MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Tiffany Bohee
Executive Director

SUBJECT: Adopting environmental review findings pursuant to the California Environmental Quality Act and conditionally approving a Combined Basic Concept and Schematic Design for a 250-room hotel on Block 1, at the intersection of Channel and Third Streets; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

Block 1 is an approximately 2.73-acre parcel located at the north end of Mission Bay South, bounded by Third Street, Channel Street, Fourth Street, and Park P3, as shown on the site map attached as Exhibit A. On May 21, 2013, the Commission approved a Major Phase application for Block 1 that included 350 residential units on two residential blocks, a 250-room hotel, and up to 25,000 square feet of retail uses. Subsequently, on June 17, 2014, the Commission approved a combined Basic Concept and Schematic Design application for the residential portion of Block 1 with 350 residential units and approximately 15,000 square feet of retail uses.

In accordance with the Owner Participation Agreement ("OPA") for Mission Bay South and the approved Block 1 Major Phase application, SOMA Hotel LLC ("Developer") has now submitted a combined Basic Concept and Schematic Design ("Schematic Design") application for a 250-room hotel on the balance of Block 1. The proposed project will contain 250 guestrooms, 10,000 square feet of meeting space, rooftop community space, and 4,000 square feet of retail space in an L-shaped 160-foot tower at the northwest corner of Channel and Third Streets. The Mission Bay Citizens Advisory Committee ("CAC") discussed the Schematic Design on October 20, 2014, and concerns were expressed about the project not having enough color and the importance of secured bicycle parking. Secured bicycle parking has been added to the Schematic Design, and the introduction of additional color will be addressed through a condition of approval.

As part of its actions on September 17, 1998, establishing the Mission Bay Redevelopment Project Areas, the Former Redevelopment Agency Commission ("Former Commission") certified the Final Subsequent Environmental Impact Report ("FSEIR") (Resolution No. 182-98) and adopted findings under the California Environmental Quality Act ("CEQA") (Resolution No. 183-98). This FSEIR includes by reference a number of addenda. OCII staff has reviewed the Schematic Design submitted by the Developer and finds it to be within the scope of the projects analyzed in the FSEIR and additional addendum and no additional environmental review is needed. As required by CEQA, the Commission must adopt environmental findings when approving the Schematic Design.
Staff recommends adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the Schematic Design for a 250-room hotel to be built on Block 1 in Mission Bay South.

BACKGROUND

Block 1 Approved Major Phase Application

Pursuant to the OPA, FOCIL MB LLC ("FOCIL"), the master developer for Mission Bay South, is required to submit its overall plans for development in "Major Phases" of one or more land use blocks, with each Major Phase consisting of the private development projects and related public infrastructure and park improvements on these blocks. Schematic designs for individual building projects can be submitted following the Major Phase approval and must be generally consistent with the Major Phase.

A Major Phase application for Block 1 was approved by the Commission on May 21, 2013 (Resolution No. 19-2013). The Major Phase included 350 residential units on two residential blocks, a 250-room hotel, and up to 25,000 square feet of retail uses, all bounded roughly by Channel Street, Third Street, Fourth Street, and Park P3. A Combined Basic Concept and Schematic Design with 350 residential units and approximately 15,000 square feet of retail uses on the residential portion of Block 1 was approved by the Commission on June 17, 2014 (Resolution No. 46-2014).

DISCUSSION

The hotel portion of Block 1 is an approximately 0.5 acre-parcel located at the northwest corner of Channel and Third Streets and abutted by the residential project to the north. The hotel project includes 250 guest rooms, 10,000 square feet of work collaboration/meeting space on the second floor, ground floor retail, including a marketplace café, rooftop community space with a restaurant and bar, 24 valet parking spaces, and 10 secured bicycle parking spaces. The project is pursuing a LEED Silver rating. The project architect is Hornberger + Worstell Architects. Exhibits A and B depict the location of the project and its site plan.

Block 1 Schematic Design

Exhibits D to G depict the design of the project. The project includes a 40-foot podium that defines the street edge along Third and Channel Streets and includes public and back-of-house spaces, and a taller tower element (159 feet at the rooftop, with mechanical screening that brings the total height to 173 feet) containing guest rooms and suites. At the Third and Channel Street corner, the podium is enclosed by transparent glass and is activated by the hotel lobby, public gathering space – referred to as the Community Living Room – and a market-place café. The main public entrances for the hotel and the café are located along Third Street, while the Channel Street elevation is the location of the port-cochere, elevator access to the rooftop community space (described below), and loading dock.
The guestroom tower is L-shaped and is organized in two perpendicular wings rising to Level 16. Typical guestrooms are provided with a 5’ x 8’ picture window, which punctuate the majority of the tower exterior walls. The location of larger guestroom suites on the upper levels of the tower at wing ends is signaled on the façade with extended, full-height glass bay elements. To reduce the tower mass, each wing end is offset and articulated vertically into two 30’ slender, vertical slab elements that visually slip past each other. The tallest element of the hotel tower is the vertical circulation core and enclosed rooftop community space. The setback of the Channel Street guestroom mass at the Third Street corner allows the circulation core to read from podium to rooftop, further accentuating the verticality of the tower and visually connecting the ground level public spaces at the Third and Channel Street corner with the community space at the top of the hotel. That connection will be further reinforced with nighttime lighting and color applied to core elements. The top of the hotel tower is defined by a sheltering brow which provides a defined cap element to the tower as well as functional wind and weather protection for the rooftop community space. This horizontal brow will be accented with color on its underside and lighted distinctively during evening hours.

The base and guestroom tower will be predominantly sheathed in clear Low-E glass, fritted glass and colored spandrel glass accented with white mullions (i.e., “tartan window wall”). The tall central core element will be sheathed in ceramic/porcelain panels applied in a blend of textures and tonal range intended to accent this building element with a mural-like mosaic of pattern and color. Stronger accents of color will be applied at the lobby level to the interior elevator core and at the rooftop core and brow elements. Exhibit H depicts the materials and colors of the hotel envelope.

Open Space

The project contains both publically accessible open space and private open space for the hotel guests. On the top of the podium at Level 4, the project includes a courtyard for hotel guests that includes landscaping, seating areas, a water feature, and access to the fitness area. At the top of the tower, the project includes a green roof with seating areas, as well as an outdoor gathering space with seating areas and a fire pit that is adjacent to a bar area. The Developer has stated that the general public will be able to access the rooftop community space during normal business hours via a dedicated express elevator accessed at the street level, without being obligated to make a purchase from the rooftop bar or other retail uses located within the project. Exhibits I to L depict the landscaping plan for the project and landscaping materials.

Parking and Transit

The Mission Bay South Design for Development allows a maximum of one parking space for every 16 guestrooms, 1 space for each 500 gross square feet (“gsf”) of retail up to 20,000 gsf, and requires a minimum of one bicycle parking space for every 20 vehicular parking spaces. Consistent with the Design for Development, the project provides a total of 24 parking spaces for hotel uses, 8 retail spaces, and 10 secured bicycle parking spaces (which is eight more than the required minimum). All guest loading activities will occur in the porte-cochere, which will be accessed from the Channel Street.
Finally, the project will be well-served by transit; it is located approximately two blocks from the Muni Third Street/Mission Rock and 5th/King Light Rail stations and approximately three blocks from the San Francisco Caltrain station. In addition, the Muni 10-bus line will be extended and pass directly by the site along Third Street.

Citizens Advisory Committee

The Mission Bay CAC discussed the Schematic Design on October 20, 2014, and concerns were expressed about the project not having enough color and the importance of secured bicycle parking. In response to the CAC’s comments, the Developer increased the number of secured bicycle parking spaces and per the recommended condition of approval, the Developer will continue to identify additional areas within the second floor Valet Parking area for enclosed bicycle parking. The introduction of additional color will be addressed through a condition of approval and the Developer will return to the CAC during Design Development to review the modifications to the design.

Equal Opportunity Program and Compliance with OCII Policies

The Developer shall comply with OCII’s Equal Opportunity Program and has worked closely with contract compliance staff to comply with the Small Business Enterprise (“SBE”) Program on this development. To date, the Developer has achieved 55.7% SBE participation for professional services consultants. Of the total contracted fees for the project, 55.7% represents San Francisco–based SBEs, 30.6% have been awarded to minority-owned businesses and 20.4% have been awarded to women-owned businesses. A full list of consultants is included as Exhibit M.

During the construction phase of this project, the Developer is committed to meeting OCII's requirements and goals which includes the 50% SBE construction subcontracting participation goal, payment of prevailing wages and the 50% local construction workforce hiring goal.

Upon completion of the project, the operator of the hotel will be required to enter into a Card Check Neutrality Agreement, which, among other things, will set forth a procedure for determining employee preference on the subject of whether to be represented by a labor organization for collective bargaining. Additionally, permanent hiring will be subject to OCII’s Permanent Workforce Policy, which will ensure that San Francisco residents are given first consideration for the project’s permanent employment and obtain a minimum of 50% of the project’s permanent jobs.

CEQA Environmental Review

As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the Former Commission certified the FSEIR, adopted CEQA findings, adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors, the Planning Commission, and various City departments
adopted similar findings and mitigation monitoring plans. This FSEIR includes by reference a number of addenda.

Copies of the full four-volume FSEIR were distributed to the Former Commission prior to the 1998 certification and adoption of the environmental findings. Copies of the FSEIR were provided to the OCII Commission as part of the March 5, 2013 OCII Commission memo for Block 40, and are also available for review at OCII’s offices.

Staff has reviewed the Combined Basic Concept and Schematic Design submitted for the residential portion of Block 1 and has considered and reviewed the FSEIR and addenda. Staff finds the Combined Basic Concept and Schematic Design to be within the scope of the project analyzed in the FSEIR and subsequent addenda and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, and 15163.

**Next Steps**

After approval of the Schematic Design, OCII staff will work with the Developer to review and approve the Design Development and Construction Drawings. The Developer anticipates starting construction in the Fourth Quarter of 2015, with completion in 2017.

**STAFF RECOMMENDATION**

Staff worked with the Developer and CAC to review the proposed Schematic Design for the hotel portion of Block 1, providing feedback to ensure that the design is consistent with both the overall design goals for Mission Bay and the specific development standards contained in the Mission Bay South Design for Development. Based on the review process described above, staff finds that the proposed Schematic Design is consistent with the Redevelopment Plan, the Design for Development and other Plan documents.

As is typical, there remain a number of detailed design issues that must be resolved in subsequent design stages. Therefore, staff recommends the following conditions of approval that shall be subject to further review by OCII staff and approval by the Executive Director, or her designee:

1. The building and landscaping materials, colors, finishes, lighting and architectural detailing shall be subject to further review during the Design Development phase. Updated material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for review and approval to ensure consistency with this Schematic Design.

2. The Developer shall also incorporate opportunities to enliven and differentiate the building faces, and in particular the set-back corner at Third and Channel Streets, such as through the use of color, materials, and lighting.
3. The design of the ground floor shall be subject to further design and review during the Design Development stage to ensure that it is (1) transparent, so as activate the Third and Channel Street frontages, and (2) integrated with the overall building design.

4. The design of the tartan window wall shall be subject to further design and review during the Design Development stage to ensure that it is used to increase the depth and texture of the building’s envelope, thereby achieving greater contrast between the projecting architectural window wall elements of the building.

5. The brow of the building shall be subject to further design and review during the Design Development stage to ensure that (1) the top of the building is finished cohesively with the body of the building, and (2) the trellises and overhangs, parapets and railings, and penthouse structures are integrated.

6. The typical guest room window wall is comprised of FRP/Glass/spandrel panels and a large rectangular window frame system, which will create a strong shadow line and impart an important layer of detail to the building. During the Design Development stages, the Developer shall maintain the design intent of that panel and window frame system and further strengthen it through careful selection of material detail and color.

7. The design of the Northern façade shall be subject to further design and review during the Design Development stage to address the blind walls that are shown at the wing end on Levels 4 to 8 and activate the facade.

8. The design of the porte-cochere shall be subject to further design review during the Design Development stage to ensure that the width of the curb cuts and openings along Channel Street is minimized and to better define the pedestrian entrance. The Developer shall also continue to explore programming and space for active, guest-service uses along the porte-cochere frontage.

9. The design of the service/loading zone shall be subject to further design and review during the Design Development stage to minimize its expression along Channel Street.

10. The ground level canopies/ marquees shall be subject to further design review during the Design Development stage to (1) ensure that they do not dominate the Channel and Third Street frontages at the expense of the pedestrian realm and (2) to ensure compliance with the Building Code.

11. The design of enclosed trash and recycling areas shall be subject to further review and approval during the Design Development phase to ensure that they allow for internal pick-up by the solid waste collector to avoid trash and recycling bins on-street.

12. All building signage shall be subject to further review and approval. A signage plan shall be prepared concurrent with Design Development documents, for approval pursuant to the Mission Bay South Signage Master Plan.
13. To avoid noise impacts to adjacent residents, prior to the start of any construction, the Developer and their general contractor shall meet with OCII to discuss noise regulations and hours of construction operation to ensure that they understand the existing regulations and do not work outside the allowed hours of operations. During construction, the Developer shall designate a single point of contact to address all construction related concerns from OCII, the City, residents of Mission Bay, and other stakeholders.

14. To avoid noise impacts to the adjacent neighbors, the Community Space will be operated to ensure that outdoor rooftop activities and noise generating events do not affect the adjacent residential neighbors. This may include limitation of hours of operation in the evening for outdoor events.

15. The Developer will work with OCII during the Design Development stage to identify additional opportunities for enclosed bicycle parking within the Valet Parking area on the second floor.

16. The Developer will return to the Citizens Advisory Committee during the Design Development stage to specifically address the proposed art program, changes in use of color, exterior night lighting, and vertical glass solarfin options.

17. The general public shall have access to the rooftop community space during normal business hours via a dedicated express elevator accessed at the street level, without being obligated to make a purchase from the rooftop bar or other retail uses located within the project.

Staff recommends adopting environmental findings pursuant to the California Environmental Quality Act and approving the Schematic Design for a 250-room hotel to be built on Block 1 in Mission Bay South, subject to the conditions above.

(Originated by Christine Maher, Senior Development Specialist)

Tiffany Rohde
Executive Director

Exhibit A: Mission Bay Location Map
Exhibit B: Ground Floor Site Plan
Exhibit C: Isometric View from Corner of Third and Channel Streets
Exhibit D: View from Third Street Looking North
Exhibit E: View from Third Street and Channel Street
Exhibit F: View from Third Street Looking South
Exhibit G: View from Park P3
Exhibit H: Materials
Exhibit I: Landscape Plan – Level 4 Podium Deck
Exhibit J: Landscape Plan – Level 17 Rooftop Community Space
Exhibit K-L: Landscape – Design Reference Images
Exhibit M: Professional Consultant List