



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

Fee Waiver for the Eastern Neighborhoods Infrastructure Impact Fee

Date: May 15, 2014
Case No.: 2007.0550U
Project Address: **350 8th Street In-Kind Agreement**
Plan Area: Eastern Neighborhoods (Western SoMa)
Project Sponsor: Amir Massih
4TerraInvestments
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SUMMARY

The Project Sponsor of the development at 350 8th Street is seeking to enter an In-Kind Agreement with the City of San Francisco to improve Ringold Street between 8th and 9th Streets with special paving treatments, landscaping, pedestrian lighting and safety improvements, site furnishings, and undergrounding of overhead utilities in return for a waiver of \$1.8 million of their Eastern Neighborhood Infrastructure Impact Fees. The Ringold Street improvements were identified as a Western SoMa Task Force priority project in the Western SoMa Community Plan, adopted in 2013.

PROJECT LOCATION

The proposed project is located on Ringold Street from 8th to 9th Streets in the Western SoMa Area Plan, within the Western SoMa Community Plan Area. Ringold Street is an alley located between Folsom and Harrison Streets, extending from 8th to 9th Street. The approved development at 350 8th Street fronts the majority of the south side of Ringold Street.

BACKGROUND

On December 6, 2012 the Planning Commission granted approval¹ to the project proposed for 350 8th Street. The project consists of demolishing the existing industrial uses at the north end of the site and is proposing constructing an eight building multi-use development that includes residential, retail, office and art activities/PDR space. The project proposes 410 dwelling units, 22, 280 square feet of commercial and retail space, 10, 600 square feet of arts/PDR space, and 9,400 square feet of office space. Additionally, the project is proposing a small park at the northeast corner of the site at the intersection of 8th and Ringold Streets, as part of the open space requirements in the Planning Code.

¹ Motion Numbers 18756 and 18766

Per Section 423 of the Planning Code, the project is subject to pay \$6,268,102.44 in Eastern Neighborhoods infrastructure impact fees, since the project falls within the Western SoMa Plan Area boundaries within the Eastern Neighborhoods fee area. Project sponsors may pay the impact fee directly to the City or may request to directly provide infrastructure that is consistent with the Community Improvements Program for the Eastern Neighborhoods. Such direct provision of infrastructure requires approval of the City, in the form of a legally binding "In-Kind Agreement". 4TerraInvestments, the Project Sponsor for the 350 8th Street development, is seeking such an In-Kind Agreement to provide streetscape improvements on Ringold Street between 8th and 9th Streets.

The improvements proposed for this agreement would support the policies established in the Eastern Neighborhood Plans, specifically the Western SoMa Area Plan, and would generally reflect the improvements proposed in that Plan. The proposed improvements would build out a Western SoMa Task Force priority project identified in the Western SoMa Community Planning process and in the Western SoMa implementation document.

The Western South of Market Community Plan (West SoMa Plan) was adopted in February 2013, after a multi-year community planning process. During that time period, the San Francisco County Transportation Authority developed the Western SoMa Neighborhood Transportation Plan (NTP), which informed the street and transportation recommendations of the West SoMa Plan. The NTP was adopted by the San Francisco County Transportation Authority Board in March of 2012. The NTP identified traffic calming and pedestrian improvements to specific alleyways (including Minna, Natoma, and Ringold Streets) in West SoMa as priority public improvements. Ringold Street was envisioned as a single-surface "shared public way," which would transform the entire street into a pedestrian-priority space while calming traffic. The In-Kind improvement will be designed based on the concept plans outlined in the NTP. Both planning processes involved extensive community outreach and engagement.

The improvements proposed for this in-kind agreement would support the policies established in the Western SoMa Area Plan, adopted in 2013. The Plan calls for facilitating the movement of pedestrians and bicycles in the alleys, ensuring safety on neighborhood serving streets, improving public realm conditions, and recognizing the social and cultural values and properties of the LGBTQ District.

PROPOSED PUBLIC IMPROVEMENTS

The project sponsor would install various streetscape and traffic calming improvements to enhance the pedestrian environment on Ringold Street between 8th and 9th Streets. The proposed improvements would include special paving treatments, traffic calming treatments, landscaping, pedestrian lighting, site furnishings, undergrounding of overhead utilities, and public art commemorating the alleyway's significance to the LGBTQ community.

The concept plan is presented in Exhibit C of Attachment 2. The proposed improvements would enhance pedestrian safety, calm traffic, and provide pedestrian and open space improvements. Detailed design will occur subsequent to Planning Commission approval; detailed designs will be reviewed and approved by all relevant City agencies, including the Planning Department, Department of Public Works, and Municipal Transportation Agency. The improvements proposed in this In-Kind Agreement would be publicly accessible and located on a public right-of-way.

OUTREACH AND PUBLIC COMMENT

The Western SoMa Community Plan started in 2001 as part of the Eastern Neighborhoods, but began in earnest in 2005, and was led by the Western SoMa Citizen Task Force. The Task Force, with assistance from the Planning Department, held numerous public workshops and worked with consultants through 2008. The Western SoMa Plan had three large community forums that surveyed businesses and residents about their needs, asked participants to provide input on key issues, and asked questions about the draft Community Plan. Additionally, the Western SoMa Task Force and its subcommittees held meetings that were all open to the public and allowed the public to weigh in on agenda items.

The Western SoMa Neighborhood Transportation Plan (NTP), conducted concurrently with the Western SoMa Community Plan, also involved a robust public outreach and comment process. The NTP consulted the Western SoMa Task Force on a regular basis. Public comment was also received through a variety of other techniques including public meetings, online surveys, storefront charrettes, and door-to-door outreach. In 2009 the meetings focused on areas of interest, topics of interest, and locations. In 2010 community meetings were focused on specific improvements including Ringold Alley. All together the NTP hosted 7 outreach events that reached approximately 185 individuals.

The Eastern Neighborhoods Citizen Advisory Committee (the CAC) reviewed various iterations of the proposed improvements at three committee meetings throughout 2013. The CAC approved a resolution in October 2013 supporting the improvements, and providing specific comments regarding the design, scope of work, a maximum cost of \$1.8 million (Attachment 3). Additional forums for public outreach and engagement will be held as the project moves through detailed design.

The Department has not received any public comment regarding this project.

DESIGN AND COST ESTIMATES

The proposed concept design was developed through the West SoMa Neighborhood Transportation Plan process, led by the San Francisco County Transportation Authority. The proposed concept design has been reviewed by the Department of Public Works. Detailed design will occur after Planning Commission approval, and will involve review by all relevant City agencies, as well as additional community process.

Based on the concept plan provided in Exhibit C of Attachment 2, the Project Sponsor provided two cost estimates. The Department received two cost estimates from the Project Sponsor, from Johnstone Moyer, Inc. and James E. Roberts-Obayshi Corporation in the amount of \$1,887,083 and \$1,658,827, respectively. The Department has reviewed these cost estimates with the Department of Public Works, and the Project Sponsor has revised the estimates per their comments.

MAINTENANCE OF IMPROVEMENTS

Improvements will be maintained by a combination of the Project Sponsor and the City. The proposed In-Kind Improvements would consist of certain DPW standard street materials, such as roadway pavement materials, as well as certain non-standard materials and features, such as landscaping and street furnishings. The project sponsor would maintain all non-City-standard materials, including landscaping and site furnishings. The Department of Public Works would maintain standard roadway materials. Street lighting would be selected from the SFPUC's approved list of street lights, and be maintained by the SFPUC.

ENVIRONMENTAL REVIEW AND TRANSPORTATION ANALYSIS

The proposed improvements were environmentally cleared as a part of the Western SoMa Community Plan Mitigated Negative Declaration 2008.0877E and 2007.1035E dated December 6, 2012 (with an addendum March 24, 2011).

Additionally, the 350 8th Street project analyzed the transportation impacts of the improvements as part of its transportation study 2008.0877E, which was finalized December 6, 2012.

GENERAL PLAN CONSISTENCY

The proposed project is found to be in conformity with the General Plan. See Attachment 1.

REQUIRED COMMISSION ACTION

The action before the Commission is to approve an impact fee waiver for the 350 8th Street project in the amount of \$1.8 million in return for provision of the in-kind improvements discussed above.

BASIS FOR RECOMMENDATION

In September of 2010, the Planning Commission endorsed a policy entitled "Procedures for In-Kind Agreements". The proposed improvements would present a suitable priority for an In-Kind Agreement to satisfy portions of the Area Plan infrastructure impact fees.

- The Proposed Improvements are Eligible for an In-Kind Agreement
- The Proposed Improvements are a Priority
- The Project is Recommended

ELIGIBILITY CRITERIA

1. Improvement Fulfills the Purpose of Community Improvements

Per Planning Code section 423.3(d) (which describes in-kind improvements under the EN Impact Fee Fund), streetscape improvements are eligible for funding.

2. The Infrastructure Type is Identified in the Fee Ordinance

The streetscape project falls under the "Transportation and Streetscape" category of improvements and therefore is eligible.

3. The Expenditure Category for Infrastructure Type is Not Exhausted

These "Transportation and Streetscape" category of funds has not been exhausted.

PRIORITIZATION CRITERIA

- 1) Improvement is identified in the Five Year Capital Plan

The proposed improvements for Ringold Alley are reflected in the 2013 IPIC Annual Report, which projects the use of Eastern Neighborhoods revenue over a five-year period. The improvements are expected to be delivered through this in-kind agreement.

- 2) Improvement does not Compete with a CAC and IPIC Endorsed Improvement

The project is identified in the IPIC report - no funds would need to be reallocated from already identified funded (or partially funded) projects.

3) The project is an Eastern Neighborhood Priority Improvement

The alley in-kind improvements are not identified as a "Priority Project" per the MOU that established the list of Eastern Neighborhoods priority projects. However, the Western SOMA Task Force and the Western SoMa Area Plan have identified Ringold Street improvements as a priority project for Western SoMa.

4) CAC Supports the Proposed Improvement

The CAC approved a resolution in October 2013 supporting the improvements up to an amount of \$1.8 million.

5) Efficiencies are Gained Through Coordination with Development Project

Project sponsors can utilize the construction tools and labor already working onsite for the 350 8th Street project to deliver the improvements in a more timely and efficient manner. The project would be timed with the development of the adjacent development and delivered no later than when the development is ready for occupancy. The project could be built in conjunction with the development project, resulting in less disruption from construction than if the project were independently built at another time.

RECOMMENDATION

The proposed streetscape improvements support the policies and projects established in the Eastern Neighborhoods, specifically the Western SoMa Community Plan. These improvements align with the overall goal of the plan to create good urban life as well as specific objectives regarding pedestrian safety improvements and public life enhancement. The project would enhance pedestrian safety, calm traffic, provide additional public space in the Western SoMa area, and honor the area's LGBT heritage.

The Planning Department projects over \$57.9 million in impact fee revenue over the next five years (FY15-19) generated in the Eastern Neighborhoods Area Plan. The 2013 Interagency Plan Implementation Report projects over \$29 million in expenditures on transportation and streetscape projects over this period. Roughly 20% of the transportation Eastern Neighborhood funds have been set aside for non-priority projects including streetscape and pedestrian improvements for Ringold Alley and other projects.

Pursuing this In-Kind Agreement would create an opportunity to capitalize on existing construction of an adjacent development to implement the public improvements proposed by the adopted Area Plan, resulting in efficiencies gained for the construction of the improvements. Additionally, the project and the In-kind improvement received community support and the In-Kind was developed through a community-led process. The CAC has passed a resolution in support of this In-Kind Agreement for the scope of work described in this case report, for up to \$1.8 million.

Based on the public benefits generated, CAC support, and review of the design, cost estimate, maintenance plan, and terms of the agreement, **the Planning Department recommends approval of this In-Kind Agreement.**

Attachments:

1. Draft Planning Commission Motion
2. In-Kind Agreement for 350 8th Street
3. Eastern Neighborhoods Community Advisory Committee Resolution
4. Western South of Market Neighborhood Transportation Plan-Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. _____

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Project Sponsor: Amir Massih
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APPROVING AN IMPACT FEE WAIVER FOR 350 8th STREET IN THE AMOUNT OF \$1,800,000 TO PROVIDE SPECIAL PAVING TREATMENTS, LANDSCAPING, PEDESTRIAN LIGHTING AND SAFETY IMPROVEMENTS, SITE FURNISHINGS, AND UNDERGROUNDING OF UTILITIES ON RINGOLD STREET BETWEEN 8TH AND 9TH STREETS BASED ON THE COMPLETION OF AN IN-KIND AGREEMENT BETWEEN THE PROJECT SPONSOR AND THE CITY.

PREAMBLE

- On January 19, 2009 the Eastern Neighborhoods Plan became effective, including now Section 423.3 of the San Francisco Planning Code, the Eastern Neighborhoods Infrastructure Impact Fee applicable to all projects in the plan area, including the subject property. The Planning Code also enabled project sponsors to seek a waiver from the impact fees when providing public improvements through an In-Kind Agreement with the Planning Department.
- On December 6, 2012 the Planning Commission approved the Western South of Market Community Plan including certifying the EIR, adopting California Environmental Quality Act (CEQA) Findings, adopting amendments to the General Plan, adopting amendments to the Planning Code, adopting amendments to the zoning maps, adopting amendments to the administrative code, and adopting the program implementation document.
- On December 6, 2012, the Planning Commission granted approval to the project proposed for 350 8th Street. The project consists of demolishing the existing industrial uses at the north end of the site and is proposing constructing an eight building multi-use development that includes residential, retail, office and art activities/PDR space. The project proposes 410 dwelling units, 22, 280 square feet of commercial and retail space, 10, 600 square feet of arts/PDR space, and 9,400 square feet of office space. Additionally, the project is proposing a small park at the northeast corner of the site at the intersection of 8th and Ringold Streets, as part of the open space

requirements in the Planning Code. On July 15, 2013, the Project Sponsor, Associated Estate, now 4TerraInvestments, filed an application with the City for approval of an In-Kind Agreement for provision of special paving treatments, landscaping, pedestrian lighting and safety improvements, site furnishings, and undergrounding of overhead utilities on Ringold Street between 8th and 9th Streets.

- The proposed improvements would provide streetscape improvements, calm traffic, enhance pedestrian safety, and provide public art commemorating the street's LGBT and heritage. The project is consistent with the Western South of Market Area Plan (Western SoMa Plan). The plan promotes improvements to transportation, open space, street safety, bicycle circulation, and mass transit.
- On October 21, 2013, in Motion 2013-08-03, the Eastern Neighborhoods Citizens Advisory Committee passed a resolution supporting the proposed improvements for the 3508th Street In-Kind Agreement.

MOVED, that the Commission hereby authorizes the Eastern Neighborhoods Community Impact Fee Waiver for 350 8th Street in the amount of maximum \$1,800,000.

FURTHER MOVED, that the project sponsor will continue to work with the Department to develop the design of the proposed improvements.

This authorization is 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. The proposed In-Kind Agreement is consistent with the Planning Code Section 423.3.
3. The proposed improvements would present a suitable priority for an In-Kind Agreement to satisfy portions of the Area Plan infrastructure impact fees as they meet the following criteria established in the Planning Commission approved "Procedures of In-Kind Agreements".
 - Improvement Fulfills the Purpose of Community Improvements: Per Planning Code section 423.3(d) (which describes in-kind improvements under the EN Impact Fee Fund) streetscape and public realm improvements, are eligible for funding.
 - The Infrastructure Type is Identified in the Fee Ordinance: The streetscape design falls under the "Transit, Streetscape and Public Realm Improvements" category of improvements in the Eastern Neighborhoods Impact Fee Fund, and therefore is eligible.
 - The Expenditure Category for Infrastructure Type is Not Exhausted: The "Transit, Streetscape and Public Realm Improvements" category of funds have not been exhausted.
4. The proposed improvements are a priority for the Plan Area as they meet the following criteria:

- Improvement is identified in the Five Year Capital Plan; Improvement does not Compete with a CAC and IPIC Endorsed Improvement: The proposed project is referenced in the IPIC Report and no funds would need to be reallocated from already identified funded (or partially funded) projects.
 - The Project is an Eastern Neighborhoods Priority Improvement: The proposed improvements are not identified as a “Priority Project” per the MOU that established the list of Eastern Neighborhoods priority projects, however, the Western SOMA Task Force and the Western SoMa Area Plan has identified Ringold Street improvements as a priority project for Western SoMa.
 - CAC Supports the Proposed Improvement: The Eastern Neighborhoods CAC approved a resolution in October 2013 supporting the improvements in an amount up to \$1,800,000.
 - Efficiencies are Gained Through Coordination with Development Project: Project sponsors can utilize the construction tools and labor already working onsite for the 350 8th Street project to deliver the improvements in a more timely and efficient manner. The project would be timed with the development of the adjacent development and delivered no later than when the development is ready for occupancy. The project could be built in conjunction with the development project, resulting in less disruption from construction than if the project were independently built at another time.
5. The Project is recommended by the Planning Department and has been reviewed by other public agencies, including the Department of Public Works.
6. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

The proposed In-Kind improvements support the Western South of Market Area Plan by implementing the below policies and objectives.

OBJECTIVE 4.1

FACILITATE THE MOVEMENT OF PEDESTRIANS AND BICYCLES IN THE ALLEYS

POLICY 4.1.1

Introduce treatments that effectively improve the pedestrian experience in alleys.

POLICY 4.1.3

Improve street lighting in alleys.

OBJECTIVE 4.2

LIMIT THE SPEED AND VOLUME OF MOTOR VEHICLES IN ALLEYS

POLICY 4.2.3

Employ traffic calming measures on alleys

OBJECTIVE 4.4

ENSURE A MINIMUM LEVEL OF SAFETY ON NEIGHBORHOOD-SERVING STREETS.

POLICY 4.4.2

Introduce traffic calming measures that promote pedestrian and bicycle transportation and safety.

OBJECTIVE 4.21

PROVIDE SAFE, EFFICIENT AND PLEASANT PEDESTRIAN CIRCULATION IN WESTERN SOMA.

POLICY 4.21.2

Improve sidewalk lighting to ensure safety and security.

OBJECTIVE 4.23

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT

POLICY 4.23.1

Integrate pedestrian space with compatible land uses.

Discussion: The project would enhance the pedestrian experience through special paving, pedestrian lighting, traffic calming, and street furnishings. The Western SoMa plan highlights the role of alleyways in the pedestrian circulation network – this project would build upon that role by improving pedestrian conditions along a key West SoMa alley.

OBJECTIVE 5.1 REINFORCE THE DIVERSITY OF THE EXISTING BUILT FORM AND THE WAREHOUSE, INDUSTRIAL AND ALLEY CHARACTER.

POLICY 5.1.3

Encourage and support the preservation and adaptive re-use of historic and social heritage neighborhood resources.

Discussion: The project plans to highlight the importance of the LGBT heritage in Western SoMa in the design of Ringold Street through infrastructure elements.

OBJECTIVE 5.3

PROMOTE WALKING, BIKING AND AN ACTIVE URBAN PUBLIC REALM.

POLICY 5.3.4

Strengthen the relationship between a building and its fronting sidewalk.

POLICY 5.3.5

Strengthen the pedestrian and bicycle network by extending alleyways to adjacent streets or alleyways wherever possible, or by providing new publicly accessible mid-block rights of way.

Discussion: The mixed use development at 350 8th Street is bounded to the north by Ringold Street. The finalized design of Ringold Street will strengthen the relationship between the mixed use development as well as provide a safe street for pedestrians.

OBJECTIVE 6.1

IDENTIFY AND EVALUATE HISTORIC AND CULTURAL RESOURCES.

POLICY 6.1.6

Include history of alleys as an important part of the ‘social-cultural heritage’ resource.

OBJECTIVE 6.4

ENSURE THAT LAND USE CHANGES RESPECT THE NEIGHBORHOOD CHARACTER AND SOCIAL HERITAGE.

POLICY 6.4.2

Recognize the social and cultural heritage values and properties of the LGBTQ District, already acknowledged and documented by its own community and local history.

Discussion: The project plans to highlight the importance of the LGBT heritage in Western SoMa in the design of Ringold Street through infrastructure elements.

OBJECTIVE 7.3

IMPROVE THE NEIGHBORHOOD’S PUBLIC REALM CONDITIONS.

POLICY 7.3.2

Redesign underutilized portions of streets as public open spaces, including widened sidewalks or medians, curb bulb-outs, “living streets” or green connector streets.

POLICY 7.3.5

Promote adequate access and safety in all areas of the public realm.

POLICY 7.3.6

Promote street traffic calming methods to assure greater pedestrian safety.

POLICY 7.3.7

Provide more pedestrian scale lighting on alleys and streets.

POLICY 7.3.10

Provide public amenities and infrastructure that support the use of open space such as public toilets, park benches, pedestrian scale lighting, and minimal gates/barriers to access.

POLICY 7.3.13

Strongly encourage public art in all new public open space development in the neighborhood.

Discussion: The project would provide significant improvements to Ringold Street, including special paving, pedestrian lighting, public amenities, landscaping, and traffic calming measures such as raised crosswalks. Additionally, the project plans to highlight the importance of the LGBT heritage in Western SoMa in the design of Ringold Street through infrastructure elements.

7. **Planning Code Sections 101.1 Findings.** The proposed replacement project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed project will have no adverse effects on neighborhood-serving retail uses.

- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed project will protect and enhance the existing neighborhood character through streetscape improvements such as special paving, pedestrian lighting, street furnishing, landscaping, and traffic calming measures.

- C) The City's supply of affordable housing will be preserved and enhanced:

The proposed project will have no adverse effects on the City's supply of affordable housing.

- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed project would not impede MUNI transit service.

- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed project would not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed project would not affect the preparedness against injury and loss of life in an earthquake is unaffected.

- G) That landmark and historic buildings will be preserved:

The proposed project would not adversely affect landmark and historic buildings.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed project will not affect access to sunlight and vistas in parks and open spaces.

I hereby certify that the foregoing Motion was adopted by the Planning Commission on May 15th, 2014.

Jonas P. Ionin
Director of Commission Affairs,
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED:

**IN-KIND AGREEMENT
(PER PLANNING CODE SECTION 423)**

THIS IN-KIND AGREEMENT (this "*Agreement*") is entered into as of _____, 2014 (the "Effective Date"), by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the San Francisco Planning Commission (the "*City*") and AERC 8TH AND HARRISON, LLC, a Delaware limited liability company (the "*Project Sponsor*") with respect to the project approved for 350 8th Street, San Francisco, California.

RECITALS

A. Article 4 of the San Francisco Planning Code provides for an Eastern Neighborhoods Public Benefits Fund to support public improvements, pedestrian and streetscape improvements, and other facilities and services within the Eastern Neighborhoods Plan Areas, a land use planning district within San Francisco. Any undefined term used herein shall have the meaning given to such term in Article 4 of the Planning Code, and all references to Section 423 or the following Sections 423.1 through 423.5 shall mean Sections of the Planning Code.

B. In order to mitigate the impacts from new mixed residential and commercial development permitted within the Eastern Neighborhoods Plan Areas, the Planning Code imposes an Eastern Neighborhoods Community Infrastructure Impact Fee on new residential and commercial development (the "*Fee*"). As an alternative to payment of the Fee, the Planning Code provides that the City may reduce the Fee obligation applicable to a particular project if the project sponsor agrees to provide directly specified community improvements. In order for a project sponsor to satisfy its Fee obligation by providing such improvements, the Ordinance requires the City and the project sponsor to enter into an "*In-Kind Improvements Agreement*" as described in Section 423.3(d) of the Planning Code.

C. The Project Sponsor owns that certain real property commonly known as 350 8th Street, in San Francisco, California, as more particularly described in Exhibit A, attached hereto (the "*Property*"). The Property is located within the Western SoMa Subarea of the Eastern Neighborhoods Plan Area. On December 12, 2012, the San Francisco Planning Commission approved the Project Sponsor's application for a mixed residential and commercial development on the Property (the "*Project*").

D. The Project Sponsor has requested that the City enter into an In-Kind Improvements Agreement to allow a portion of the Fee for the Project to be satisfied through the Project Sponsor's provision of streetscape improvements in Ringold Street adjacent to the Project, as described in Exhibit C (the "*In-Kind Improvements*").

E. The In-Kind Improvements meet an identified community need and substitute for improvements that could be provided by the Eastern Neighborhoods Public Benefits Fund, and they are not a physical improvement or provision of space otherwise required by the Planning Code or any other City Code.

F. On October 21, 2013 in Motion 2013-08-03 the Eastern Neighborhood Citizens Advisory Committee passed a resolution supporting the proposed improvements for the 350 8th Street In-Kind Agreement.

G. The City is willing to enter into an In-Kind Improvements Agreement, on the terms and conditions set forth below.

DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings.

“**Agreement**” shall mean this Agreement.

“**City**” shall have the meaning set forth in the preamble to this Agreement.

“**Cost Documentation**” shall have the meaning set forth in Section 3.2 below.

“**Credit Amount**” shall have the meaning set forth in Section 3.5 below.

“**DBI**” shall mean San Francisco Department of Building Inspection.

“**Director**” shall mean the Director of San Francisco Planning Department.

“**DPW**” shall mean San Francisco Department of Public Works.

“**Effective Date**” shall have the meaning set forth in the preamble to this Agreement.

“**Final Inspection Notice**” shall have the meaning set forth in Section 2.3 below.

“**First Construction Document**” shall have the meaning set forth in Section 401 of the San Francisco Planning Code and Section 107A.13.1 of the San Francisco Building Code.

“**First Certificate of Occupancy**” shall have the meaning set forth in Section 401 of the Planning Code.

“**Impact Fee**” or “**Fee**” shall mean the Eastern Neighborhoods Infrastructure Impact Fee charged to all residential and commercial development projects in the Eastern Neighborhoods Plan Area under Section 423.3 of the Planning Code.

“**In-Kind Improvements**” shall have the meaning set forth in Recital D.

“**In-Kind Value**” shall have the meaning set forth in Section 3.2 below.

"Inspection Notice" shall have the meaning set forth in Section 2.3 below.

"Material Change" shall have the meaning set forth in Section 3.2.

"Memorandum of Agreement" shall have the meaning set forth in Article 4 below.

"Payment Analysis" shall have the meaning set forth in Section 3.5 below.

"Payment Documentation" shall have the meaning set forth in Section 3.4 below.

"Plans" shall have the meaning set forth in Section 2.1 below.

"Project" shall have the meaning set forth in Recital C.

"Project Sponsor" shall have the meaning set forth in the preamble to this Agreement.

"Project Sponsor Fee" shall mean the Project Sponsor's share of the Fee, as calculated pursuant to Section 3.1 hereof.

"Property" shall have the meaning set forth in Recital C.

"Remainder Amount" shall have the meaning set forth in Section 3.3 below

"Security" shall have the meaning set forth in Section 3.7.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 PROJECT SPONSOR REPRESENTATIONS AND COVENANTS

As of the Effective Date, the Project Sponsor represents, warrants, agrees and covenants to the City as follows:

1.1 The above recitals relating to the Project are true and correct.

1.2 The Project Sponsor: (a) is a limited liability company duly organized and existing under the laws of the State of Delaware, (b) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated to be conducted, (c) has the power to execute and perform all the undertakings of this Agreement, and (d) is the fee owner of the real property on which the Project is located.

1.3 The execution and delivery of this Agreement and other instruments required to be executed and delivered by the Project Sponsor pursuant to this Agreement: (a) do not violate any provision of law, rule or regulation, any order of court or other agency or government, and (b) do not violate any provision of any agreement or instrument to which the Project Sponsor is bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

1.4 No document furnished or to be furnished by the Project Sponsor to the City in connection with this Agreement contains or will contain any untrue statement of material fact, or omits or will omit a material fact necessary to make the statements contained therein not misleading under the circumstances under which any such statement shall have been made.

1.5 Neither the Project Sponsor, nor any of its principals or members, have been suspended, disciplined or debarred by, or prohibited from contracting with, the U.S. General Services Administration or any federal, state or local governmental agency during the past five (5) years.

1.6 Pursuant to Section 421.3(d)(5) of the Planning Code, the Project Sponsor shall reimburse all City agencies for their administrative and staff costs in negotiating, drafting, and monitoring compliance with this Agreement

ARTICLE 2 IN-KIND IMPROVEMENTS

The Project Sponsor shall take all steps necessary to design, construct and provide, at the Project Sponsor's sole cost, the In-Kind Improvements described in Exhibit C, for the benefit of the City and the public, and the City shall accept the In-Kind Improvements in lieu of a portion of the Project Sponsor Fee under this Agreement if this Agreement is still in effect. In connection with the provision of the In-Kind Improvements and the reduction in the Project Sponsor Fee, the Project Sponsor must satisfy the following conditions:

2.1 Plans and Permits. The Project Sponsor shall cause its engineer to prepare detailed plans and specifications for the In-Kind Improvements, which plans and specifications shall be submitted for review and approval by Department of Public Works (“**DPW**”) in the ordinary course of the process of obtaining the necessary permits for the In-Kind Improvements (upon such approval, the “**Plans**”). Such review and approval of the Plans by DPW shall not be unreasonably withheld, delayed or conditioned. In the event the Project Sponsor determines that construction of the In-Kind Improvements requires the creation of an underground utility district on Ringold Street between 8th and 9th Streets, the Project Sponsor shall be responsible for requesting the Board of Supervisors to create such a district. . The Project Sponsor shall be responsible, at no cost to the City, for (a) obtaining all permits and licenses required in connection with the In-Kind Improvements, and (b) completing the In-Kind Improvements in accordance with the approved Plans. The Project Sponsor shall not make any material change to the approved Plans during the course of construction without first obtaining the Director of Planning’s (“**Director**”) written approval. No approval by the City for purposes of this Agreement shall be deemed to constitute approval by any federal, state or local regulatory authority with

jurisdiction over the Project or the In-Kind Improvements, and nothing herein shall limit the Project Sponsor's obligation to obtain all such regulatory approvals at no cost to the City.

2.2 Construction. All construction with respect to the In-Kind Improvements shall be accomplished prior to issuance of the First Certificate of Occupancy for the entire Project (except as provided in Section 3.7) and in accordance with good construction and engineering practices and applicable laws, and shall be of the highest quality for similar street improvement construction projects. The Project Sponsor shall undertake commercially reasonable measures to minimize damage, disruption or inconvenience caused by such work and make adequate provision for the safety and convenience of all persons affected by such work. Dust, noise and other effects of such work shall be controlled using commercially reasonable methods customarily used to control deleterious effects associated with construction projects in populated or developed urban areas and shall comply with requirements of the San Francisco Building Code and other City Codes. The Project Sponsor, while performing any construction, shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to the surrounding property, and the risk of injury to members of the public, caused by or resulting from the performance of such construction. All construction shall be performed by licensed, insured and bonded contractors, and pursuant to a contract that includes a release and indemnification for the benefit of the City.

2.3 Inspections. Upon final completion of the In-Kind Improvements and the Project Sponsor's receipt of all final permit sign-offs, the Project Sponsor shall notify the Director that the In-Kind Improvements have been completed. The Director, or his or her agent, shall inspect the site to confirm compliance with this Agreement, and shall promptly thereafter notify the Project Sponsor that the In-Kind Improvements have been completed in accordance with the requirements of this Agreement. If there are any problems or deficiencies, the Director shall notify the Project Sponsor of any such problems or deficiencies (the "**Inspection Notice**"). The Project Sponsor shall correct any such problems or deficiencies set forth in the Inspection Notice and then request another inspection, repeating this process until the Director approves the In-Kind Improvements as satisfactory. Such approval shall be based on the requirements of this Agreement and shall not be unreasonably withheld, conditioned or delayed. This condition will not be satisfied until the Director certifies that the In-Kind Improvements are ready for use by the public, as determined by the Director based on current City standards, and constitute the full satisfaction of the obligation to provide In-Kind Improvements in the form required hereunder (the "**Final Inspection Notice**").

2.4 Maintenance of Improvements. The proposed In-Kind Improvements will consist of certain DPW standard street materials, such as roadway pavement materials, as well as certain non-standard materials and features, such as landscaping and street furnishings. It is the intention of the City and the Project Sponsor that the City shall take ownership and maintenance responsibility for all standard roadway materials and the Project Sponsor shall maintain all non-standards materials and improvements pursuant to DPW's requirements. Specific maintenance requirements for the Project Sponsor will be described in a permit agreement with DPW.

ARTICLE 3
CALCULATION AND PAYMENT OF FEE; CREDIT AMOUNT; SECURITY

3.1 The Project Sponsor Fee shall be calculated in accordance with Section 423.3(c) of the Planning Code. Based on the project entitled by the Planning Commission, the Fee is estimated as approximately \$7,100,000 (for the fee calculations, see Exhibit B). The final Fee shall be calculated based on the project entitled by its First Construction Document.

3.2 Two sets of cost estimates provided by independent sources establishing the estimated, third-party eligible costs of providing the In-Kind Improvements in compliance with the DPW standards for street, sidewalk and gutter improvements is attached hereto as Exhibit C (the "**Cost Documentation**"). Based on the Cost Documentation, the Director has determined that the Project Sponsor's share of the In-Kind Improvements costs will have a maximum value of \$1,800,000 (the "**In-Kind Value**"). In the event of any increase in the scope or other material change in the Plans, including, but not limited to any change resulting from DPW's review and approval thereof (collectively, a "**Material Change**"), the Planning Commission may adjust the In-Kind Value equitably to reflect the increased cost, if any, associated with such Material Change. The Director may approve any non-Material Change to the In-Kind Value.

3.2.1 In the event the City does not create an underground utility district upon request by the Project Sponsor, or for another reason outside the Project Sponsor's control, the utility undergrounding elements of the In-Kind Improvements cannot be approved or constructed such that the In-Kind Improvements must be redesigned, the Project Sponsor and Director shall meet and confer to develop a mutually acceptable redesign, the Project Sponsor shall provide updated cost estimates for the redesigned In-Kind Improvements, and the Director shall determine the Project Sponsor's share of the redesigned In-Kind Improvements costs, up to a maximum In-Kind Value of \$1,800,000.

3.3 The Project Sponsor shall pay to the City (through DBI) approximately \$4,300,000 (the "**Remainder Amount**") prior to issuance of the Project's First Construction Document, pursuant to Section 423.3 of the Planning Code and Section 107A.13.3 of the San Francisco Building Code. The Initial Amount is an amount equal to the Project Sponsor Fee, less the In-Kind Value, pursuant to Planning Code Section 423.3.

3.4 No later than thirty (30) days after issuance of the Final Inspection Notice, the Project Sponsor shall provide to the Director documentation, in the form of invoices and copies of checks, substantiating payment by the Project Sponsor of the cost of providing the In-Kind Improvements (the "**Payment Documentation**"). The Payment Documentation shall include information necessary and customary in the construction industry to verify the Project Sponsor's costs and payments. The cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same square feet of street improvements, based on current value of recently completed projects.

3.5 No later than thirty (30) days after receipt of the Payment Documentation, the Director shall provide the Project Sponsor with a written report of its review of the Payment Documentation (the "**Payment Analysis**"). The Payment Analysis shall be conducted for the exclusive purposes of (a) verifying the Project Sponsor's cost of providing the In-Kind

Improvements, and (b) determining, based upon such costs, the amount of the credit against the Project Sponsor Fee that the Project Sponsor shall be entitled to receive (the "**Credit Amount**"). The Credit Amount shall be determined as follows.

3.5.1 If the Director determines in the Payment Analysis that the Project Sponsor made payments in respect of the In-Kind Improvements in an amount less than the In-Kind Value, then the Credit Amount shall be equal to such lesser amount, subject to Sections 3.5.3 and 3.6, below.

3.5.2 If the Director determines in the Payment Analysis that the Project Sponsor made payments in respect of the In-Kind Improvements in an amount equal to or greater than the In-Kind Value, as determined or adjusted pursuant to Section 3.2 of this Agreement, then the Credit Amount shall be equal to the In-Kind Value.

3.5.3 The Director and Project Sponsor shall endeavor to agree upon the Payment Analysis and Credit Amount. If they are unable to so agree within thirty (30) days after receipt by Project Sponsor of the Payment Analysis, the parties shall mutually select a third-party engineer/cost consultant. The Director shall submit the Payment Analysis and the Project Sponsor shall submit the Cost Documentation, Payment Documentation and its determination of the Credit Amount to such engineer/cost consultant, at such time or times and in such manner as the Director and Project Sponsor shall agree (or as directed by the engineer/cost consultant if the City and Project Sponsor do not promptly agree). The Director and the Project Sponsor shall use good faith efforts to provide such other information as the engineer/cost consultant may reasonably request to assist in resolution of the dispute. Based on a reasoned evaluation of the respective parties' documentation and analyses, the engineer/cost consultant shall select either the City's determination of the Credit Amount or the Project Sponsor's determination of the Credit Amount pursuant, and such determination shall be final and binding on the City and the Project Sponsor.

3.6 The Project Sponsor shall not receive final credit for the In-Kind Improvements until the Final Inspection Notice is delivered, the Memorandum of Agreement is recorded and the City receives any additional payments as may be required under this Agreement, and all other obligations of the Project Sponsor under this Agreement have been satisfied. If the Credit Amount is less than the In-Kind Value, then the Project Sponsor shall, prior to issuance by DBI of the Project's First Certificate of Occupancy, pay to the City an amount equal to the difference between the In-Kind Value and the Credit Amount, together with any other amounts necessary to satisfy the Project Sponsor Fee.

3.7 If the Final Inspection Notice has not been issued prior to issuance of the First Certificate of Occupancy for the Project, the Project Sponsor shall provide a letter of credit, surety bond, escrow account, or other security reasonably satisfactory to the Director in the amount of one-hundred percent (100%) of the In-Kind Value (the "**Security**") to be held by the City until issuance of the Final Inspection Notice, by which date it shall be returned to the Project Sponsor.

3.8 If the In-Kind Improvements for any reason prove to be insufficient to provide payment for sums due with respect to the Project Sponsor Fee as and when required, and after demand by the City for payment of the same the Project Sponsor fails to pay such amount, such

amount shall accrue interest from the date of such demand at the rate of one-half percent per month, or fraction thereof, compounded monthly, until the date of payment. If such nonpayment continues for a period of six (6) months, the City's Treasurer may initiate proceedings in accordance with Article XX of Chapter 10 of the San Francisco Administrative Code to make the entire unpaid balance of the Project Sponsor Fee, together with any interest accrued thereon, a lien against the Property and shall send all notices required by that Article.

3.9 The Project Sponsor assumes all risk of loss during construction and until issuance of the Final Inspection Notice. Notwithstanding the foregoing, for so long as this Agreement remains in effect and the Project Sponsor is not in breach hereof, the City shall not withhold the issuance of any additional building or other permits necessary for the Project due to the Project Sponsor's payment of less than the full Project Sponsor Fee amount in anticipation of the In-Kind Improvements ultimately being completed and credited against the Project Sponsor Fee under the terms and conditions set forth in this Agreement.

3.10 Notwithstanding anything in this Agreement to the contrary, the City shall not issue a First Certificate of Occupancy for the Project until the City receives payment of the full Project Sponsor Fee (in some combination of the payment of the Initial Amount, completion of the In-Kind Improvements having the value of the Credit Amount, as described in this Agreement, the Security, and other cash payments received by the City directly from Project Sponsor). In no event shall the City's issuance of a certificate of final completion or any other permit or approval for the Project release the Project Sponsor of its obligation to pay the full Project Sponsor Fee (with interest, if applicable), if such payment has not been made at the time the City issues such certificate of final completion.

3.11 The Project Sponsor understands and agrees and any payments to be credited against the Project Sponsor Fee shall be subject to the provisions set forth in San Francisco Administrative Code Sections 6.80-6.83 relating to false claims. Pursuant to San Francisco Administrative Code Sections 6.80-6.83, a party who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A party who submits a false claim shall also be liable to the City for the cost, including attorney's fees, of a civil action brought to recover any of those penalties or damages and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A party will be deemed to have submitted a false claim to the City if the party: (a) knowingly presents or causes to be presented to any officer or employee of the City a false claim; (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim approved by the City; (c) conspires to defraud the City by getting a false claim allowed by the City; (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or (e) is beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim. The Project Sponsor is responsible for verifying the accuracy of all payments to any contractor or subcontractor providing services related to the In-Kind improvements.

NOTICES

Any notice given under this Agreement shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, addressed as follows:

CITY:

Director of Planning
City and County of San Francisco
Planning Department
1650 Mission St., 4th Floor
San Francisco, CA 94103

PROJECT SPONSOR:

AERC 8th and Harrison LLC
c/o Associated Estates Realty Corporation
1 AEC Parkway
Richmond Heights, OH 44143
Attn: Jason A. Friedman

with a copy to:

Amir R. Massih
4Terra Investments
95 Federal Street, Suite D
San Francisco, CA 94107

with a copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Kate Herrmann Stacy

with a copy to:

Farella Braun + Martel LLP
235 Montgomery Street
San Francisco, CA 94104
Attn: Steven L. Vettel

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

ARTICLE 4 RUN WITH THE LAND

The parties understand and agree that this Agreement shall run with the land, and shall burden and benefit every successor owner of the Property. The City would not be willing to enter into this Agreement without this provision, and the parties agree to record a Memorandum of Agreement in the form attached hereto as Exhibit D (the "*Memorandum of Agreement*"). On the Date of Satisfaction or if this Agreement is terminated pursuant to Section 6.5, this Agreement shall terminate and the City shall execute and deliver to the Project Sponsor a release of the Memorandum of Agreement, which the Project Sponsor may record.

ARTICLE 5
ADDITIONAL TERMS

5.1 This Agreement shall not be effective until it has been: (a) approved by the Planning Commission, (b) approved by the City Attorney, and (c) signed by both the Project Sponsor and the City.

5.2 The City shall have the right, during normal business hours and upon reasonable notice, to review all books and records of the Project Sponsor pertaining to the costs and expenses of providing the In-Kind Improvements.

5.3 This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5.4 This Agreement may be effectively amended, changed, modified, altered or terminated only by written instrument executed by the parties hereto except that the Project Sponsor may terminate this Agreement by written notice to the City at any time prior to issuance by DPW of all required permit(s) for the In-Kind Improvements, in which event the Project Sponsor shall have no obligations or liabilities under this Agreement; provided, however, that timely termination of this Agreement shall not relieve the Project Sponsor of its obligations under the Planning Code. Any material amendment to this Agreement shall require the approval of the City's Planning Commission, in its sole discretion. The Planning Director may approve non-Material Change to the In-Kind Value as set forth in Section 3.2 of this Agreement.

5.5 The City acknowledges that, if the Project Sponsor terminates this Agreement as contemplated under Section 6.5, the Project will nevertheless require certain related street and/or sidewalk improvements. Accordingly, the City (including but not limited to DBI and DPW) may not withhold or delay issuance of building permits or other permits, including but not limited to permits for street improvements associated with the Project, on account of this Agreement or any pending permit application in connection with the In-Kind Improvements, except as required by Conditions of Approval for the Project's entitlements.

5.6 No failure by the City to insist upon the strict performance of any obligation of Project Sponsor under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of payments during the continuance of any such breach, shall constitute a waiver of such breach or of the City's right to demand strict compliance with such term, covenant or condition. Any waiver must be in writing, and shall be limited to the terms or matters contained in such writing. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. In the event of any breach of this Agreement by the Project Sponsor, the City shall have all rights and remedies available at law or in equity.

5.7 This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.

5.8 The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. Time is of the essence in all matters relating to this Agreement.

5.9 This Agreement does not create a partnership or joint venture between the City and the Project Sponsor as to any activity conducted by the Project Sponsor relating to this Agreement or otherwise. The Project Sponsor is not a state or governmental actor with respect to any activity conducted by the Project Sponsor hereunder. This Agreement does not constitute authorization or approval by the City of any activity conducted by the Project Sponsor. This Agreement does not create any rights in or for any member of the public, and there are no third party beneficiaries.

5.10 Notwithstanding anything to the contrary contained in this Agreement, the Project Sponsor acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Agreement unless and until the Planning Commission adopts a resolution approving this Agreement, and it has been duly executed by the Director of Planning and approved as to form by City Attorney.

5.12 The Project Sponsor, on behalf of itself and its successors, shall indemnify, defend, reimburse and hold the City, including their respective employees and agents, harmless from and against any and all claims, demands, losses, liabilities, damages, injuries, penalties, lawsuits and other proceedings, judgments and awards and costs by or in favor of a third party, incurred in connection with or arising directly or indirectly, in whole or in part, out of : (a) any accident, injury to or death of a person, or loss of or damage to property occurring in, on or about the In-Kind Improvements described herein, provided that such accident, injury, death, loss or damage does not result from the acts, omissions or negligence of the City or its employees or agents, or any default by the City under this Agreement; (b) any default by the Project Sponsor under this Agreement; (c) the condition of the In-Kind Improvements constructed by or on behalf of the Project Sponsor; and (d) any acts, omissions or negligence of the Project Sponsor or its agents in, on or about the In-Kind Improvements. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys consultants and experts and related costs and City's costs of investigation. The Project Sponsor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Project Sponsor by the City and continues (with respect to such claim) at all times thereafter. The Project Sponsor's obligations under this Section with respect to all or a portion of the In-Kind Improvements shall terminate upon an irrevocable offer of dedication by the Project Sponsor to the City for any such portion of the In-Kind Improvements to the City and certification by the Director of Planning of the Final Inspection Notice, which certification shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 6 5.11 The Project Sponsor will reasonably cooperate in good faith with the City to assist the City in pursuing warranty claims or similar claims against the Project Sponsor's contractor for construction defects in the In-Kind Improvements.

CITY CONTRACTING PROVISIONS

6.1 The Project Sponsor understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov't Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. The Project Sponsor hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

6.2 In the performance of this Agreement, the Project Sponsor covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee or any City employee working with or applicant for employment with the Project Sponsor, in any of the Project Sponsor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by the Project Sponsor.

6.3 Through execution of this Agreement, the Project Sponsor acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that if it becomes aware of any such fact during the term, the Project Sponsor shall immediately notify the City.

6.4 Through execution of this Agreement, the Project Sponsor acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

6.5 The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San

Francisco companies to do business with corporations that abide by the MacBride Principles. The Project Sponsor acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

6.6 The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product.

6.7 The Project Sponsor agrees that any person performing labor in the construction of the In-Kind Improvements shall be paid not less than the highest prevailing rate of wages consistent with the requirements of Section 6.22(E) of the San Francisco Administrative Code, and shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco County. The Project Sponsor shall include, in any contract for construction of such In-Kind Improvements, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. The Project Sponsor shall require any contractor to provide, and shall deliver to the City upon request, certified payroll reports with respect to all persons performing labor in the construction of the In-Kind Improvements.

NOW THEREFORE, the parties hereto have executed this In-Kind Agreement as of the date set forth above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: _____
Director of Planning

AERC 8TH AND HARRISON LLC,
a Delaware limited liability company

By: Associated Estates Realty Corporation,
Its Administrative Member

By: _____

Its: _____

APPROVED:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

Exhibit A

Legal Description of the Property

The land referred to is situated in the City and County of San Francisco, State of California, more particularly described as follows:

Assessor's Blok and Lot #: Block #3756, Lots #003 and #015.

The residential/retail/commercial uses are located at the northwest intersection of 8th and Harrison Streets and is bounded to the north by Ringold Street, to the west by Gordon Street, to the south by Harrison Street and to the east by 8th Street. The site is composed of two lots, Lot 003 and Lot 015 in Assessor's Block 3756. Combined, the two lots are approximately 146,300 square feet in area (approximately 3.4 acres) and provide 425 feet of frontage on Ringold Street, 275 feet of frontage on Gordon Street, 415 feet of frontage on Harrison Street and 350 feet of frontage on 8th Street.

The proposed improvement, Ringold Street, is bounded by 8th and 9th Streets.

Exhibit B

Fee Calculations

Eastern Neighborhoods Infrastructure Impact Fee		
Replacement or Change of Use	\$89,627.20	
New Construction	\$6178475.24	
Subtotal		\$6,268,102.44
Transit Impact Development Fee		
Retail, Office, PDR, and Credit		\$241, 842.68
Street Tree		17, 540
School Impact Fee		\$665,048.14
TOTAL		\$7,192,533.26

Exhibit C

In-Kind Improvements and Cost Documentation

In-Kind improvements include improving Ringold Street between 8th and 9th Streets with special paving treatments, landscaping, pedestrian lighting and safety improvements, site furnishings, and undergrounding of overhead utilities. The proposed improvements will be based on the conceptual design created in the Western SoMa Neighborhood Transportation Plan, as shown in this Exhibit.



Ringold Street In-Kind Budget Summary

Estimate 1	
Roberts Obayashi Hard Cost Estimate	\$1,478,958
Soft Cost Estimate	\$179,869
Total	\$1,658,827

Estimate 2	
Johnstone Moyer Hard Cost Estimate	\$1,707,214
Soft Cost Estimate	\$179,869
Total	\$1,887,083



29 April 2014

Amir Massih
President, Northern California, 4Terra Investments

KMA Project # 1316 (1316.20)
Project: 8th and Harrison – 350 8th Street
RE: Additional Service Request #3 Ringold Alley In-Kind Improvements

Dear Amir,

For the Ringold Alley Improvements, we had not included any design work to improve the street. We would like to request additional services for the design and documentation for the improvements along Ringold Alley. We will bill this under a separate job number, 1316.20 to keep costs separate from the main job.

We propose to provide the following services:

- Schematic Design: design for Ringold as a shared street from 8th to 9th Streets based on the conceptual plan previously prepared.
- Design Development: prepare drawings that refine details and provide further definition to the schematic design. This will include coordination of revisions required for the sidewalk along Ringold that abuts the project property.
- Construction Documents: prepare drawings for building permit and construction showing plans and details necessary for the work.
- Construction Administration: provide services during construction to respond to issues and questions from the contractor.
- Coordinate with current street improvements in the public way in front of the main project (350 8th Street) including revising plans to reflect the revisions due to the street improvements.
- Engage consultants required including
 - Landscape Architect
 - Joint Trench
 - Electrical Engineer
 - Civil Engineer (by Owner)
- Coordinate work of all the consultants including those hired by owner (Civil Engineer)

We propose to do the above services for a stipulated sum as enumerated below:

FEE

Kava Massih Architects	\$55,000
Miller Company (Landscape Architect)	\$60,600
Giacalone (Joint Trench)	\$4,500
Emerald City (Electrical Engineer)	\$13,000
Luk Associates (Civil Engineer)	by Owner
SUBTOTAL	\$133,100

KMA Consultant mark-up	9%	\$7,029
Reimbursables		\$5,000
TOTAL		\$145,129

I have attached the proposals from the consultants. We hope this meets with your approval. If you have any questions, please call me to discuss them.

Sincerely,

J. Jarrell Conner
Senior Associate

Enclosures: None.
CC: Kava Massih, Principal



June 27, 2013
Job No. 28016-10

Exhibit "C"
Scope of Work
Ringold Avenue Improvements
8th & Harrison
San Francisco, California

<u>Description of Work</u>	<u>Estimated Fee</u>
1.0 FIELD TOPOGRAPHIC SURVEY	\$ 3,000
Provide additional field topographic survey of Ringold Street from 8 th Street to 9 th Street including back of sidewalk, top of curb, top of pavement at centerline, and existing utilities. Survey shall include north side of Ringold Street not previously included in original survey as well as entire width of Ringold Street west of the 8 th & Harrison parcel. Update 1"=20' scale composite topographic and boundary survey base map with new topographic information.	
2.0 SCHEMATIC DESIGN	\$ 7,000
Prepare Schematic Design package to consist of the following:	
<ul style="list-style-type: none">- Preliminary offsite paving, grading and drainage plan.- Preliminary offsite utility plan.- Attend 2 project meetings	
Coordinate the preparation of this package with the City, Architect and other consultants.	
Design will be based on a site plan, conceptually approved by the City, and boundary, topographic, and utility survey provided by us. Landscape architecture/design is excluded from our fee. Utility relocation is also excluded.	
3.0 CONSTRUCTION DOCUMENTS	\$ 12,000
A. Demolition Plan - Prepare a plan based on topographic survey provided by our survey above, to show the removal of existing site features to allow for proposed improvements.	
B. Grading and Improvement Plans - Prepare a 1" = 20' scale plans for site paving, curbs, catch basin grates, finished floor elevations and	

<u>Description of Work</u>	<u>Estimated Fee</u>
improvements. These plans will be based upon the design development plan after approved by the Client, City staff and Architect.	
C. Storm Drain Plan - Prepare a 1" = 20' scale plan for all storm drain utilities and their connections to existing systems. Plan will include horizontal layout of storm drain; design will be based on above grading plan. Storm drain will include catch basin and pipe systems for all areas outside the building limit. Relocation of any existing utility mains is excluded. Design of joint trench is not included.	
D. Dimensional Plan - Prepare a 1" = 20' scale plan showing the location and layout of curbs, driveways, buildings and other major site features. Sufficient dimensions will be shown to locate these features from known reference points, which will be based on survey information provided by the client.	
E. Prepare general notes references and specifications to applicable city standard specifications for the above work.	
F. Attend total 3 project meetings.	
3.0 MEETINGS	\$ 2,000
A. Meetings in excess of the number specified in Items 2.0 and 3.0 will be billed on a T&M basis per our fee schedule in Exhibit "B" up to the amount designated. Additional meetings beyond the amount designated will be considered extra work.	
4.0 SIDEWALK LEGISLATURE	
A. Prepare Street Right of Way resolution and provide Sidewalk Legislature document for Ringold Street. Our fee is on a per-street basis and excludes the title report.	\$ 2,000
B. Prepare lot closure calculation and exhibits for Sidewalk Legislature and submit to City of San Francisco. Our fee is on a per street basis and excludes City plan check fees. Revise per City plan check comments as needed.	\$ 1,500
4.0 PLAN CHECK AND PERMITTING	\$ 3,000
A. Coordination and processing with City for their review and approval. Revise plans as required by the City.	

<u>Description of Work</u>	<u>Estimated Fee</u>
5.0 CONSTRUCTION ADMINISTRATION	\$ 1,000
A. Provide answers to bidding questions regarding civil drawings.	
B. Provide supplemental information for construction clarification.	
TOTAL ESTIMATED FEE	<u>\$ 31,500</u>
REIMBURSABLES	Actual Cost Plus 10%
A. Delivery and Overnight Services	
B. Printing and Photo Reproduction	

Our scope of work will exclude the following:

1. Potholing depth and pipe sizes of all non-gravity pipes such as gas, water, electrical, phone, cable TV, communication, etc. The horizontal locations of above pipes are only based on recorded information or field mark-up by others.
2. Set property corner and file record of survey.
3. Dry utility design.
4. Underground pipe or utilities survey.
5. Revision to the plan after authority to proceed.
6. Utility connections other than those indicated above.
7. 100 Year storm flood plain study for this project site.
8. Off site improvements beyond the project frontage, including handicap ramps across the street from the subject property.
9. Meetings will be based on the above specified number; any additional meeting will be consider as extra work. Our fee will be based on time and material basis per our fee schedule in Exhibit "D".

Luk and Associates
738 Alfred Nobel Drive
Hercules, CA 94547
510-724-3388 Fax: 510-724-3383

Civil Engineering
Land Planning
Surveying

Date: June 27, 2013
 Job No. 28016-10

Exhibit "D"

STANDARD HOURLY CHARGE RATE SCHEDULE

Charges for personnel engaged in professional and/or technical work are made for the actual hours directly chargeable to the project.

Current rates by classifications are listed below:

	<u>Regular Time</u>	<u>*Time & One Half</u>	<u>*Double Time</u>
<u>OFFICE SERVICES</u>			
Project Manager	165.00	n/a	n/a
Project Engineer/Planner/Surveyor/Supervisor E-III	145.00	n/a	n/a
Engineer/Planner/Surveyor E-II	120.00	n/a	n/a
Engineer/Planner/Surveyor E-I	95.00	125.00	n/a
Drafter D-II	95.00	125.00	n/a
Drafter D-I	80.00	115.00	n/a
Clerical	70.00	95.00	n/a
<u>FIELD SERVICES</u>			
Three-Man Field Party	340.00	520.00	630.00
Two-Man and Apprentice Field Party	310.00	430.00	540.00
Two-Man Field Party	255.00	380.00	480.00
One-Man Field Party	185.00	255.00	300.00

*Time and One-Half and Double Time will be charged only when the Client specifically requests such time. Double Time applies only to Union Employees.

Effective March 1, 2013 through March 1, 2014.

RINGOLD ALLEY IMPROVEMENTS

ITEM	QTY	UOM	UOM	AREA	AREA		\$/UNIT	TOTAL \$
					QTY	UOM TOTAL		
Survey / Layout	19273	sf		SHELL	1	19273	\$0.85	\$16,382.05
Saw Cutting	745	lf		SHELL	1	745	\$4.75	\$3,538.75
Remove AC paving & base	11500	sf		SHELL	1	11500	\$4.25	\$48,875.00
Remove curb & gutter	1100	lf		SHELL	1	1100	\$6.50	\$7,150.00
Remove city sidewalk	7700	sf		SHELL	1	7700	\$3.75	\$28,875.00
Remove Tree	3	ea		SHELL	1	3	\$675.00	\$2,025.00
New curb & gutter	1100	lf		SHELL	1	1100	\$35.00	\$38,500.00
New city sidewalk	7700	sf		SHELL	1	7700	\$14.00	\$107,800.00
New raised sidewalk	370	sf		SHELL	1	370	\$26.00	\$9,620.00
Stamped AC with integral color in Alley	10299	sf		SHELL	1	10299	\$12.00	\$123,588.00
Corner bulb cut	2	ea		SHELL	1	2	\$19,500.00	\$39,000.00
LID planter overflow connections	1	ls		SHELL	1	1	\$60,000.00	\$60,000.00
Bike Racks	4	ls		SHELL	1	4	\$1,850.00	\$7,400.00
Benches	10	ea		SHELL	1	10	\$2,500.00	\$25,000.00
Bollards	16	ea		SHELL	1	16	\$1,800.00	\$28,800.00
Trash Receptacles	2	ea		SHELL	1	2	\$2,000.00	\$4,000.00
Street trees 24" boxes	37	ea		SHELL	1	37	\$925.00	\$34,225.00
Striping	1	ls		SHELL	1	1	\$9,500.00	\$9,500.00
Planting in storm planters	1274	sf		SHELL	1	1274	\$28.00	\$35,672.00
Public art treatment - allow	1	ls		SHELL	1	1	\$65,500.00	\$65,500.00
Pedestrian Lighting	27	ea		SHELL	1	27	\$6,575.00	\$177,525.00
Street lighting electrical	1100	lf		SHELL	1	1100	\$85.00	\$93,500.00
Traffic signs	8	ea		SHELL	1	8	\$550.00	\$4,400.00
Underground utilities	325	lf		SHELL	1	325	\$415.00	\$134,875.00
Direct Cost - Subtotal								\$1,105,750

Direct Cost - Subtotal	\$1,105,750
City Business Tax @ 0.20%	\$2,211
GC Liability Insurance @ 1.10%	\$12,187
GC Fee & General Conditions @ 12.0%	\$134,417
Performance & Payment Bond @ 0.80%	\$10,036
Subtotal	\$1,264,603
Contingency @ 35%	\$269,109
Grand Total	\$1,707,214

Note: Estimate based on Prevailing Wage Labor



James E. Roberts-Obayashi Corporation

20 Oak Ct. Danville, CA 94526
Ph: (925) 820-0600 Fax: (925) 820-1993

8th & Harrison
San Francisco, CA

5-8-14

Ringold Alley improvements - 8th - 9th

Survey / layout	19,273 SF	\$0.50	\$9,637
saw cut	745 LF	\$4.75	\$3,539
Remove curb & gutter	1,100 LF	\$8.00	\$8,800
Remove city sidewalk	7,700 SF	\$3.75	\$28,875
remove AC paving / base	11,500 SF	\$4.25	\$48,875
remove trees	3 EA	\$500.00	\$1,500
New raised crosswalk	370 SF	\$24.00	\$8,880
Stamped AC Paving *spray-on color	11,500 SF	\$11.00	\$126,500
Rolled curb	1,100 LF	\$40.00	\$44,000
New sidewalk	6,525 SF	\$10.50	\$68,513
Corner bulb out	2 EA	\$17,500.00	\$35,000
LID Planter overflow connections	1 LS	\$50,000.00	\$50,000
Bollards	16 EA	\$1,500.00	\$24,000
benches	10 EA	\$2,500.00	\$25,000
Trash receptacles	2 EA	\$2,000.00	\$4,000
Bike Racks	4 EA	\$1,250.00	\$5,000
Public art treatment - allow	1 LS	\$50,000.00	\$50,000
Street trees 24" box	37 EA	\$800.00	\$29,600
Planting in storm planters	1,274 SF	\$25.00	\$31,850
pedestrian lighting	27 EA	\$6,500.00	\$175,500
street lighting electrical	1,100 LF	\$50.00	\$55,000
striping	1 LS	\$7,500.00	\$7,500
traffic signs	8 EA	\$350.00	\$2,800
Underground utilities	325 LF	\$400.00	\$130,000

Subtotal		<u>\$974,368</u>
City Tax	0.20%	\$1,948
GC Liability Insurance	1.30%	\$12,692
GC Fee	10.00%	\$98,901
Performance & Payment Bond	0.70%	\$7,615
Current Market Total		<u>\$1,095,525</u>
Contingency	35.00%	<u>\$383,433</u>
		<u><u>\$1,478,958</u></u>

*excludes permit fees

* This estimate is based on prevailing wage rates

** If pavement color needs to be thermoplastic add \$163,185

Exhibit D

Memorandum of Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

**City and County of San Francisco
Department of Planning
1660 Mission St.
San Francisco, CA 94103
Attn: Director**

(Free Recording Requested Pursuant to
Government Code Section 27383)

Memorandum of In-Kind Agreement

This Memorandum of In-Kind Agreement (this "**Memorandum**"), is dated as of _____, 2013, and is by and between the City and County of San Francisco, a municipal corporation, acting and through the Planning Commission (the "**City**"), and AERC 8th and Harrison, LLC, a Delaware limited liability company (the "**Project Sponsor**").

1. Project Sponsor is the owner of the real property described in Exhibit A attached hereto (the "**Property**"). On December 12, 2012, the San Francisco Planning Commission approved the Project Sponsor's application for the development of a mixed residential and commercial development on the Property (the "**Project**").

2. Under San Francisco Planning Code Section 423.3 ("**Section 421.3**"), the Project Sponsor must pay to the City an Eastern Neighborhoods Infrastructure Impact Fee (the "**Fee**") on or before the issuance of the First Construction Document for the Project; provided, however, the City can reduce such payment under Section 423.3 if the Project Sponsor enters into an agreement with the City to provide in-kind improvements.

3. In accordance with Section 423.3, the City and the Project Sponsor have entered into an in-kind agreement (the "**In-Kind Agreement**"), which permits the Project Sponsor to pay a reduced Fee in return for the Project Sponsor's agreement to provide certain in-kind improvements under the terms and conditions set forth therein.

4. Upon the Project Sponsor's satisfaction of the terms of the In-Kind Agreement, the In-Kind Agreement shall terminate and the City will execute and deliver to the Project Sponsor a termination of this Memorandum in recordable form.

5. The Project Sponsor and the City have executed and recorded this Memorandum to give notice of the In-Kind Agreement, and all of the terms and conditions of the In-Kind Agreement are incorporated herein by reference as if they were fully set forth herein. Reference is made to the In-Kind Agreement itself for a complete and definitive statement of the rights and obligations of the Project Sponsor and the City thereunder.

6. This Memorandum shall not be deemed to modify, alter or amend in any way the provisions of the In-Kind Agreement. In the event any conflict exists between the terms of the In-Kind Agreement and this Memorandum, the terms of the In-Kind Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: _____
Director of Planning

AERC 8TH AND HARRISON, LLC,
a Delaware limited liability company

By: Associated Estates Realty Corporation,
Its Administrative Member

By: _____

Its: _____

Citizens Advisory Committee of the
Eastern Neighborhoods Plan,
City and County of San Francisco

Meeting Minutes

Planning Department - Room 431
1650 Mission St.

Monday, October 21, 2013

6:00 PM

Regular Meeting

Committee Members Present:

Chris Block, Walker Bass, Joe Boss, , Cyndy Comerford, Oscar Grande,
Henry Karnilowitz, Toby Levy, Robert Lopez, Fernando Martí, Dan Murphy,
Kristian Ongoco, Wendy Phillips, Arthur Reis, Alisa Shen

Committee Members Not Present:

Keith Goldstein, Bruce Kin Huie, Kate Sofis

1. Announcements and Review of Agenda.
2. Review and Approve Minutes from the August 19, 2013 CAC Meeting.

ACTION: To approve the minutes from the August 19, 2013 CAC meeting.
MOTION: Shen SECOND: Bass
AYES: Block, Bass, Boss, Comerford, Grande, Karnilowitz, Levy, Lopez,
Marti, Murphy, Ongoco, Phillips, Reis, Shen
NOES: [none]
ABSENT: Goldstein, Huie, Sofis
MOTION NO: 2013-08-01

3. Review and Approve Minutes from September 16, 2013 CAC Meeting.

ACTION: To approve the minutes from the September 16, 2013 CAC
meeting.
MOTION: Shen SECOND: Bass
AYES: Block, Bass, Boss, Comerford, Grande, Karnilowitz, Levy, Lopez,
Marti, Murphy, Ongoco, Phillips, Reis, Shen

NOES: [none]
 ABSENT: Goldstein, Huie, Sofis
 MOTION NO: 2013-08-02

4. Park Rehabilitation Projects in the Eastern Neighborhoods. Recreation and Park staff is proposing to create a scope of work to rehabilitate select Eastern Neighborhoods parks. Recreation and Park staff is proposing to initially focus such efforts on Esprit Park, and Jackson Playground and are seeking an action from the CAC indicating concurrence with this list of parks. Presentation by staff will be followed by comment and potential action.

Recreation and Park Department staff gave a presentation on a revised proposal to study a greater number of parks for potential funding for rehabilitation projects. The expanded list of parks now includes Jackson Playground, Esprit Park, Potrero Recreation Center, Fallen Bridge Park, Mission Recreation Center, Franklin Square, and Gene Friend Recreation Center (aka South of Market Recreation Center). Recreation and Park staff will come back to the CAC with their analysis in March 2014 for the CAC to choose on a roster of projects. The CAC will be updated periodically on the effort including efforts to engage community members.

5. In-Kind Agreement for the Proposed Streetscape Improvements on Ringold Street between 8th Street and 9th Street . Presentation by the project sponsor of the 350 8th Street development project, City staff, and the Western SOMA Task Force on proposed in-kind improvements, followed by comment and potential action.

ACTION: To approve the in-kind agreement under “Option C” as shown in the presentation with a maximum amount of \$1,800,000 with the understanding that the difference in funding to enable the full build option featuring the shared street would come from MTA.

MOTION: Levy SECOND: Karnilowitz

AYES: Bass, Boss, Comerford, Karnilowitz, Levy, Murphy, Ongoco, Phillips, Reis, Shen

NOES: Grande, Lopez, Marti

ABSENT: Block, Goldstein, Huie, Sofis

MOTION NO: 2013-08-03

6. Eastern Neighborhoods Infrastructure Funding Gap. Further discussion of the gap funding for Eastern Neighborhoods infrastructure project, including the work of the Mayor’s Transportation Task Force, followed by comment and potential action.

7. Eastern Neighborhoods Development Impact Fee Proposed Expenditures. Presentation by staff of proposed expenditures for the Eastern Neighborhoods for

FY 15 through FY 24, to be included in the annual Interagency Planning Implementation Committee (IPIC) Report, followed by comment and potential action.

ACTION: To approve the proposed expenditure plan for FY 15 through FY 24 in be included in the IPIC Report.

MOTION: Karnilowitz SECOND: Comerford

AYES: Bass, Boss, Comerford, Grande, Karnilowitz, Levy, Lopez, Marti, Murphy, Ongoco, Phillips, Reis, Shen

NOES: [none]

ABSENT: Block, Goldstein, Huie, Sofis

MOTION NO: 2013-08-04

8. Committee Members' Questions and Comments.

Adjourn: 8:25 pm



FINAL REPORT



Western South of Market Neighborhood Transportation Plan

ADOPTED BY THE AUTHORITY BOARD IN MARCH 2012

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY



ACKNOWLEDGEMENTS

The study has been a collaborative effort, with contributions from many individuals. The Authority wishes to thank:

San Francisco County Transportation Authority

Tilly Chang, Deputy Director for Planning

Chester Fung, Project Manager

Liz Brisson, Transportation Planner

Ben Stupka, Senior Transportation Planner

Karla Kingsley, Kim Lucas, Stephen Newhouse, Taylor Reiss, Lucas Woodward

Consultant Team

Michael Eiseman, Paul Supawanich – Nelson\Nygaard Consulting Associates

Thomas Kronemeyer, Greg Pasquali, Jessica Look – Community Design + Architecture

Meghan Mitman, Todd Henry – Fehr & Peers

Fernando Martí, Max Kwok, Claudia Sun – Asian Neighborhood Design

Technical Working Group

San Francisco Department of Public Health – Megan Wier

San Francisco Department of Public Works – Jasmine Kaw, Charles Yu

San Francisco Municipal Transportation Agency – Manito Velasco, Tom Folks, Mike Sallaberry, Ellen Robinson,
Jerry Robbins

San Francisco Planning Department – Paul Lord, Andrea Contreras, Andres Power, Viktoriya Wise

San Francisco Redevelopment Agency – Mike Grisso

Community Partner

Western SoMa Citizens Planning Task Force

This project was funded by a Community-Based Transportation Planning grant from the Metropolitan Transportation Commission and Prop K sales tax from the San Francisco County Transportation Authority.



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SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

1455 Market Street, 22nd Floor, San Francisco, CA 94103
TEL 415.522.4800 FAX 415.522.4829
EMAIL info@sfcta.org WEB www.sfcta.org



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Executive Summary

THE WESTERN SOUTH OF MARKET Neighborhood Transportation Plan (NTP) addresses existing needs and supports the implementation of the land use changes envisioned in the recent Western SoMa Community Plan by advancing high-priority transportation improvements that can be implemented in the short term. The recommended improvements, which have been developed to conceptual design, include traffic calming and pedestrian improvements to the alleys of Minna, Natoma, and Ringold Streets and signalized mid-block crossings of 7th and 8th Streets. This report presents the findings and recommendations of the NTP, providing documentation of existing conditions in the Western SoMa neighborhood, summarizing public and stakeholder input, presenting the conceptual project designs and describing an implementation strategy. This NTP represents the necessary first step toward implementation that will assist city agencies and the community in pursuing funding and advancing project development.

E.1 Context

Western South of Market (Western SoMa), defined roughly as the area between 4th and 12th Streets and Howard and Townsend Streets, is an historically industrial neighborhood, home to a moderate-density mix of land uses, businesses, small-scale retail, restaurants, and nightlife, as well as single- and multi-family housing. The neighborhood is designated as a Community of Concern by the Metropolitan Transportation Commission (MTC), making it eligible for regional funds devoted to improving mobility and access in low-income areas. With adoption of a recent land use effort for the area, the Western SoMa Community Plan, the population could increase the neighborhood's housing from 3,000 to 6,000 units by 2030. The study area is located within San Francisco's Eastern Neighborhoods Priority Development Area.

E.2 Study Process

To define the recommended improvements, the NTP conducted a planning process that combined technical analysis, community input, and inter-agency coordination. The process included developing an evaluation framework and screening a list of previously proposed and newly identified potential projects to arrive at a shortlist of high-priority projects. The NTP then created conceptual designs and an implementation strategy for the improvements. Each step in this process was guided

The Western South of Market Neighborhood Transportation Plan addresses existing needs and supports the implementation of the land use changes envisioned in the Western SoMa Community Plan by advancing high-priority transportation improvements that can be implemented in the short term.



Figure ES-1. Western SoMa Neighborhood Transportation Plan Study Area.

by engagement with the community and the Western SoMa Citizen Planning Task Force, a citizen-led body appointed by the Board of Supervisors to oversee the Community Plan.

E.3 Existing and Future Conditions

The study team considered existing and expected future conditions in Western SoMa to inform development and selection of candidate projects. The analysis revealed the following key issues and opportunities:

- High pedestrian volumes on the alleys, indicating an opportunity to benefit a significant number of corridor travelers through pedestrian improvements;
- Pedestrian connectivity challenges, indicating a need for mid-block crossings to facilitate safer and more direct access through the alleys;
- High traffic speeds and collision risks, indicating a need for traffic calming treatments to reduce vehicle speeds;
- Personal security concerns, indicating a need to carefully design public realm improvements to avoid susceptibility to vandalism and loitering;
- Limited and spartan public space, indicating an opportunity for the alleys to serve as additional public spaces; and
- Need for parking and loading use on the alleys, indicating a need to mostly maintain these types of uses.

E.4 Public and Stakeholder Input

The study team sought public input throughout the Study, in particular to seek input on the selection of preferred transportation projects, and in refining conceptual designs for the preferred transportation projects. Public involvement activities included regular con-

sultation with the Western SoMa Community Plan Task Force, an appointed body that has also guided the development of the Community Plan. In addition, activities such as public meetings, online surveys, storefront charrettes, and door-to-door outreach were utilized to solicit input. From these activities, the team heard the following key messages, which have been incorporated into the Study recommendations:

- Strong support for improvements in the area, in particular pedestrian-scale lighting and mid-block crossings;
- Desire to balance pedestrian improvements with the need to maintain parking;
- Concern about vandalism and personal security; and
- Need to maintain loading space;

E.5 Proposed Improvements

The NTP recommends pedestrian improvements including traffic calming, landscaping, and signalized mid-block crossings for Minna and Natoma Streets between 7th and 9th Street, as well as a “shared street” treatment for Ringold Street between 8th and 9th Street. Public and stakeholder outreach indicated strong support for these improvement concepts.

MINNA AND NATOMA STREETS

Proposed improvements include bulb-outs, landscaping elements, and enhanced entry and exit features. They also include chicanes—horizontal jogs in the travelway that reduce traffic speeds by design—created by alternating the side of the street on which parking is provided. Alley entries and exits would be enhanced with raised crosswalks and bulb-outs, designed to reduce vehicle speeds and enhance pedestrian visibility. New street trees and landscaping would be included at strategic locations, made possible by the space created by converting modest amounts of on-street parking to pedestrian space. In the proposed design, most of the existing 97 curb parking spaces are retained; 18 are repurposed as additional pedestrian space. All active curbside freight loading spaces would be retained. The recommendations also include public art recognizing the cultural and historical significance of Western SoMa to the Filipino community.

The NTP calls for new signalized midblock crossings at 7th and Minna Streets and 8th and Natoma Streets, locations already frequently used as crossings. Signals would be pedestrian-actuated, and pedestrian crossing distances would be reduced with bulb-outs that extend into the parking lane. Analysis indicates the ability to implement at these locations with negligible traffic impacts.

RINGOLD STREET

On Ringold Street, the NTP recommends implementation of a “shared street” design, which transforms the entire street into pedestrian space. Consistent with the city’s Better Streets Plan guidelines for Shared Public Ways, the treatment would include a demarcated “pedestrian only” zone and a “shared” zone. Shared streets, an example from Amsterdam of which is provided in Figure ES-3 (right), can create a sense of awareness from the mixing of modes, and can calm traffic while increasing

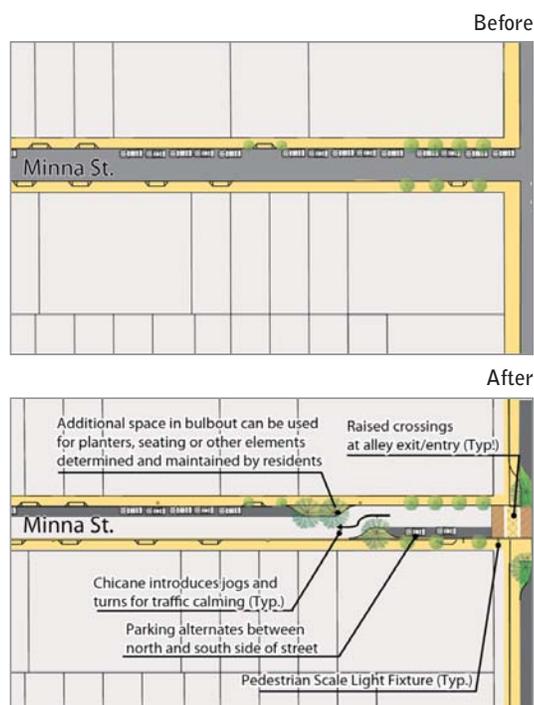


Figure ES-2. Minna/Natoma before and after improvement (representative block).



Figure ES-3. Example of a shared street in Amsterdam, the Netherlands.

Source: Jeff Loux, <http://ucdesustainability.blogspot.com/2011/07/wonderful-world-of-woonerfs.html>

the amount of usable pedestrian space. The design would include: detectable warnings (such as truncated domes) at the entrances and exits of the alley, treatments such as color or texture to demarcate the pedestrian-only versus shared space within the alley, a meandering shared way to reduce traffic speeds, and landscaping. The improvements would require conversion of approximately 5 of the 12 on-street parking spaces to create opportunities for seating or bicycle parking. This improvement could complement a proposed residential project at 350 8th Street, which would include more than 400 units of housing, new retail space, and a small new park at 8th and Ringold. The project design also includes public art recognizing the historical and cultural significance of the alley to the Lesbian, Gay, Bisexual, and Transgender community in Western SoMa.

E.6 Implementation

After adoption of this Plan, the proposed improvements will undergo a typical project development process, including environmental review, detailed design and engineering, competition for funding, and construction. Clearance under the California Environmental Quality Act (CEQA) is already underway as a part of the Community Plan and is expected to be complete in 2012.

During the detailed design and engineering phase, several coordination needs must be addressed, including:

- Legislating changes in curb space uses, after confirming locations where parking, likely inactive loading zones, and curb cuts will be modified;
- Addressing universal access needs by conducting outreach with the disabled community to review and comment on refined designs;
- Sharing refined designs with the Fire Department, to ensure emergency access design standards such as those related to turning radii are addressed;
- Developing a plan to fund the on-going maintenance of the improvements, including the proposed pedestrian-scale lighting; and
- Coordinating with the San Francisco Arts Commission to commission and select art treatments.

The NTP developed conceptual project cost estimates for the improvements, as shown in Table ES-1 (below), totaling between \$2.4 and \$4.7 million. Pre-implementation costs to complete final design are expected to be approximately 15% of total costs, or \$360,000-\$700,000.

Table ES-1. Conceptual Cost Estimates

IMPROVEMENTS	COST ESTIMATE RANGE
Minna and Natoma alley improvements (7th to 9th Street)	\$0.7–1.9M
Signalized mid-block crossings	\$0.5–0.9M
Ringold alley improvements (8th to 9th Street)	\$1.2–1.9M
TOTAL	\$2.4–4.7M

The projects are expected to be competitive for many different fund sources, including the One Bay Area Block Grant, Safe Routes to Transit, the Proposition K Sales Tax, the Federal Transportation Enhancements program, the Transportation Fund for Clean Air and San Francisco Proposition AA. There is also the possibility of private contributions from area developers and residents. Depending on funding availability, the improvements could be implemented as soon as 2014.