increased concessions such as free rent, flexible start dates, and higher tenant improvement allowances, which resulted in an overall decrease in effective rents and occupancy costs for many tenants.

Net Absorption: The market experienced 479,285 sq. ft. of positive net absorption in Q4 2016, with the CBD, South of Market, SOMA West, and Potrero Hill submarkets each posting over 100,000 sq. ft. of occupancy gains. Despite the mid-year lag in leasing activity, the 2016 annual net absorption volume reached 1.5 million sq. ft., surpassing the 2015 total by nearly 600,000 sq. ft. Construction completions were primarily responsible for the increased absorption, as 100 percent of all deliveries were pre-leased.

Construction Completions: 500 Pine St. and 85 Bluxome St. completed construction during the quarter, adding 100,300 sq. ft. of fully leased new supply to the market. These additions brought the year-end delivery total to 2.0 million sq. ft., making 2016 the largest year in construction completions since 2.1 million sq. ft. was completed in 2002. Eight projects totaling 4.7 million sq. ft. remain under construction, 3.2 million sq. ft. of which is expected to deliver by the end of 2017.

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 April of 2015, and is expected to be complete by late 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 490,000 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 24.6 million visitors in 2015 (the most recent data available), up 2.7 from 2014. This included 18.9 million leisure visitors and 5.8 million business travelers (both up 2.7 percent from 2014). Of the 24.6 million visitors, 10.183 million were overnight visitors while 14.417 million were day visitors. Of the 10.183 million overnight visitors, 2.85 million were international travelers while the balance was domestic visitors.

In 2015, the 24.6 million visitors spent \$9.3 billion in San Francisco. Visitors directly spent \$8.5 billion in the city, up 3.4 percent from the previous year. An additional \$723 million was spent by meeting planners and exhibitors for goods and services for their meetings. 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 \$738 million in 2015 – an increase of 12.8 percent over 2014 levels. Major contributors to that figure include hotel tax (54.7 percent) and property tax (23.4 percent). 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;
- Redevelopment of a privately-owned 21-acre site located south of Pier 70, to potentially include the construction of residential, life and sciences, and office developments;

- 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 250-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 have announced their relocation from Oakland to San Francisco, and has begun construction on a privately funded \$800 million arena. This arena will be located in Mission Bay on a 12-acre site bounded by South Street, Terry Francois Boulevard, 16th Street, and 3rd Street. The 18,000 seat structure will include a view deck and two public plazas, and represents another indoor venue for the City with ability to host approximately 220 events, annually. Completion is slated for the start of the 2019-20 NBA 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, hotels, 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.

The Central Subway Project will improve public transportation in San Francisco by extending the Muni Metro T Third Line to provide a direct transit link between the Bayshore and Mission Bay

areas to SOMA, downtown San Francisco, and Chinatown. When the Central Subway is completed, T Third Line trains will travel mostly underground from the 4th Street Caltrain Station to Chinatown, bypassing heavy traffic on congest 4th Street and Stockton Street. Four new stations will be built along the 1.7 mile alignment: 1) 4th and Brannan Station, 2) Yerba Buena/Moscone Station (4th and Folsom Streets), 3) Union Square/Market Street Station (Stockton Street at Union Square), and 4) Chinatown Station (Stockton and Washington Streets). Construction is underway and the project is scheduled from completion in 2019.

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.

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 and reopened in May 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. Phases 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 multi-family 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 dramatically since 1995, with 2016 representing the strongest year in terms of passenger counts. In 2016, SFO served over 53 million inbound and outbound passengers; a 6.1 percent increase over 2015 passenger traffic.

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.

SFO began the renovation of Terminal 1, one of its oldest terminals, to meet the needs of modern travelers. When fully completed in 2024, T1 will elevate SFO's standard of providing a world-class, environmentally friendly travel experience and is expected to meet or exceed the award-winning standards of Terminal 2 and Terminal 3 boarding areas. The \$2.4 billion project will include:

- Design and construction of Terminal 1's north, south, and central areas.
- A new boarding area with improved passenger circulation and access to its 24 gates, new passenger loading bridges, and new concessions.
- A refreshed boarding area C.
- A new central area with improved spaces for passenger check-in, a consolidated security checkpoint, a re-composure area, a new common use baggage handling system and baggage claims, and a new mezzanine with connections to the AirTran, and the Central Parking Garage.

A number of additional construction projects are currently planned for SFO over the next few years, totaling more than \$755 million. Major projects include the renovation and expansion of Terminal 3 and construction of a new Air Traffic Control Tower. Additionally, a new 350-room Grand Hyatt Hotel is also being developed at the entrance of SFO with an expected completion date in mid-2019.

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

In addition to our advisory and valuation group, our Firm contains a research division, CBRE Hotels' Americas Research ("CBRE Hotels' Research"). CBRE Hotels' 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, CBRE Hotels' Research unveiled its powerful Hotel Horizons®, 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 60 markets and six national chain-scales.

Based on the March – May 2017 National Edition of Hotel Horizons®, revenue per available room ("RevPAR") for the U.S. lodging market grew by 6.7 percent in 2012, 5.2 percent in 2013, 8.2 percent in 2014, 6.2 percent in 2015, and 3.2 percent in 2016. For the following three years (2017, 2018, and 2019), the overall U.S. lodging market is projected to achieve lower RevPAR growth rates of 3.0 percent, 2.5 percent, and 1.7 percent, respectively, with ADR gains leading these increases. Occupancy is projected to remain above the long-term average through 2021 at approximately 65 percent. Generally speaking, we are in the last third of the current lodging cycle whereby supply growth is beginning to outpace demand growth leading to a lowering of occupancy and subsequent reduction in ADR growth rates.

2. SAN FRANCISCO OVERVIEW

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 2016. 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.

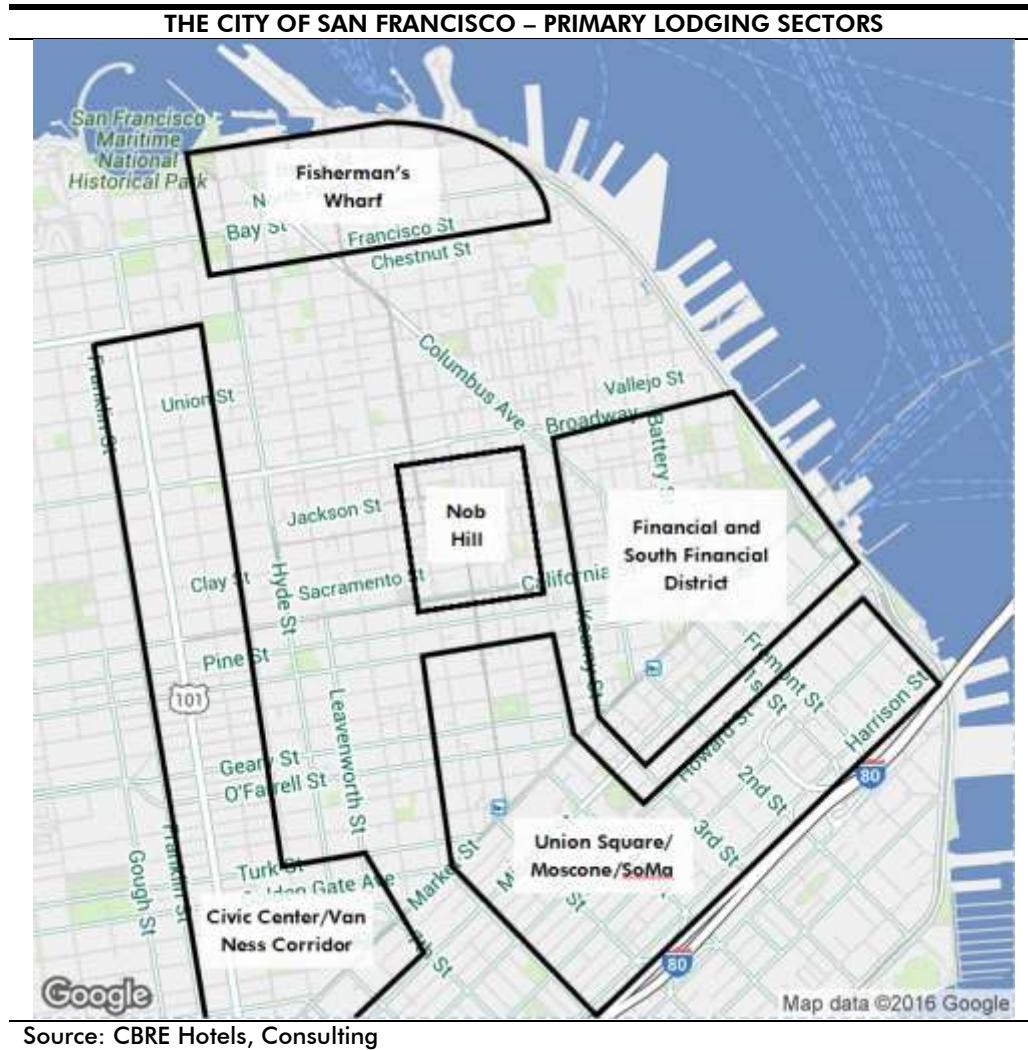
Middle-Market Hotels appeal to the middle-income individual and family traveler. Tour operators primarily book these hotels because they offer a good compromise among service, product quality, and room rate. Guest service is usually good, but with few frills. Food and beverage facilities are limited 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.

3. 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. It should be noted that the proposed Subject is located in the Union Square/Moscone/SoMa lodging submarket.



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.

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, 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.

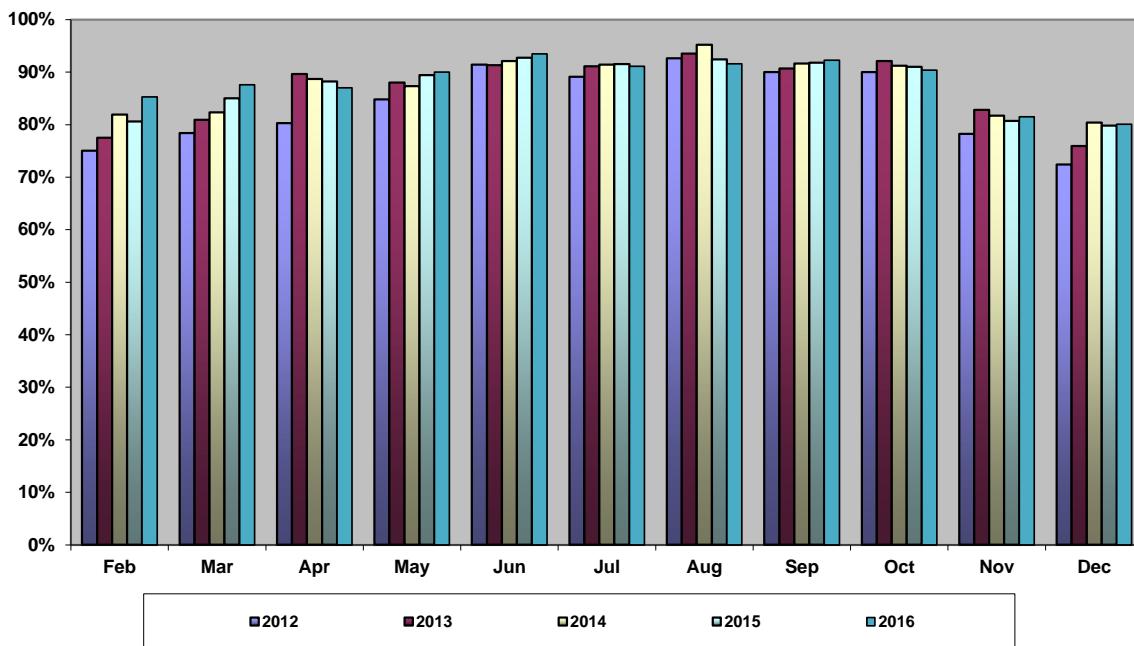
Fisherman's Wharf: This area is considered to be one of the top tourist attractions in Northern California. Its hotels are designed and oriented primarily to service middle-income families visiting San Francisco. However, given its proximity to the Financial District, the hotels attract a secondary share of business travelers. Most of the major U.S. lodging chains are represented in this sector by their respective mid-level products such as Hilton, Holiday Inn, Hyatt Centric, Marriott, 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.

4. 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 five years.

THE CITY OF SAN FRANCISCO - OCCUPANCY BY MONTH



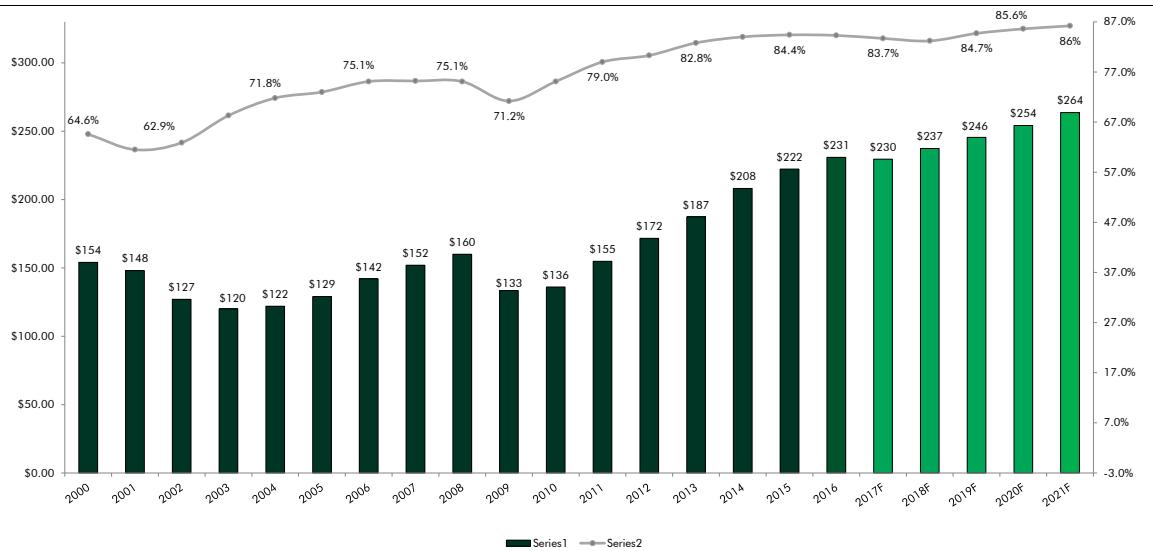
Source: CBRE Hotels, Consulting

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.

5. HISTORICAL PERFORMANCE

Presented in the chart below is a summary of the historical performance of the overall San Francisco MSA lodging market from 2000 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.

**SAN FRANCISCO MSA LODGING MARKET
HISTORICAL AND PROJECTED OCCUPANCY AND RATE PERFORMANCE**



Source: CBRE Hotels, Consulting 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 84.4 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 2012 and 2016, the San Francisco MSA achieved rate growth ranging between approximately 3.9 and 11.1 percent per year, resulting in a year-end 2016 ADR of \$231. 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 2017 and 2021, occupancy is projected to increase from 84 percent to approximately 86 percent, which is still above the long-run average of 73.8 percent. ADR growth of approximately -0.6, 3.4, and 3.4 percent is projected in 2017, 2018, and 2019, respectively. This rate of growth results in a year-end 2019 ADR of \$245.54, 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 one of the strongest lodging markets 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.

6. 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 59-room Holiday Inn Express, which opened in April 2016 and was a conversion from an independent hotel. Twenty hotels are currently proposed, five are under construction, and eight hotels are slated for 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	Hotel Via	144 King Street	134
2	Virgin Hotel	250 4th Street	215
3	Yotel	1095 Market Street	200
4	Building 105 Hotel	The Presidio	42
5	Hyatt Place	701 3rd Street	230
Subtotal:			821
Planning			
6	Standard Hotel	950-974 Market Street	212
7	Unnamed Hotel	555 Howard Street	223
8	Hotel SoMA	690 5th Street	75
9	Marriott	1000 Channel Street	250
10	Unnamed Hotel	439 Washington Street	189
11	Moxy Fisherman's Wharf	1196 Columbus Avenue	75
12	Unnamed Hotel	1055 Market Street	160
13	citizenM SF Union Square Hotel	72 Ellis Street	184
14	Unnamed Hotel	5 3rd Street	130
15	Unnamed Hotel	1125 Market Street	151
16	Teatro ZinZanni Hotel	Embarcadero & Broadway	172
17	Cort Furniture Building	447 Battery Street	144
18	F4 Hotel	560 Howard Street	250
19	Waldorf Astoria	50 First Street	169
20	AC Hotel Union Square	425 Mason Street	77
21	Unnamed Hotel	996 Mission Street	105
22	Unnamed Hotel	One Montgomery Street	152
23	SoMa 2nd Street Hotel	350 Second Street	480
24	Soma 5th Hotel & Residence	300 5th Street	120
25	citizenM SF Central SOMA Hotel	816 Folsom Street	218
Subtotal:			3,536
Conversions			
26	Renoir Hotel (San Francisco Proper)	45 McAllister Street	131
27	New Central Hotel	1412 Market Street	120
28	Hotel Des Arts	447 Bush Street	52
29	Mithila Hotel	972 Sutter Street	30
30	Union Square Plaza Hotel	432 Geary Street	69
31	Mosser Hotel	140 Ellis Street	201
32	Grove Street Hotel (Days Inn Hotel)	465 Grove Street	143
33	Pacific Heights Inn	1555 Union Street	100
Subtotal:			846
Grand Total:			5,203

As discussed above, there are currently five hotels under construction, totaling 821 rooms. In addition to these five hotels, 3,536 rooms have been proposed throughout San Francisco. Other hotels have been discussed as part of the master plan for various large-scale development projects throughout the city (i.e. Treasure Island); however, no developer has been selected and no programming has been approved. As such, we have not included any hotels proposed as part of these large-scale developments in our analysis.

Eight properties (Projects 26-33) 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. 144 King St: A 12-story, 134-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 and will be named the Hotel Via. The hotel is anticipated to open in the spring of 2017.
2. 250 4th St: An 11-story, 215-room Virgin Hotel is being developed by Developer Jay Singh. The Virgin Hotel will have a restaurant and a bar/lounge and is scheduled to open later in the fall of 2017.
3. 1095 Market St: A historic building in the Mid-Market neighborhood is being converted into a 200-room Yotel. This project is currently scheduled to open in the summer of 2017.
4. The Presidio: Presidio Trust is in the process of converting an existing building (Building 105) into a 42-room hotel to open in summer 2017.
5. 701 3rd St: Stonebridge Corporation is developing a 230-room, 11-story Hyatt Place hotel on a 13,750 acre site.
6. 950-974 Market St: This project, 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.
7. 555 Howard Street: A 223-room hotel has been proposed at this location as part of a 36-story tower. The building would be split between a 223-room hotel and 127 residential units and would be located across from the new Transbay Transit Center. The project is a joint venture between SKS Investments and Pacific Eagle Holdings.
8. 690 5th St: Townsend Associates, LLC has plans to demolish an existing office building and construct the 75-room Hotel SOMA with a 5,000 square foot café.
9. 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. Groundbreaking is scheduled for later in 2016. It will be branded as a full-service Marriott.

10. 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.
11. 1196 Columbus Ave: J Street Hospitality is planning to develop a 75-room Moxy Hotel in the Fisherman's Wharf neighborhood. This project is currently scheduled to open in early 2019.
12. 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.
13. 72 Ellis St: Plans have been extended by the city for demolition of an existing parking lot and the construction of an 11-story, 184-room hotel with ground floor retail. This project will be branded a citizenM Hotel.
14. 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.
15. 1125 Market St: The proposed 151-room Subject is currently in the early stages at this site in the Mid-Market area of San Francisco. The Subject is currently scheduled for completion in January 2019.
16. 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.
17. 447 Battery St: A new 144-room hotel is being proposed for the Financial District in what is now the Cort Furniture building at 447 Battery Street. The building will rise 198 feet for 18 stories and will include ground level retail, nine residential units, the hotel and residential lobby, and parking underneath the structure.
18. 560 Howard Street: A mixed-use development to include 200 residential units, 250,000 to 425,000 square feet of office space, and a 200- to 300-room hotel. This project is located proximate to the Subject site, adjacent to the Transbay Terminal Center, and is being developed by F4 Transbay Partners, LLC, which is a joint venture between Urban Pacific Development, LLC and Broad Street Principal Investments, LLC.
19. 1st and Mission Street: A 171-room Waldorf Astoria hotel has been proposed for the first 21 floors of the two million square foot mixed-use tower at 1st and Mission Street. This mixed-use building will be part of the Transbay development and will become the second tallest tower in San Francisco. The project is being developed by Oceanwide Holdings and will consist of a mix of hotel, retail, residential apartments, and office space.

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20. 425 Mason Street: SWC Building, LLC is planning to develop a 77-room AC Hotel in Union Square through adaptive reuse of an existing vacant office building. Plans for the conversion of the building were submitted to the City of San Francisco in May 2016. This is the Subject of this appraisal.
21. 996 Mission Street: San Francisco real estate investor Dipak Patel has proposed an eight-story hotel at the corner of 6th and Mission streets in San Francisco's SOMA neighborhood. The site is currently developed with a two-story building containing ground floor commercial space and 29 residential hotel units. The proposed hotel would contain ground floor commercial space, 75 transient guestrooms and 30 residential hotel rooms. Plans are currently under review by the City of San Francisco.
22. One Montgomery Street: 601W Cos. has proposed a development plan that would preserve and renovate the current two-story property at One Montgomery Street. The property was built in 1908 and is currently occupied by Wells Fargo & Co. A preliminary application has been filed for roughly a 266,260 square foot building that would rise 500 feet and contain 35 stories. Three possible plans have been filed with various mixes of hotel and residential uses. The uses include 1) 234 hotel rooms and five market rate residential units, 2) 152 hotel rooms and 23 market-rate residential units, and 3) 52 market-rate residential units with no hotel rooms.
23. 350 Second Street: A partnership led by former JBG Companies development executive Ken Finklestein is planning a 480-room hotel in San Francisco's SOMA district. Preliminary plans submitted in early September show a 200-foot, 21-story tower constructed behind a shallow, eight-story building. The proposed site is a half-acre parking lot located across from the two-tower, 303 Second Street office complex. The preliminary completion date is 2Q2020.
24. 300 5the Street: The owner of a South of Market gas station has filed plans to raze the business and replace it with a mixed-use building. Plans submitted to the City of San Francisco at the beginning of October show an eight-story building with 120 hotel rooms and five residential units on the top floor. In addition, the hotel will include a breakfast room, a bar located on the ground floor, and 1,300 square feet of retail space. The preliminary completion date is mid-2020.
25. 816 Folsom Street: citizenM Hotels has proposed to develop a 218-room hotel on this site.
26. 45 McAllister St: The historic Renoir Hotel will be converted to the San Francisco Proper, a 131-room luxury hotel focused on food and beverage. This hotel is scheduled to open in June of 2017.
27. 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; however, we were unable to verify when the hotel will reopen.

28. 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.
29. 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.
30. 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.
31. 140 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.
32. 465 Grove Street: The owner of the Days Inn San Francisco Downtown is planning to redevelop the site with a four-story, 143-room hotel. The Days Inn site would be combined with an adjacent 1,750 square foot parcel currently developed with a two-story duplex. The existing hotel was constructed in 1960 and contains 47 guestrooms. The project is in very early planning stages.
33. 1555 Union Street: The owner of the Pacific Heights Inn is planning to redevelop the site with a 100-room Fairfield Inn & Suites. The project is currently under review by the city.

If all these hotels (including conversions) were to open by 2020, they would result in a net increase of 5,207 new rooms within the San Francisco market, bringing San Francisco's total "primary" hotel inventory to 30,398. However, these additions only represent a supply CAGR of approximately 4.8 percent from 2017 to 2022. Meanwhile, demand for rooms in the market is projected to equal or 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 highly 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. As such, we are of the opinion that the City of San Francisco will remain under supplied with regard to traditional hotel rooms. We therefore have only included the proposed hotel additions that we believe will be most competitive with the proposed Subject and have a high likelihood of completion.

For the purpose of this analysis, we have accounted for the annualized additions of the following hotels:

- **San Francisco Proper:** 45 McAllister Street, 131 rooms, Summer 2017
- **YOTEL San Francisco:** 1095 Market Street, 200 rooms, Summer 2017

7. AIRBNB

Airbnb was founded in August of 2008 in San Francisco, California. It is a peer-to-peer online marketplace and homestay network that enables people to list or rent short-term lodging in residential properties, with the cost of such accommodation set by the property owner. The company receives a percentage service fee from both guests and hosts in conjunction with every booking. Airbnb has over 2,000,000 listings in 34,000 cities and 191 countries.

San Francisco is one of the premier markets for Airbnb. As Airbnb has grown to become a standard form of lodging for both corporate and leisure travelers, Airbnb is recognized as a formidable component of the greater San Francisco lodging market that competes with traditional hotels, albeit typically for value oriented accommodations. Based on data compiled by CBRE Hotels' Americas Research and Airdna there were approximately 3,600 Airbnb units available for rent in San Francisco as of September 2016. Airdna, a data mining company, estimates that these units achieved an occupancy of approximately 64 percent and an ADR of approximately \$208 through trailing-twelve-months September 2016. Comparatively, hotels in San Francisco achieved an occupancy of approximately 86 percent and an ADR of approximately \$255 during this same time period.

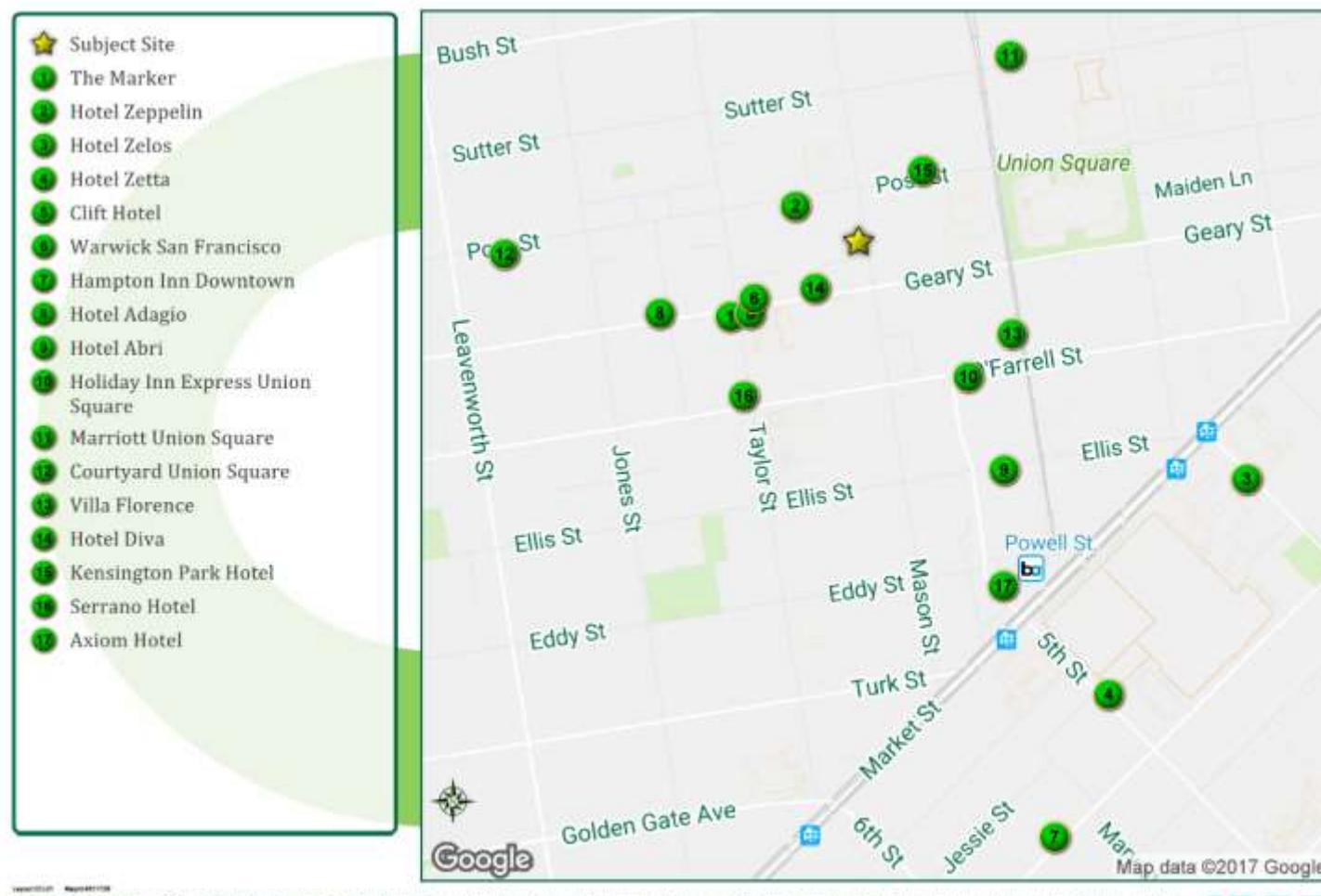
In November of 2016, the San Francisco Board of Supervisors passed one of the most stringent restrictions on short-term rentals in the country, barring hosts from having paying guests in a room, house or entire apartment for more than 60 days a year. While this new law implements limitations on nightly rentals for Airbnb units, these units are envisioned to continue to play a role within the greater San Francisco lodging market.

8. COMPETITIVE LODGING MARKET OVERVIEW

Within the San Francisco lodging market, the proposed Subject will compete with similarly-positioned hotels located in and around the Union Square district. Based on our research and understanding of the proposed Hotel, we have identified 17 properties (totaling 3,030 guestrooms) as representing the primary competitive market.

Competitive properties were identified on the basis of location, affiliation, room product offered, guest type, rate structure, and overall quality. A map and tables on the following pages provides a summary of the competitive hotels.

COMPETITIVE MAP



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CBRE

SUMMARY OF HOTELS IN THE PRIMARY COMPETITIVE LODGING MARKET					
Property	The Marker	Hotel Zeppelin	Hotel Zelos	Hotel Zetta	Clift Hotel
					
Address	501 Geary Street	545 Post Street	12 4 th Street	55 5 th Street	495 Geary Street
Distance from Subject	0.1 miles	400 feet	0.4 miles	0.5 miles	0.1 miles
Year Opened	1910	1917	1908	1913	1915
Number of Rooms	208	196	202	116	372
Affiliation	Joie de Vivre	Urban Retreat Collection	Urban Retreat Collection	Urban Retreat Collection	Morgans Hotel Group
Chain Scale	Upper upscale	Upper upscale	Luxury	Luxury	Luxury
Amenities					
Complimentary Breakfast	No	No	No	No	No
Restaurant	Yes	Yes	Yes	Yes	Yes
Recreation	Fitness center/yoga	Fitness center/bicycles	Fitness center/bicycles	Fitness center/bicycles	Fitness center/bicycles
Meeting Space	11,000 SF	4,000 SF	5,000 SF	2,760 SF	6,794 SF

SUMMARY OF HOTELS IN THE PRIMARY COMPETITIVE LODGING MARKET					
Property	Warwick San Francisco	Hampton Inn Downtown	Hotel Adagio	Hotel Abri	Holiday Inn Express Union Square
					
Address	490 Geary Street	942 Mission Street	550 Geary Street	127 Ellis Street	235 O'Farrell Street
Distance from Subject	0.1 miles	0.5 miles	0.2 miles	0.2 miles	0.1 miles
Year Opened	1913	2015	1929	1906	1910
Number of Rooms	74	174	171	91	59
Affiliation	Warwick Hotels and Resorts	Hilton Hotels and Resorts	Marriott International, Inc.	MetWest Terra	InterContinental Hotels Group
Chain Scale	Upper upscale	Upper midscale	Upper upscale	Upper upscale	Upper midscale
Amenities					
Complimentary Breakfast	No	Yes	No	No	Yes
Restaurant	Yes	No	Yes	Yes	No
Recreation	Fitness center	Fitness center	Fitness center	None	None
Meeting Space	+/-350 SF	None	5,500 SF	+/-350 SF	None

SUMMARY OF HOTELS IN THE PRIMARY COMPETITIVE LODGING MARKET					
Property	Marriott Union Square	Courtyard Union Square	Villa Florence	Hotel Diva	Kensington Park Hotel
					
Address	480 Sutter Street	761 Post Street	225 Powell Street	440 Geary Street	450 Post Street
Distance from Subject	0.2 miles	0.3 miles	0.2 miles	350 feet	450 feet
Year Opened	1971	2015	1915	1912	1923
Number of Rooms	400	166	189	130	94
Affiliation	Marriott International, Inc.	Marriott International, Inc.	Independent	Independent	Personality Hotels Collection
Chain Scale	Upper upscale	Upscale	Upper upscale	Upper upscale	Upscale
Amenities					
Complimentary Breakfast	No	No	No	No	No
Restaurant	Yes	Yes	Yes	No	Yes
Recreation	Fitness center	Fitness center	Fitness center	Fitness center	None
Meeting Space	9,100 SF	340 SF	1,438 SF	None	700 SF

SUMMARY OF HOTELS IN THE PRIMARY COMPETITIVE LODGING MARKET

Property	Serrano Hotel	Axiom Hotel
		
Address	405 Taylor Street	28 Cyril Magnin
Distance from Subject	0.2 miles	0.2 miles
Year Opened	1928	1908
Number of Rooms	236	152
Affiliation	Access Hotels & Resorts	Independent
Chain Scale	Upper upscale	Upper upscale
Amenities		
Complimentary Breakfast	No	No
Restaurant	Yes	Yes
Recreation	Fitness center	Fitness Center
Meeting Space	3,000 SF	1,000 SF

9. HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET

The following table summarizes the historical performance of these 17 hotels between 2011 and 2016, as well as for year-to-date ("YTD") March 2017 and 2016.

PROPOSED AC HOTEL - SAN FRANCISCO, CA HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2011	926,005	-	724,201	-	78.2%	\$181.12	-	\$141.65	-
2012	919,631	-0.7%	728,818	0.6%	79.3%	\$199.68	10.2%	\$158.25	11.7%
2013	926,059	0.7%	780,560	7.1%	84.3%	\$218.50	9.4%	\$184.17	16.4%
2014	930,572	0.5%	804,748	3.1%	86.5%	\$239.49	9.6%	\$207.11	12.5%
2015	923,386	-0.8%	799,585	-0.6%	86.6%	\$253.31	5.8%	\$219.35	5.9%
2016	1,090,130	18.1%	940,061	17.6%	86.2%	\$251.15	-0.9%	\$216.58	-1.3%
CAGR/Avg.	3.3%	-	5.4%	-	83.5%	6.8%	-	8.9%	-
YTD Mar '16	259,876	-	212,223	-	81.7%	\$268.79	-	\$219.50	-
YTD Mar '17	272,700	4.9%	227,802	7.3%	83.5%	\$268.46	-0.1%	\$224.26	2.2%

Source: CBRE Hotels, Consulting

- Supply for the competitive market increased at a compound annual growth rate ("CAGR") of 3.3 percent between 2011 and 2016. Many of the hotels comprising the competitive market underwent extensive renovations and were repositioned within the local market over the past few years, causing supply to fluctuate. These properties were the Hotel Zeppelin (formerly the Prescott), The Marker (formerly the Hotel Monaco), Axiom Hotel (formerly the Powell Hotel), Hotel Zelos (formerly the Hotel Palomar), and Hotel Zetta (formerly the Milano). Additionally, three new hotels were added to the market: the 59-room Holiday Inn Express Union Square, the 174-room Hampton Inn & Suites Downtown, and the 166-room Courtyard Union Square.
- Demand for room nights, as measured by occupied rooms, increased at a CAGR of 5.4 percent from 2011 to 2016. Occupancy during this historical period averaged 83.5 percent, ranging from a low of 78.2 percent in 2011 to a high of 86.6 percent in 2015. As noted in 2016, the increase in accommodated demand nearly matched the 18.1 percent increase in supply during this time, indicating that unsatisfied demand exists within the market. Through YTD March 2017, accommodated demand increased 7.3 percent over prior year levels, resulting in a market occupancy of 83.5 percent.
- 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 6.8 percent since 2010, well above the increase in ADR recorded by the national hotel market during this time frame. Between 2011 and 2016, ADR for these hotels increased by approximately \$70. In 2016 and through YTD March 2017, ADR remained relatively flat.

- The competitive market experienced double-digit RevPAR growth between 2011 and 2014 with more modest growth of 5.9 percent achieved in 2015 and a decrease over prior year levels experienced through year-end 2016. Over this six-year historical period, RevPAR increased by approximately \$75.
- The properties comprising the competitive market receive a majority of their demand from the transient commercial and leisure market segment. We estimate the demand segmentation of the competitive market is comprised of approximately 85 percent transient commercial and leisure demand and 15 percent group demand. These hotels generally attract travelers who seek convenient access to the Union Square and Mid-Market submarkets of San Francisco.
- In 2016, ADR of the individual hotels ranged from approximately \$225 to \$300. Furthermore, the occupancy of the individual hotels ranged from approximately 70 percent to 90 percent in 2016.
- As illustrated in the table below, occupancy in the competitive market does exhibit seasonal patterns, albeit modestly. Focusing on the three-year average, the strongest months are the months of April through October when occupancy is in the high-80 to low-90 percent range. February, March, November, and December are shoulder months with occupancy in the high-70 to mid-80 percent range. January is the slowest month with occupancy in the mid-70 percent range.

COMPETITIVE MARKET SEASONALITY (MONTHLY)				
Monthly Occupancy	2014	2015	2016	3-Year Avg.
January	70%	77%	78%	75%
February	81%	85%	83%	83%
March	83%	87%	84%	85%
April	88%	89%	86%	88%
May	87%	90%	88%	88%
June	92%	92%	93%	93%
July	92%	91%	89%	91%
August	96%	90%	91%	92%
September	92%	87%	93%	91%
October	92%	91%	92%	91%
November	83%	80%	81%	81%
December	81%	79%	77%	79%
Average	86%	87%	86%	86%

- The chart below illustrates the demand in the competitive market by day of the week. Corporate travel coupled with leisure travel drive demand from Monday through Thursday with occupancy in the high-80 to low-90 percent range. Leisure travel drives demand on Fridays and Saturdays, with occupancy in the mid to high-80 percent range. Sundays are the slowest day of the week with average occupancy of approximately 77 percent.

COMPETITIVE MARKET SEASONALITY (WEEKLY)				
Day of Week	TTM 3/15	TTM 3/16	TTM 3/17	3-Year Avg.
Sunday	79%	77%	76%	77%
Monday	86%	86%	85%	86%
Tuesday	90%	90%	91%	91%
Wednesday	92%	91%	92%	92%
Thursday	88%	87%	88%	88%
Friday	88%	83%	85%	85%
Saturday	91%	88%	89%	89%
Year	88%	86%	87%	87%

10. 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 2017 through 2024, coinciding with the proposed Subject's first five full years of operation. As discussed, we have assumed that the proposed Hotel would be open and available for occupancy by September 1, 2019 and will contain 77 guestrooms.

**PROPOSED AC HOTEL - SAN FRANCISCO, CA
PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET**

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2016	1,090,130	18.1%	940,061	17.6%	86%	\$251.15	-0.9%	\$216.58	-1.3%
2017	1,176,395	7.9%	1,021,800	8.7%	87%	\$251.00	-0.1%	\$218.02	0.7%
2018	1,226,765	4.3%	1,042,800	2.1%	85%	\$259.00	3.2%	\$220.16	1.0%
2019	1,236,255	0.8%	1,038,500	-0.4%	84%	\$267.00	3.1%	\$224.29	1.9%
2020	1,254,870	1.5%	1,054,100	1.5%	84%	\$275.00	3.0%	\$231.00	3.0%
2021	1,254,870	0.0%	1,054,100	0.0%	84%	\$283.00	2.9%	\$237.72	2.9%
2022	1,254,870	0.0%	1,054,100	0.0%	84%	\$291.00	2.8%	\$244.44	2.8%
2023	1,254,870	0.0%	1,054,100	0.0%	84%	\$300.00	3.1%	\$252.00	3.1%
2024	1,254,870	0.0%	1,054,100	0.0%	84%	\$309.00	3.0%	\$259.56	3.0%
CAGR	0.9%	-	0.4%	-	-	3.0%	-	2.5%	-

Note: Assumes the June 2017 opening of the 131-room Proper San Francisco, the June 2017 opening of the 200-room YOTEL San Francisco, and the September 2019 opening of the proposed 77-room Subject.

Source: CBRE Hotels, Consulting

- In 2017, supply is projected to increase by 7.9 percent over prior year levels. This increase is attributable to the annualized addition of the 131-room San Francisco Proper and the 200-room YOTEL San Francisco in June of 2017. The increase in supply in 2018 is also attributable to the annualized addition of the San Francisco Proper and the YOTEL San Francisco. Coinciding with the September 2019 opening of the proposed Subject, supply is projected to increase by 0.8 percent in 2019 and by 1.5 percent in 2020. 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 above, occupancy for the competitive market achieved record high occupancy of approximately 86 percent in 2015 and 2016. In line with trends through YTD March

2017, occupancy is projected to increase to 87 percent in 2017. Consistent with projections for the overall San Francisco MSA based on historical averages, new supply additions, and current market conditions, we project occupancy will decrease to 85 percent in 2018 and further decrease to 84 percent in 2019. 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. A stabilized occupancy of 84 percent is in line with long term averages and is indicative of the continued strength of the local market.

- ADR growth for the competitive market began to slow in 2015 and decreased slightly in 2016 and through YTD March 2017. Due to the closing of the Moscone Center for expansion, approximately 490,000 room nights have been cancelled, many of which were booked in 2017. While there is high demand in San Francisco for hotel room nights outside of demand emanating from the Moscone Center, it is anticipated that rates will be discounted in an attempt to attract a fair share of demand. Accordingly, through year-end 2017, we project ADR to remain flat. We then project ADR to increase by 3.0 percent per annum throughout the remainder of the projection period, 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 77-room, nationally-affiliated, upscale AC Hotel by Marriott, we assume that it will be able to achieve more than its fair share of demand, after an initial ramp up period. We believe that it could achieve an occupancy of 80 percent as it is introduced into the market in 2019. As it gains recognition, we project occupancy to increase to 85 percent in 2020, and further increase to 88 percent in 2021. It is at this level we project the proposed Subject to stabilize. Our projected stabilized occupancy for the proposed Subject is slightly higher than our stabilized estimate for the competitive market as the proposed Hotel will represent a brand new, high-quality hotel with a great location and will feature only 77 guestrooms, one of the smallest room counts in the competitive market.

While we project a stabilized occupancy of 88 percent for a 77-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 \$300 under the hypothetical condition that it was open and stabilized in 2016. This ADR is approximately \$50 above the 2016 aggregate ADR for the competitive market, which is deemed appropriate as the proposed Subject will be the newest hotel in the competitive market, will benefit from its strong brand affiliation as an AC Hotel by Marriott, and will feature only 77 guestrooms.

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 \$318 in 2019. To this ADR we have applied a 2.0 percent introductory discount for the proposed Hotel in its first year of operation, which is typical as hotels offer discounts and promotions to create awareness in the local market. Accordingly, we project the proposed Hotel to open with an ADR of **\$312 in 2019**. Projections for both occupancy and ADR for the proposed Subject's first five full years of operation are presented in the following table.

PROPOSED AC HOTEL - SAN FRANCISCO, CA
PROJECTED PERFORMANCE

Year	Hypothetical ADR	Market Growth	Introductory Discount	Actual ADR	Percent Change	Subject Occupancy	Subject Penetration	RevPAR	Percent Change
2016	\$300	-	-	-	-	-	-	-	-
2017	\$300	0%	-	-	-	-	-	-	-
2018	\$309	3%	-	-	-	-	-	-	-
2019	\$318	3%	2%	\$312	-	80%	95%	\$250	-
2020	\$328	3%	0%	\$328	5%	85%	101%	\$279	12%
2021	\$338	3%	0%	\$338	3%	88%	104%	\$297	7%
2022	\$348	3%	0%	\$348	3%	88%	104%	\$306	3%
2023	\$358	3%	0%	\$358	3%	88%	104%	\$315	3%
2024	\$369	3%	0%	\$369	3%	88%	104%	\$325	3%

Source: CBRE Hotels, Consulting

As noted, the proposed Hotel is assumed to open on September 1, 2019. Accordingly, we must convert the calendar year forecast into fiscal year periods. To accomplish this for the fiscal year 2019/2020, we have taken a weighted average of four months of the calendar year 2019 and eight months of the calendar year 2020 to derive the fiscal year projection. We have then performed this analysis for each subsequent fiscal year. In doing so, it is our calculation that for the first fiscal year, the proposed Subject will achieve an ADR of \$323 with a corresponding occupancy of 83 percent. We project a long-term stabilized occupancy of 88 percent beginning in 2021/22.

PROPOSED AC HOTEL - SAN FRANCISCO, CA
PROJECTED FUTURE PERFORMANCE

Calendar Year Projections				Fiscal Year Conversion			
Year	Occupancy	ADR	Percent Change	Fiscal Year	Occupancy	ADR	Percent Change
2019	80.0%	\$312.00	-	-	-	-	-
2020	85.0%	\$328.00	5%	2019/20	83.0%	\$323.00	-
2021	88.0%	\$338.00	3%	2020/21	87.0%	\$335.00	4%
2022	88.0%	\$348.00	3%	2021/22	88.0%	\$345.00	3%
2023	88.0%	\$358.00	3%	2022/23	88.0%	\$355.00	3%
2024	88.0%	\$369.00	3%	2023/24	88.0%	\$365.00	3%

Note: Average daily rates rounded to the whole dollar

Source: CBRE Hotels, Consulting

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 new 77-room Hotel will open with very strong levels of performance and with minimal impact on the greater competitive San Francisco lodging market.

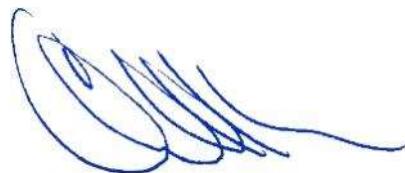
While it is possible that the proposed Hotel will experience growth in occupancy and ADR above those estimated in the report, it is also possible that sudden economic downturns, unexpected additions to the room supply, or other external factors will force the property below the selected

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, Consulting



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ADDENDA

ADDENDUM A

CERTIFICATION

Certification

We, Chris Kraus and Catherine Bolstad, 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.



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Addendum B

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

1. CBRE, Inc. through its consultant (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 consulting report and, therefore, makes no representations relative to the condition of improvements. CBRE consultants 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.
5. 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 consultants 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 consultants. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate consulting report 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 consulting report 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 consultants, 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.