Discretionary Review Full Analysis

HEARING DATE FEBRUARY 9, 2012

Date: February 2, 2012

Case No.: 2011.0189D

Project Address: **721 Beach Street**Permit Application: 2010.11.29.5645

Zoning: C-2 (Community Business) District

Waterfront Special Use District No. 2

40-X Height and Bulk District

Block/Lot: 0025/017

Project Sponsor: Steve Geizler

Geizler Architects 781 Beach Street #302

San Francisco, CA 94109

Staff Contact: Glenn Cabreros – (415) 558-6169

glenn.cabreros@sfgov.org

Recommendation: Do not take Discretionary Review and approve.

PROJECT DESCRIPTION

The project proposes demolition of the existing one-story commercial building and new construction of a four-story, mixed-use building with one dwelling unit occupying the top two floors and commercial spaces at the first and second floors. Along the rear wall of the project, an interior connection would be provided to the existing side façade of the commercial/garage building that occupies Lot 004D and fronts onto Hyde Street.

SITE DESCRIPTION AND PRESENT USE

The subject lot is an uphill sloping lot that contains a one-story commercial building constructed circa 1912 on a lot that measures 26.5 feet wide by 137.5 feet deep and contains approximately 3,644 square feet of lot area. The subject lot is located on the south side of Beach Street between Larkin and Hyde Streets. As identified in the City's General Plan, the subject lot is within the Fishman's Wharf Subarea of the Northeastern Waterfront Planning Area.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The subject block face is characterized by tall, two- and three-story commercial buildings. Directly across the street from the project site is Aquatic Park and the turnaround for the Powell-Hyde cable car line. Adjacent and directly east of the project is a three-story mixed-unit building containing apartments over the Buena Vista Café. Also adjacent to the east side property line of the project are three-story, residential and mixed-use buildings that face onto Hyde Street with residential uses on the second and third floors

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Planning Information: 415.558.6377 **Discretionary Review - Full Analysis** Hearing Date: February 9, 2012

and are within the NC-1 (Neighborhood Commercial Cluster) District. Adjacent and to the west of the project, is a tall, two-story commercial structure. Along the rear property line of the subject lot is the side (northern wall) of a one-story over basement garage structure that faces Hyde Street, which houses parking and also "Blazing Saddles" - a bicycle and go-cart rental business. On the uphill side of the subject block are residential buildings that face North Point Street and are located within the RH-3 (Residential, House, Three-Family) District.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Posted Notice	10 days	January 30, 2012	January 30, 2012	10 days
Mailed Notice	10 days	January 30, 2012	January 30, 2012	10 days

PUBLIC COMMENT

	SUPPORT	OPPOSED	NO POSITION
Adjacent neighbor(s)		X	
Other neighbors on the			
block or directly across		7+	
the street			
Neighborhood groups			

Several neighbors have voiced opposition to the project. At least, seven (7) emails expressing opposition to the project have been received by the Department. Many neighbors share similar concerns that the project would be disruptive to the neighborhood character due to height and massing, light and air access and on-street parking access.

DR REQUESTOR

On October 16, 2008, the Planning Commission heard the Appeal of a Preliminary Mitigated Negative Declaration (PMND), Case No. 2006.0441E. The Commission voted to uphold the PMND; however due to the amount of neighborhood opposition to the project, the Commission requested Mandatory Discretionary Review upon filing of the building permit application for the project. At that time, the project analyzed under the PMND proposed demolition of the existing, one-story commercial building and new construction of a 40-foot tall, five-story mixed-use building containing four residential units on the third, fourth and partial-fifth floor of the building.

PROJECT ANALYSIS

Neighborhood Character – The project is located on a block-face of mixed visual character. The building materials along the block face include wood, stucco and masonry. The building scale of the block face ranges from two- to three-story building with tall floor-to-ceiling floor plates. Also, as per aerial photos, most of the existing buildings that face onto Beach Street are constructed with full lot coverage. The

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PLANNING DEPARTMENT 2 project is in keeping with the existing neighborhood character in terms of building materials, building height and massing/scale. The project proposes masonry as the main façade material. While the project proposes four floors, the overall building height and façade treatment would not be disruptive to the character of the existing ground floor commercial uses along the block and the tall building floor plates.

Light and Air Access - Light and air access particularly to the residential uses that abut the east side property line of the project site would not be adverse, as such residential uses/buildings that face onto Hyde Street contain rear yard areas that would continue to provide light and air access along the rear facades of each building. As the subject block slopes up from Beach Street, the project would appear as a three-story structure from the abutting rear yards. Also, the project provides a required rear yard area at the third and fourth floors for the proposed residential unit, and thus the building mass of the project is reduced at the rear of the building.

Parking - The project requires one parking space for the one residential unit proposed. The required parking is provided at Lot 004D via an existing curb cut. The proposed parking is desirable as it satisfies the parking requirement without necessitating a new curb cut. The location of the proposed parking also allows the project to provide a commercial space that is continuous with the existing ground floor commercial uses along the block face. As the project is located in the Waterfront Special Use District and the Fisherman's Wharf area, the immediate vicinity is well-served by public transit: MUNI lines Nos. 19, 30 and 47, and the Powell-Hyde cable car line.

ENVIRONMENTAL REVIEW

On January 13, 2011, the Department issued per Case No. 2011.0189E a memo of "Determination of No Further Environmental Review Required." The Department found that the proposed project, as modified as at the subject property, is covered by the Final Mitigated Negative Declaration (MND) adopted on October 23, 2008 per Case No. 2006.0441E. The MND issued under Case No. 2006.0441E analyzed a project that proposed new construction of a five-story, four-unit mixed-used building. proposal, analyzed under Case No. 2011.0189E, is similar and smaller than the project analyzed in the Final MND. The Department's review of the modified project, per Case No. 2011.0189E, found that subsequent or supplemental environmental review is not required under California Environmental Quality Act Guidelines, Section 15162. See attached.

BASIS FOR RECOMMENDATION

The Department recommends the Commission approve the project for the following reasons:

- The proposed commercial space would provide a continuous ground floor commercial strip along the block face.
- The proposed building materials, height and massing/scale are in keeping with the immediate surroundings particularly the existing development found along the block face.
- The massing of the project would not adversely reduce light and air access, particularly to adjacent residential uses.
- The project proposes appropriate infill of an underdeveloped lot.

RECOMMENDATION: Do not take DR and approve the project as proposed.

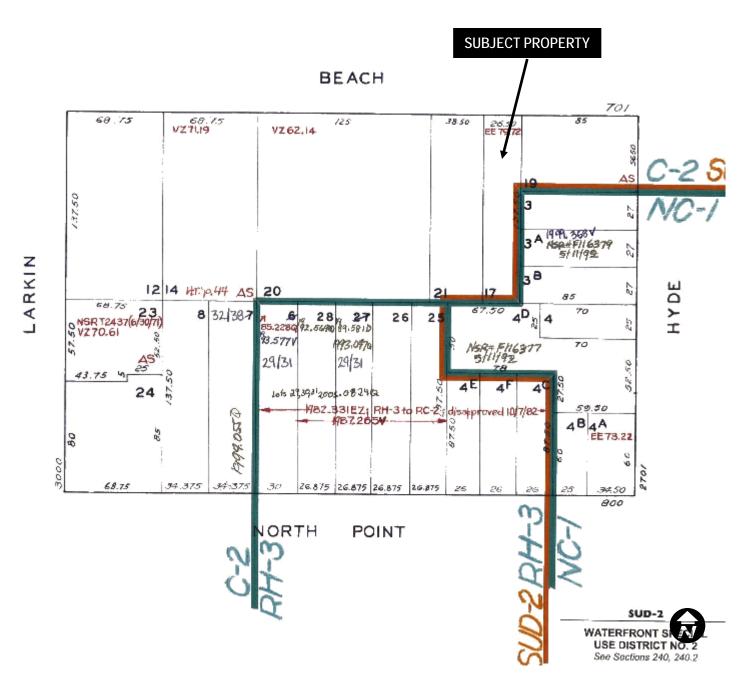
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PLANNING DEPARTMENT 3

Attachments:

Parcel Map
Sanborn Map
Aerial Photographs
Zoning Map
Determination of No Further Environmental Review Required
Project sponsor submittal
3-D Rendering
Reduced Plans

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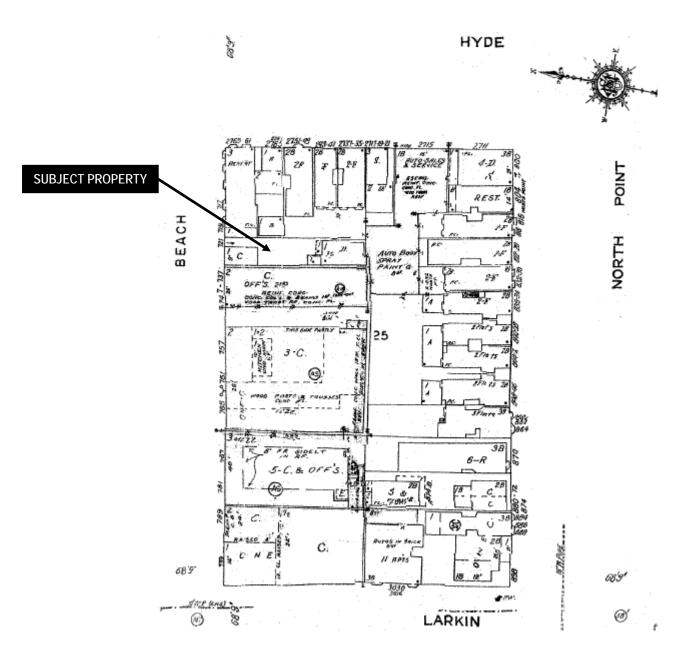
Parcel Map

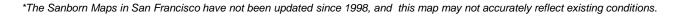




2011.0189D721 Beach Street
Discretionary Review Hearing
February 9, 2012

Sanborn Map*





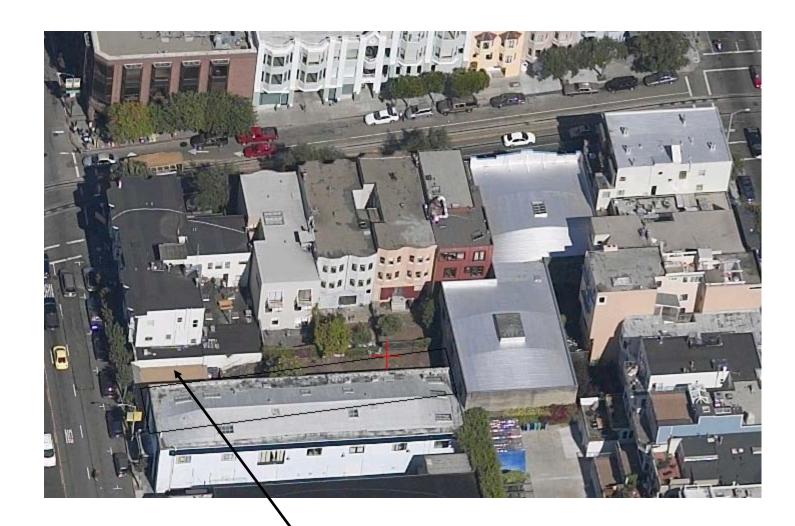


2011.0189D

721 Beach Street Discretionary Review Hearing February 9, 2012



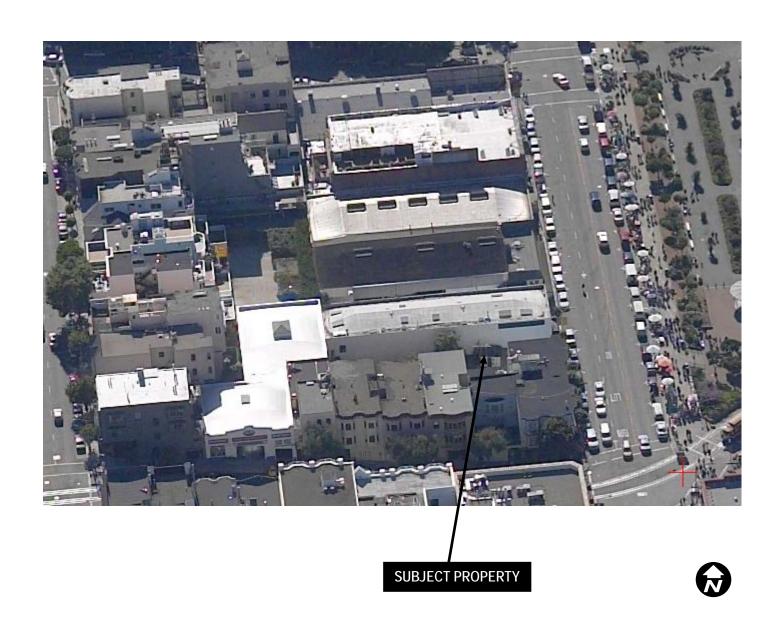
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SUBJECT PROPERTY



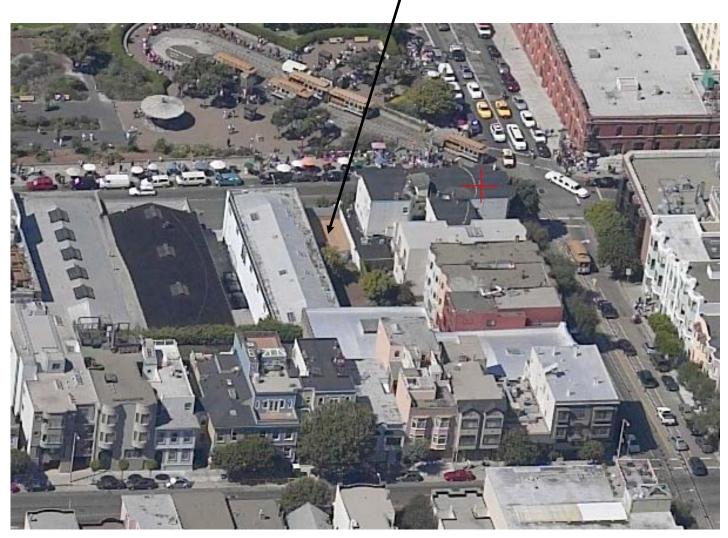
2011.0189D721 Beach Street
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2011.0189D 721 Beach Street

Discretionary Review Hearing February 9, 2012

SUBJECT PROPERTY

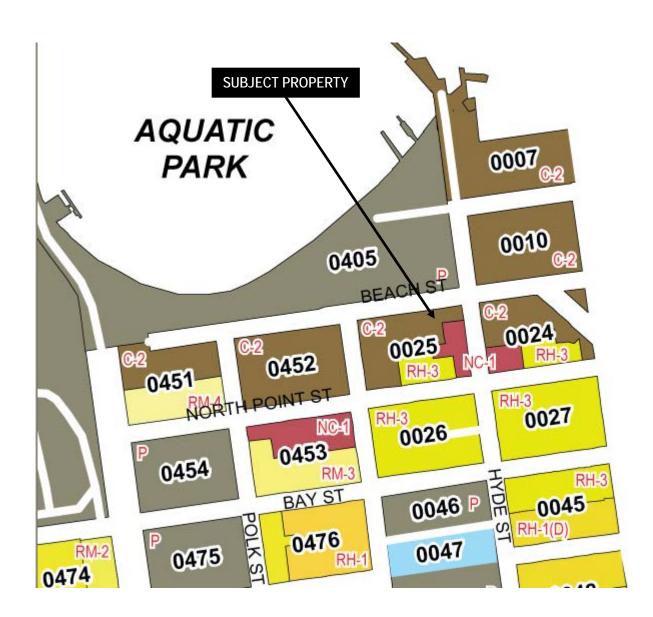




2011.0189D

721 Beach Street Discretionary Review Hearing February 9, 2012

Zoning Map





2011.0189D

721 Beach Street Discretionary Review Hearing February 9, 2012



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 31, 2011

TO: File No. 2011.0189E

FROM: Michael Jacinto, Environmental Planning

THROUGH: Bill Wycko, Environmental Review Officer

RE: Determination of No Further Environmental Review

Required for 721 Beach Street Mixed Use Project

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

Reception: 415.558.6378

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Planning Information: 415.558.6377

PROJECT DESCRIPTION Background

On February 16, 2011, the project sponsor, Geiszler Architects, submitted an Environmental Application to the Planning Department, which amends its previously-approved mixed-use retail project at 721 Beach Street, hereafter referred to as the "modified project."

On April 11, 2008 the Planning Department determined that a project at the same 721 Beach Street site, as previously proposed, could not have a significant effect on the environment and prepared a Preliminary Mitigated Negative Declaration ("PMND"). On May 2, 2008, the Planning Department's decision to prepare a PMND was appealed to the Planning Commission. On October 16, 2008 the Planning Commission held a duly noticed and advertised public hearing on the appeal of the PMND, at which testimony on the merits of the appeal, both in favor and in opposition to, was received. After considering the points raised in that hearing, the Planning Commission denied the appeal and reaffirmed the Planning Department's determination that the previously approved project would not have unmitigable, significant adverse environmental effects (see Planning Commission Motion 17717). On October 23, 2008, the Planning Department adopted the Final Mitigated Negative Declaration ("MND") for the project.

The purpose of this memorandum is to review the characteristics of the "modified project" to determine whether similar potential environmental effects would occur and whether mitigation measures would be required to reduce those potential effects to less-than-significant levels.

Project Location

The project site, at 721 Beach Street (Assessor Block 0025, Lot 017), is on the south side of Beach Street, which is bounded by Beach Street to the north, Hyde Street to the east, North Point Street to the south, and Larkin Street to the west in the City's Fisherman's Wharf neighborhood. The project site is located directly opposite the terminus of the Hyde Street Cable Car line and is surrounded by tourist-oriented uses, which include hotels, shops, restaurants, bars, multimedia attractions, and one block to the west, the historic Ghirardelli Square complex along with other uses such as office and residential.

The project site slopes upward from Beach Street to the rear of the lot. The subject lot, measuring 26.5 feet by 137.5 feet, is situated between a corner parcel to the east having a frontage of 85 feet and a depth of 56.5 feet, and to the west, a lot also having a depth of 137.5 feet, but with a frontage

of 38.5 feet. Buildings on the subject block span a variety of architectural periods, styles, and forms, generally two and three stories in height with retail at the ground level.

The project site is within the Northeastern Waterfront Planning Area, Fisherman's Wharf Subarea, and is within a C-2 (Community Business) zoning district, the Waterfront Special Use District No. 2, and a 40-X Height and Bulk District.

Project Characteristics

The modified project entails demolition of the existing one-story building at 721 Beach Street and, in its place, construction of a four-story, 40-foot-tall building consisting of two-stories of commercial/retail space and two stories of residential use above. The modified project would include one 3,364-square-foot, three-bedroom unit. The existing building on the project site provides no off-street parking and no off-street parking is proposed as part of the new building. One parking space for the residential unit is proposed to be deeded in an adjacent parking garage south of the project site at 2715 Hyde Street.

The previously proposed project entailed demolition of an existing vacant, 558-square-foot one-story building constructed circa 1912 and construction of a new 40-foot-tall, 12,857-square-foot mixed-use building consisting of four residential units within 6,299 gross square feet of area on the third, fourth and partial-fifth floors and 6,558 square feet of retail space on the ground and second floors. **Table 1**, below, summarizes the characteristics of the project analyzed in the MND, which was finalized and adopted in 2008 to the characteristics of the modified project, as proposed.

Table 1: Comparison of MND Project (2008) to Modified Project (2012)

721 Beach Street	MND Project	Modified Project
Demolition, new construction	Yes	Yes
Residential, square footage (sf)	6,299 sf	3,634 sf
Residential, number of units	4	1
Residential, unit mix	3x 1-bedrooms; 1x 3-bedroom	1x 3-bedroom
Commercial, square footage (sf)	4,999 sf	4,823 sf
Open space, square footage (sf)	2,894 sf	1,748 sf
Number of parking spaces	0	1
Number of floors	4 full, partial 5th	basement + 3 floors
Building height, feet (ft)	40 ft	40 ft
Total building square footage (sf)	12,857 sf	11,026 sf

The current proposal, the subject of this addendum, is substantially similar to (and slightly smaller than) the project analyzed in the Final MND. As described under "Project Characteristics" on pg. 1 of this memorandum, the modified project would entail demolition of the existing onsite commercial building, construction of a mixed-use residential project with ground-floor commercial space of similar size to the project analyzed in the MND. The modified project would occupy a similar building envelope and volume, be 40-feet-tall, similar to the prior project, and at

that height, would be permitted within the 40-X Height and Bulk District in which the subject property is located.

ANALYSIS OF POTENTIAL ENVIRONMENTAL EFFECTS

San Francisco Administrative Code Section 31.19(c)(1) states that a modified project must be reevaluated and that "If, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter."

California Environmental Quality Act (CEQA) Guidelines Section 15164 provides for the use of an addendum to document the basis for a lead agency's decision not to require a Subsequent or Supplemental Negative Declaration for a project that is already adequately covered in an existing adopted Negative Declaration. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent Negative Declaration, as provided in CEQA Guidelines Section 15162, are not present.

The Final MND found that the proposed project would have no significant unavoidable project or cumulative impacts. Since adoption of the Final MND, no changes have occurred in the circumstances under which the original project or the project as currently proposed that would change the severity of the potential physical impacts, and no new information has emerged that would materially change the analyses or conclusions set forth in the Final MND.

Further, proposed changes to the proposed project, as demonstrated below, would not result in any new significant environmental impacts or a substantial increase in the significance of previously identified environmental effects. The effects of the project would be substantially the same, or for many environmental topic areas of lesser severity than reported in the 721 Beach Street Mitigated Negative Declaration (October 23, 2011). The following discussion provides the basis for this conclusion.

Effects found to be Less than Significant

Similar to the project analyzed in the MND in 2008, The modified project would result in less-than-significant effects in the following environmental topic areas: land use and land use planning; aesthetics; population and housing; cultural resources (with exception to archeological resources); transportation and circulation; noise; air quality; wind and shadow; recreation; utilities and service systems; public services; biological resources; geology and soils; hydrology and water quality; hazards and hazardous materials; mineral resources; agricultural resources; and mandatory findings of significance.

The modified project would result in the development of one fourth the dwellings compared to the previous project with roughly half the residential square footage (e.g., 3,634 sf versus 6,299 sf); would result in generally similar amounts of commercial square footage in a four-story building, comparable to the previous project analyzed in the Final MND. The modified project's overall mass would be slightly less than the previous project, but also comparable. The modified project's

environmental effects would be less than significant with respect to the environmental topic areas listed above and thus no new or modified mitigation measures would be required.

Effects Found to be Less than Significant with Mitigation Incorporated

The MND identified a potential impact to archeological resources associated with project demolition and construction. The following was reported on MND, p. 23:

Factors considered in determining the potential for encountering archaeological resources include the location, depth, and the amount of excavation proposed, as well as any existing information about known resources in the area. Development of the proposed project would involve demolition of the existing one-story commercial building and excavation to a depth of approximately 12 feet, with removal of approximately 3,200 cubic yards of soil, for the installation of building foundation and footing.

According to the archeological evaluation conducted by Planning Department staff,¹ the site was historically located partially on a beach and partially on a low bluff near a promontory of land extending into the Bay just to the northeast. According to the report, the nearest recorded prehistoric deposits, including hearth and human remains, have been recorded near the intersection of Beach and Hyde Streets. In San Francisco, any human settlement at such a coastal location is unusual, and therefore, any discovered artifacts could contribute to the knowledge of local prehistoric populations. Thus, there is a potential that prehistoric remains could be disturbed, thereby potentially affecting CEQA-significant archeological resources. Implementation of Mitigation Measure 1, requiring archeological testing by a qualified archeological consultant of soils-disturbing or modifying activities of the project would reduce potential archeological effects of the project to less than significant.

A review of the modified project plans indicates that excavation would also be required to construct the basement level. The depth of excavation for the modified project would be to a depth of approximately 12 feet below ground surface, similar to the project analyzed in the Final MND. Because the conditions at the site have not changed, that is, the site is considered sensitive for potential archeological resources and because the potential construction-related impact would be similar, the modified project would be required to implement the same mitigation measure identified for the project analyzed in the MND. Specifically, this measure requires that the sponsor retain a qualified archeological consultant to undertake a testing program and monitoring as required. The project sponsor has agreed to this measure and would implement it as required during construction of the modified project. (See Attachment A: Agreement to Implement Mitigation Measures.)

Randall Dean, Archeologist, to Jeremy Battis, San Francisco Planning Department. Memorandum Re: Preliminary Archeological Evaluation of 721 Beach Street. August 11, 2006. This document is available for public review by appointment at the Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2006.0441E.

CONCLUSION

Based on the information set forth above and other substantial evidence in light of the whole record on the 721 Beach Street MND, staff determines that the proposed project modifications are within the scope of project analyzed in Final MND; (2) that the modified project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (3) that no substantial changes have occurred with respect to the circumstances under which modified project is undertaken that could involve new significant environmental effects, or a substantial increase in the severity of effects identified in the Final MND; (4) that mitigation measures found not feasible which would reduce one or more significant effects have become feasible; or (5) mitigation measures which are considerably different from those in the Final MND would substantially reduce one or more significant effects on the environment.

Consequently, the Planning Department finds that the proposed project, as modified at the subject 721 Beach Street property is covered by the Final MND and that a subsequent or supplemental environmental review is not required under CEQA Guidelines Section 15162. These findings do not relate to the merits of the project, but rather to the potential environmental effects of that undertaking as discussed in the MND.

ATTACHMENT A: AGREEMENT TO IMPLEMENT MITIGATION MEASURES

Agreement to Implement Mitigation Measure(s)

Date: February 1, 2012
Case No. **2011.0189E**

Project Title.: 721 Beach Street Mixed-Use ProjectProject Sponsor: Steve Geiszler, on behalf of Jeff Sears

Project Address: **721 Beach Street**

Block/Lot: 0025/017 City and County: San Francisco

MITIGATION MEASURE(S):

Mitigation Measure 1 - Archeological Resources (Pre-construction Testing)

Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect by the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing program (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.

At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: 415.558.6377 consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:

- 1. The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- 2. A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet to consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;
- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation,

shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.

Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.
- Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.
- Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.
- *Interpretive Program*. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- Final Report. Description of proposed report format and distribution of results.

Curation. Description of the procedures and recommendations for the curation of any
recovered data having potential research value, identification of appropriate curation
facilities, and a summary of the accession policies of the curation facilities.

Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.

Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis section of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.

I agree to implement the above mitigation measure(s) as a condition of project approval.

Project Sponsor Signature

Date



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 31, 2011

TO: File No. 2011.0189E

FROM: Michael Jacinto, Environmental Planning

THROUGH: Bill Wycko, Environmental Review Officer

RE: Determination of No Further Environmental Review

Required for 721 Beach Street Mixed Use Project

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On February 16, 2011, the project sponsor, Geiszler Architects, submitted an Environmental Application to the Planning Department, which amends its previously-approved mixed-use retail project at 721 Beach Street, hereafter referred to as the "modified project."

On April 11, 2008 the Planning Department determined that a project at the same 721 Beach Street site, as previously proposed, could not have a significant effect on the environment and prepared a Preliminary Mitigated Negative Declaration ("PMND"). On May 2, 2008, the Planning Department's decision to prepare a PMND was appealed to the Planning Commission. On October 16, 2008 the Planning Commission held a duly noticed and advertised public hearing on the appeal of the PMND, at which testimony on the merits of the appeal, both in favor and in opposition to, was received. After considering the points raised in that hearing, the Planning Commission denied the appeal and reaffirmed the Planning Department's determination that the previously approved project would not have unmitigable, significant adverse environmental effects (see Planning Commission Motion 17717). On October 23, 2008, the Planning Department adopted the Final Mitigated Negative Declaration ("MND") for the project.

The purpose of this memorandum is to review the characteristics of the "modified project" to determine whether similar potential environmental effects would occur and whether mitigation measures would be required to reduce those potential effects to less-than-significant levels.

Project Location

The project site, at 721 Beach Street (Assessor Block 0025, Lot 017), is on the south side of Beach Street, which is bounded by Beach Street to the north, Hyde Street to the east, North Point Street to the south, and Larkin Street to the west in the City's Fisherman's Wharf neighborhood. The project site is located directly opposite the terminus of the Hyde Street Cable Car line and is surrounded by tourist-oriented uses, which include hotels, shops, restaurants, bars, multimedia attractions, and one block to the west, the historic Ghirardelli Square complex along with other uses such as office and residential.

The project site slopes upward from Beach Street to the rear of the lot. The subject lot, measuring 26.5 feet by 137.5 feet, is situated between a corner parcel to the east having a frontage of 85 feet and a depth of 56.5 feet, and to the west, a lot also having a depth of 137.5 feet, but with a frontage

of 38.5 feet. Buildings on the subject block span a variety of architectural periods, styles, and forms, generally two and three stories in height with retail at the ground level.

The project site is within the Northeastern Waterfront Planning Area, Fisherman's Wharf Subarea, and is within a C-2 (Community Business) zoning district, the Waterfront Special Use District No. 2, and a 40-X Height and Bulk District.

Project Characteristics

The modified project entails demolition of the existing one-story building at 721 Beach Street and, in its place, construction of a four-story, 40-foot-tall building consisting of two-stories of commercial/retail space and two stories of residential use above. The modified project would include one 3,364-square-foot, three-bedroom unit. The existing building on the project site provides no off-street parking and no off-street parking is proposed as part of the new building. One parking space for the residential unit is proposed to be deeded in an adjacent parking garage south of the project site at 2715 Hyde Street.

The previously proposed project entailed demolition of an existing vacant, 558-square-foot one-story building constructed circa 1912 and construction of a new 40-foot-tall, 12,857-square-foot mixed-use building consisting of four residential units within 6,299 gross square feet of area on the third, fourth and partial-fifth floors and 6,558 square feet of retail space on the ground and second floors. **Table 1**, below, summarizes the characteristics of the project analyzed in the MND, which was finalized and adopted in 2008 to the characteristics of the modified project, as proposed.

Table 1: Comparison of MND Project (2008) to Modified Project (2012)

721 Beach Street	MND Project	Modified Project
Demolition, new construction	Yes	Yes
Residential, square footage (sf)	6,299 sf	3,634 sf
Residential, number of units	4	1
Residential, unit mix	3x 1-bedrooms; 1x 3-bedroom	1x 3-bedroom
Commercial, square footage (sf)	4,999 sf	4,823 sf
Open space, square footage (sf)	2,894 sf	1,748 sf
Number of parking spaces	0	1
Number of floors	4 full, partial 5th	basement + 3 floors
Building height, feet (ft)	40 ft	40 ft
Total building square footage (sf)	12,857 sf	11,026 sf

The current proposal, the subject of this addendum, is substantially similar to (and slightly smaller than) the project analyzed in the Final MND. As described under "Project Characteristics" on pg. 1 of this memorandum, the modified project would entail demolition of the existing onsite commercial building, construction of a mixed-use residential project with ground-floor commercial space of similar size to the project analyzed in the MND. The modified project would occupy a similar building envelope and volume, be 40-feet-tall, similar to the prior project, and at

that height, would be permitted within the 40-X Height and Bulk District in which the subject property is located.

ANALYSIS OF POTENTIAL ENVIRONMENTAL EFFECTS

San Francisco Administrative Code Section 31.19(c)(1) states that a modified project must be reevaluated and that "If, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter."

California Environmental Quality Act (CEQA) Guidelines Section 15164 provides for the use of an addendum to document the basis for a lead agency's decision not to require a Subsequent or Supplemental Negative Declaration for a project that is already adequately covered in an existing adopted Negative Declaration. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent Negative Declaration, as provided in CEQA Guidelines Section 15162, are not present.

The Final MND found that the proposed project would have no significant unavoidable project or cumulative impacts. Since adoption of the Final MND, no changes have occurred in the circumstances under which the original project or the project as currently proposed that would change the severity of the potential physical impacts, and no new information has emerged that would materially change the analyses or conclusions set forth in the Final MND.

Further, proposed changes to the proposed project, as demonstrated below, would not result in any new significant environmental impacts or a substantial increase in the significance of previously identified environmental effects. The effects of the project would be substantially the same, or for many environmental topic areas of lesser severity than reported in the 721 Beach Street Mitigated Negative Declaration (October 23, 2011). The following discussion provides the basis for this conclusion.

Effects found to be Less than Significant

Similar to the project analyzed in the MND in 2008, The modified project would result in less-than-significant effects in the following environmental topic areas: land use and land use planning; aesthetics; population and housing; cultural resources (with exception to archeological resources); transportation and circulation; noise; air quality; wind and shadow; recreation; utilities and service systems; public services; biological resources; geology and soils; hydrology and water quality; hazards and hazardous materials; mineral resources; agricultural resources; and mandatory findings of significance.

The modified project would result in the development of one fourth the dwellings compared to the previous project with roughly half the residential square footage (e.g., 3,634 sf versus 6,299 sf); would result in generally similar amounts of commercial square footage in a four-story building, comparable to the previous project analyzed in the Final MND. The modified project's overall mass would be slightly less than the previous project, but also comparable. The modified project's

environmental effects would be less than significant with respect to the environmental topic areas listed above and thus no new or modified mitigation measures would be required.

Effects Found to be Less than Significant with Mitigation Incorporated

The MND identified a potential impact to archeological resources associated with project demolition and construction. The following was reported on MND, p. 23:

Factors considered in determining the potential for encountering archaeological resources include the location, depth, and the amount of excavation proposed, as well as any existing information about known resources in the area. Development of the proposed project would involve demolition of the existing one-story commercial building and excavation to a depth of approximately 12 feet, with removal of approximately 3,200 cubic yards of soil, for the installation of building foundation and footing.

According to the archeological evaluation conducted by Planning Department staff,¹ the site was historically located partially on a beach and partially on a low bluff near a promontory of land extending into the Bay just to the northeast. According to the report, the nearest recorded prehistoric deposits, including hearth and human remains, have been recorded near the intersection of Beach and Hyde Streets. In San Francisco, any human settlement at such a coastal location is unusual, and therefore, any discovered artifacts could contribute to the knowledge of local prehistoric populations. Thus, there is a potential that prehistoric remains could be disturbed, thereby potentially affecting CEQA-significant archeological resources. Implementation of Mitigation Measure 1, requiring archeological testing by a qualified archeological consultant of soils-disturbing or modifying activities of the project would reduce potential archeological effects of the project to less than significant.

A review of the modified project plans indicates that excavation would also be required to construct the basement level. The depth of excavation for the modified project would be to a depth of approximately 12 feet below ground surface, similar to the project analyzed in the Final MND. Because the conditions at the site have not changed, that is, the site is considered sensitive for potential archeological resources and because the potential construction-related impact would be similar, the modified project would be required to implement the same mitigation measure identified for the project analyzed in the MND. Specifically, this measure requires that the sponsor retain a qualified archeological consultant to undertake a testing program and monitoring as required. The project sponsor has agreed to this measure and would implement it as required during construction of the modified project. (See Attachment A: Agreement to Implement Mitigation Measures.)

Randall Dean, Archeologist, to Jeremy Battis, San Francisco Planning Department. Memorandum Re: Preliminary Archeological Evaluation of 721 Beach Street. August 11, 2006. This document is available for public review by appointment at the Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2006.0441E.

CONCLUSION

Based on the information set forth above and other substantial evidence in light of the whole record on the 721 Beach Street MND, staff determines that the proposed project modifications are within the scope of project analyzed in Final MND; (2) that the modified project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (3) that no substantial changes have occurred with respect to the circumstances under which modified project is undertaken that could involve new significant environmental effects, or a substantial increase in the severity of effects identified in the Final MND; (4) that mitigation measures found not feasible which would reduce one or more significant effects have become feasible; or (5) mitigation measures which are considerably different from those in the Final MND would substantially reduce one or more significant effects on the environment.

Consequently, the Planning Department finds that the proposed project, as modified at the subject 721 Beach Street property is covered by the Final MND and that a subsequent or supplemental environmental review is not required under CEQA Guidelines Section 15162. These findings do not relate to the merits of the project, but rather to the potential environmental effects of that undertaking as discussed in the MND.

ATTACHMENT A: AGREEMENT TO IMPLEMENT MITIGATION MEASURES

Agreement to Implement Mitigation Measure(s)

Date: February 1, 2012
Case No. **2011.0189E**

Project Title.: 721 Beach Street Mixed-Use ProjectProject Sponsor: Steve Geiszler, on behalf of Jeff Sears

Project Address: **721 Beach Street**

Block/Lot: 0025/017 City and County: San Francisco

MITIGATION MEASURE(S):

Mitigation Measure 1 - Archeological Resources (Pre-construction Testing)

Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect by the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing program (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.

At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: 415.558.6377 consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:

- 1. The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- 2. A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.

Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet to consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context;
- The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;
- The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;
- The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;
- If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation,

shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.

Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.
- Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.
- Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies.
- *Interpretive Program*. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program.
- Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities.
- Final Report. Description of proposed report format and distribution of results.

Curation. Description of the procedures and recommendations for the curation of any
recovered data having potential research value, identification of appropriate curation
facilities, and a summary of the accession policies of the curation facilities.

Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.

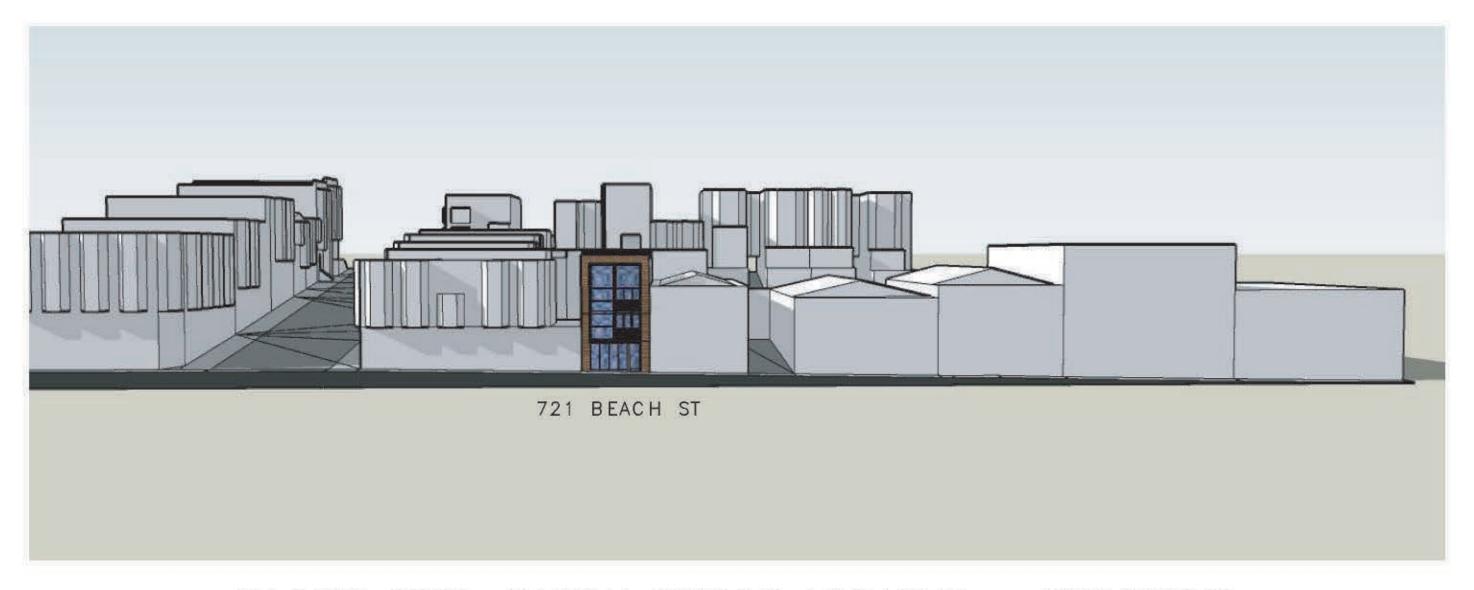
Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis section of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.

I agree to implement the above mitigation measure(s) as a condition of project approval.

Project Sponsor Signature

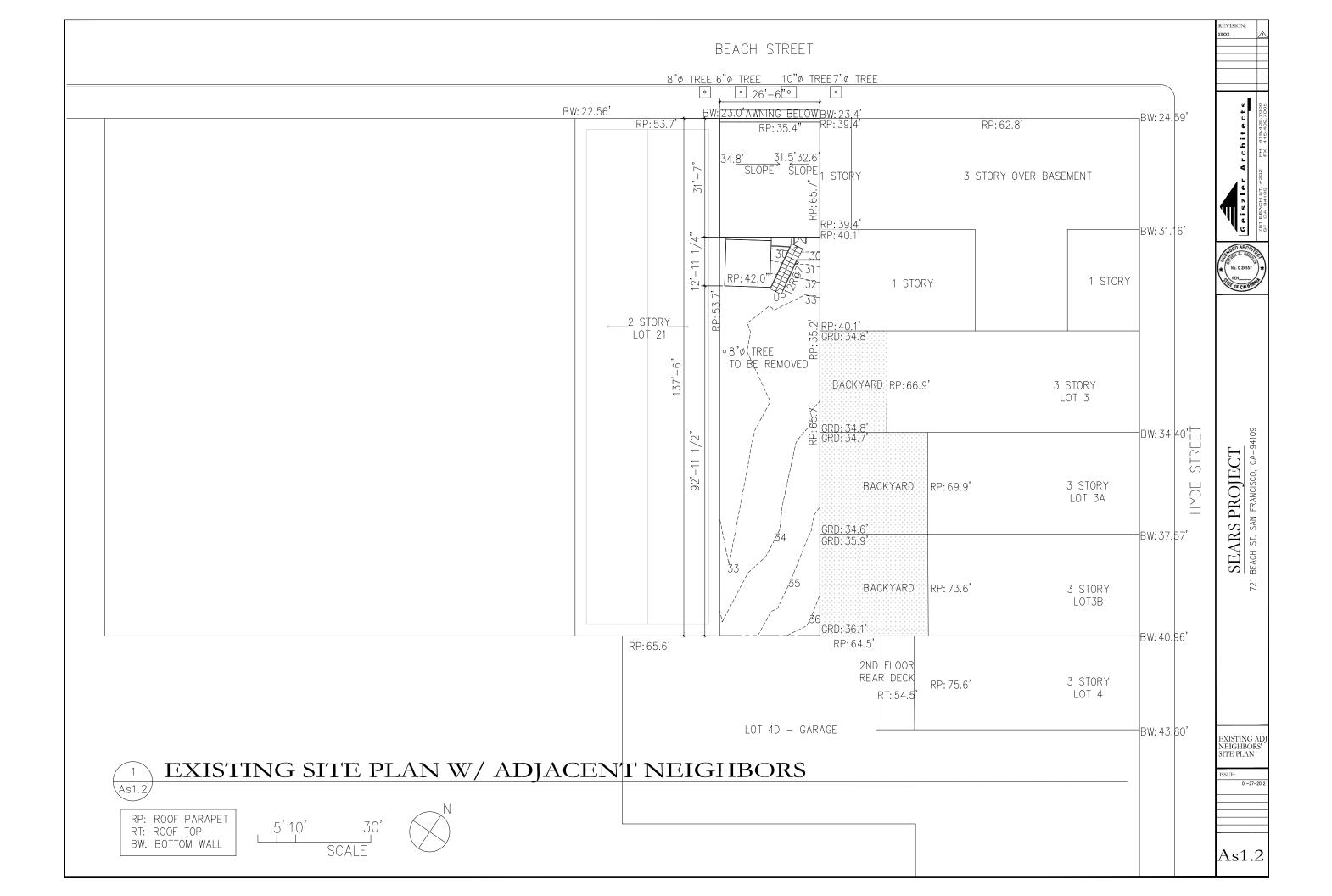
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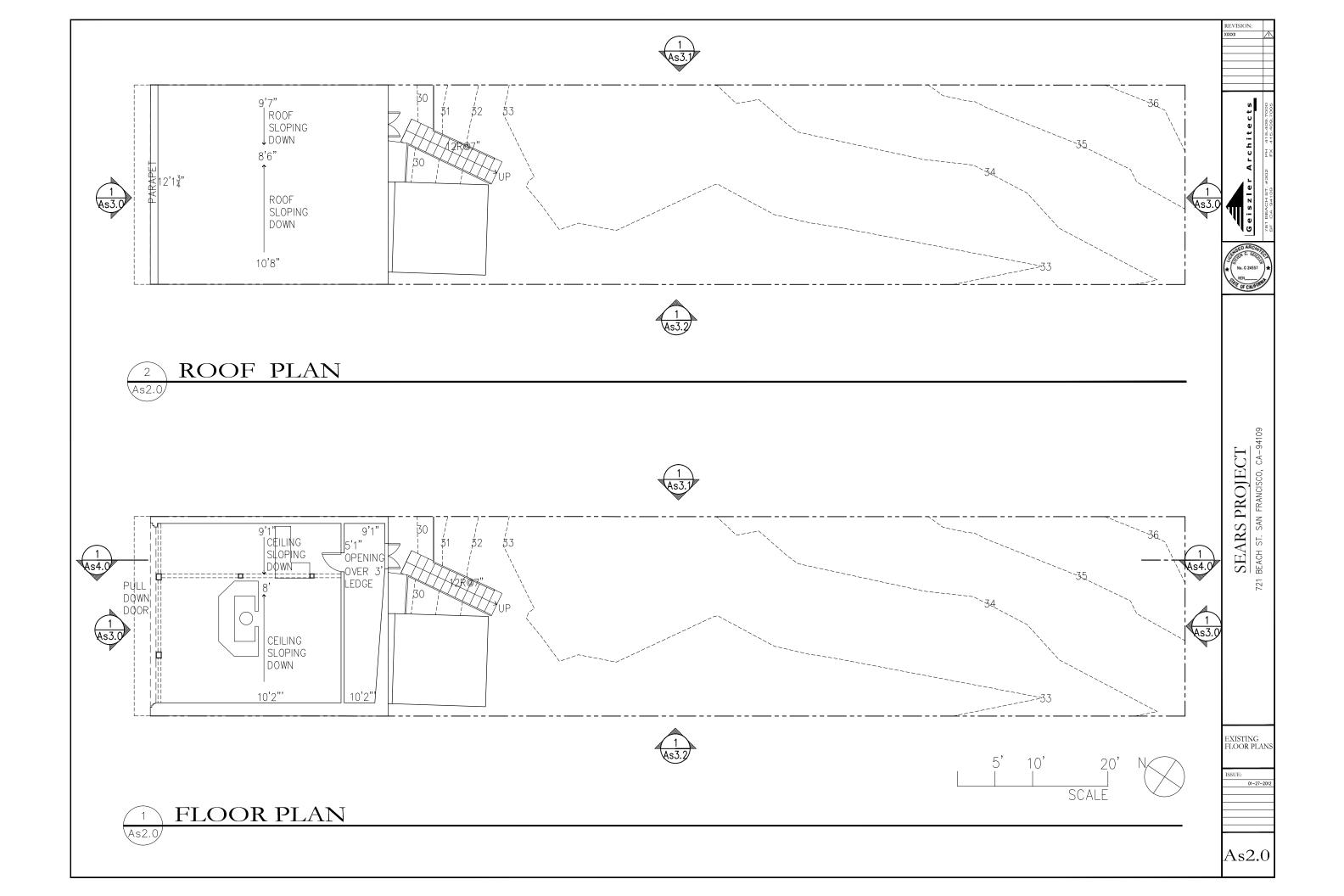
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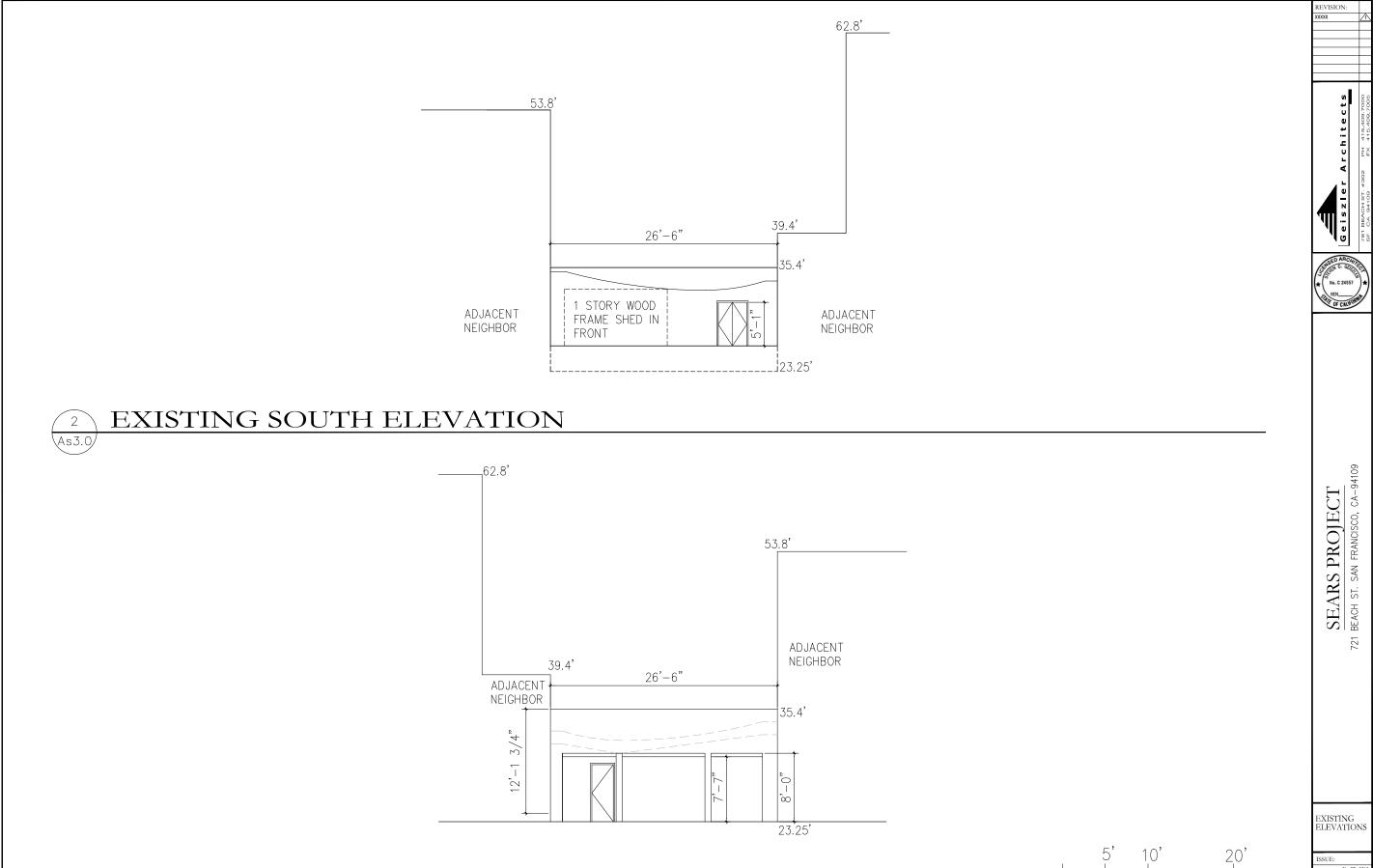


BLOCK 0025 BEACH STREET FACADES - PROPOSED



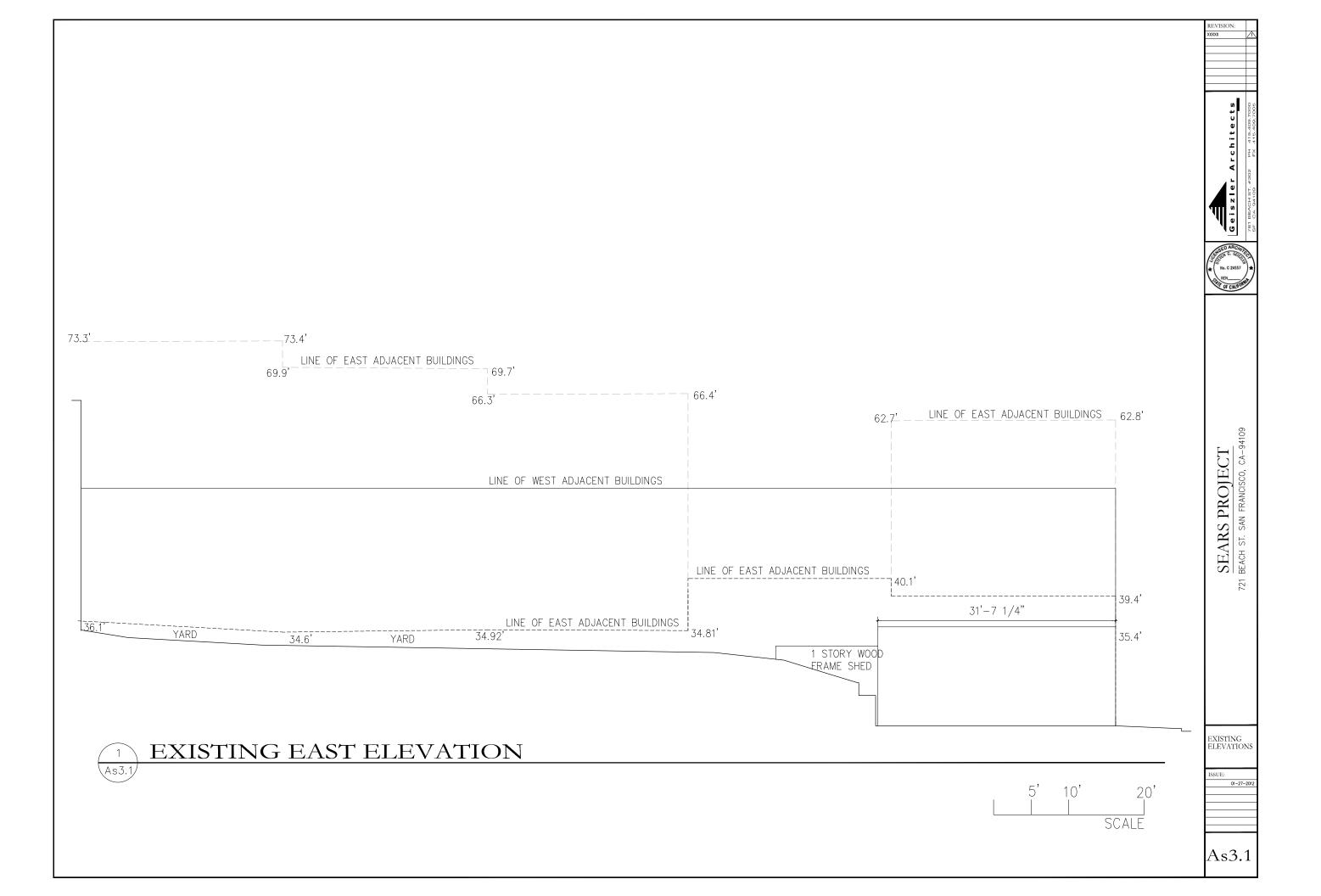


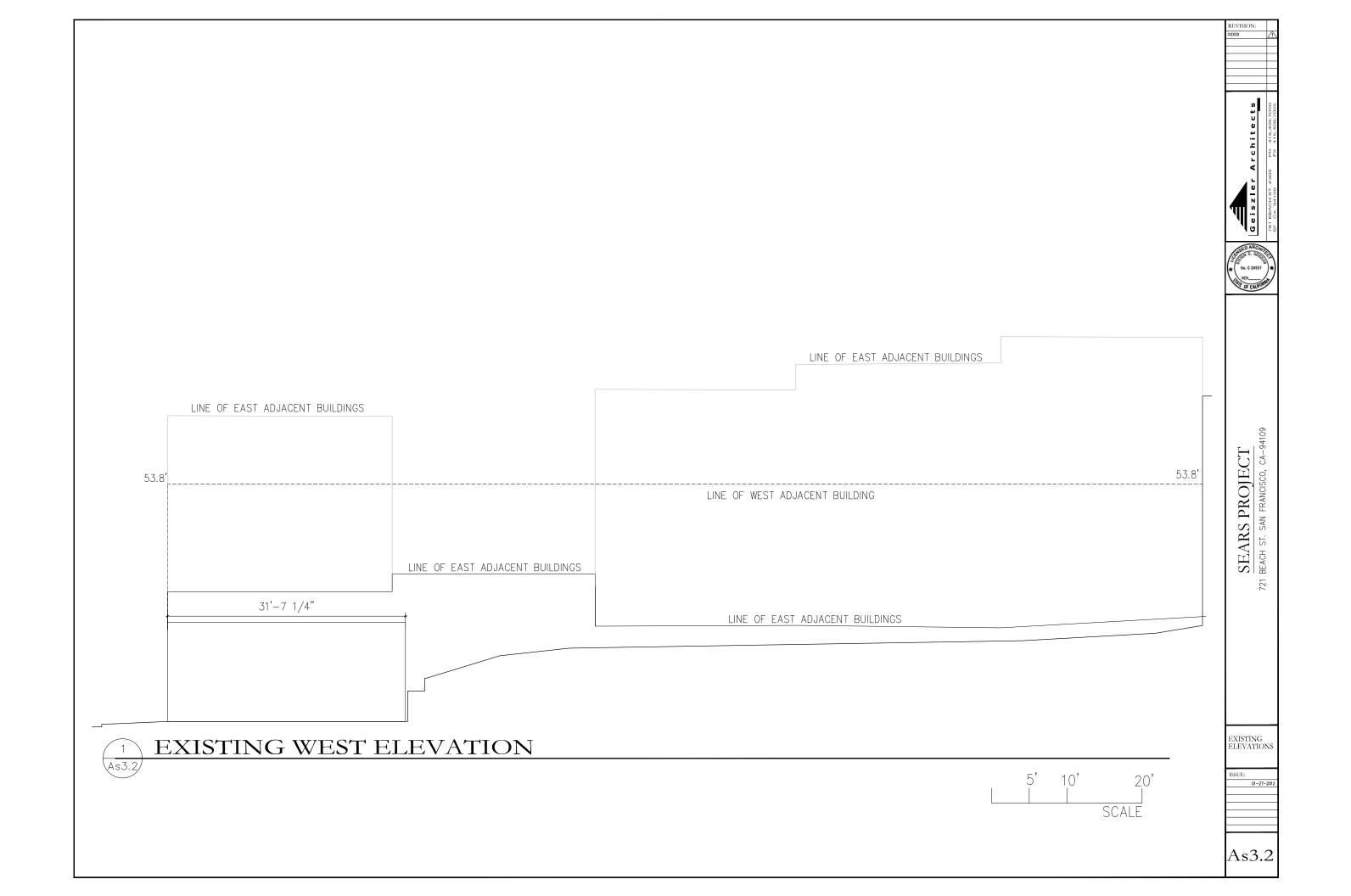


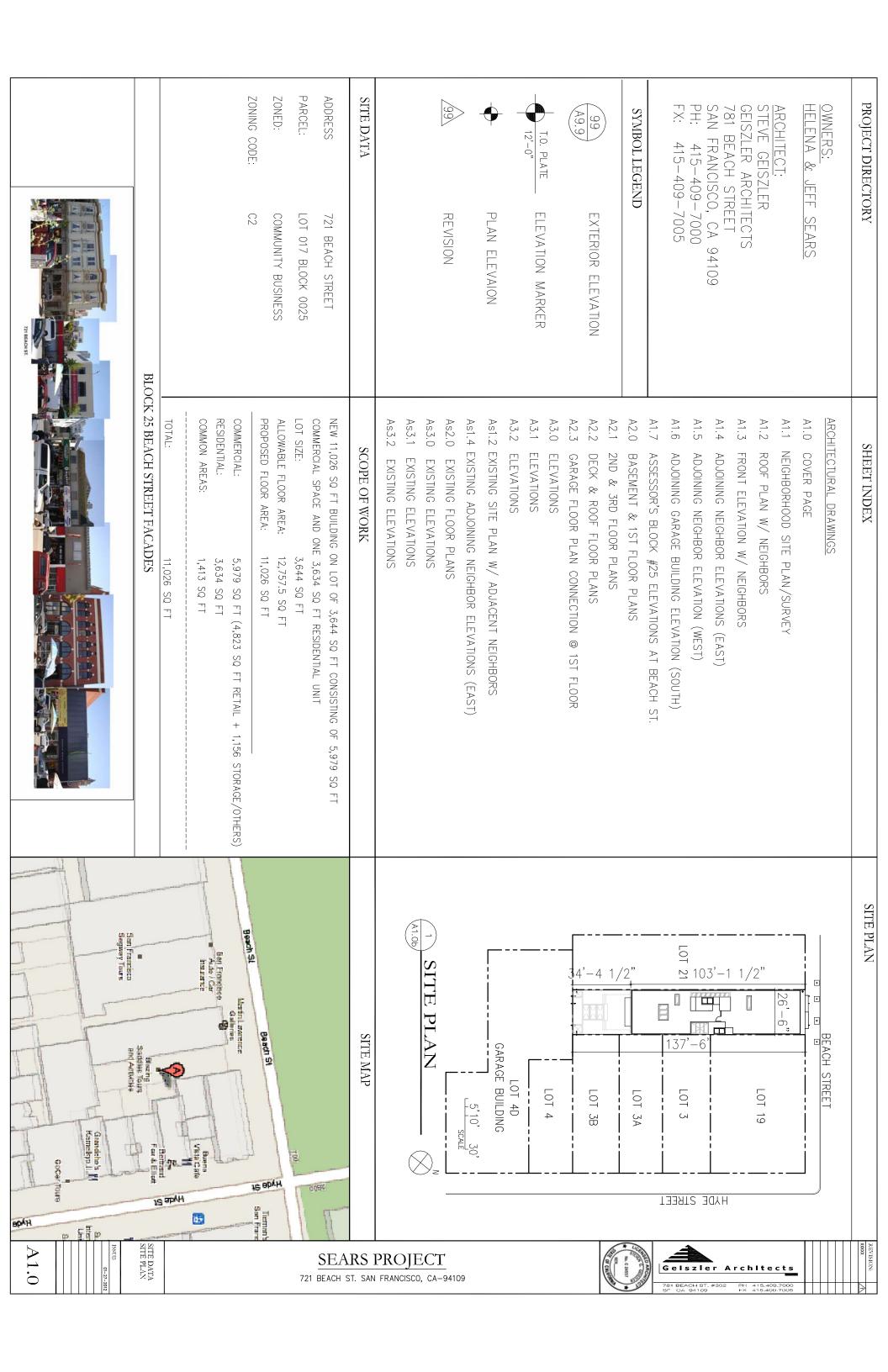


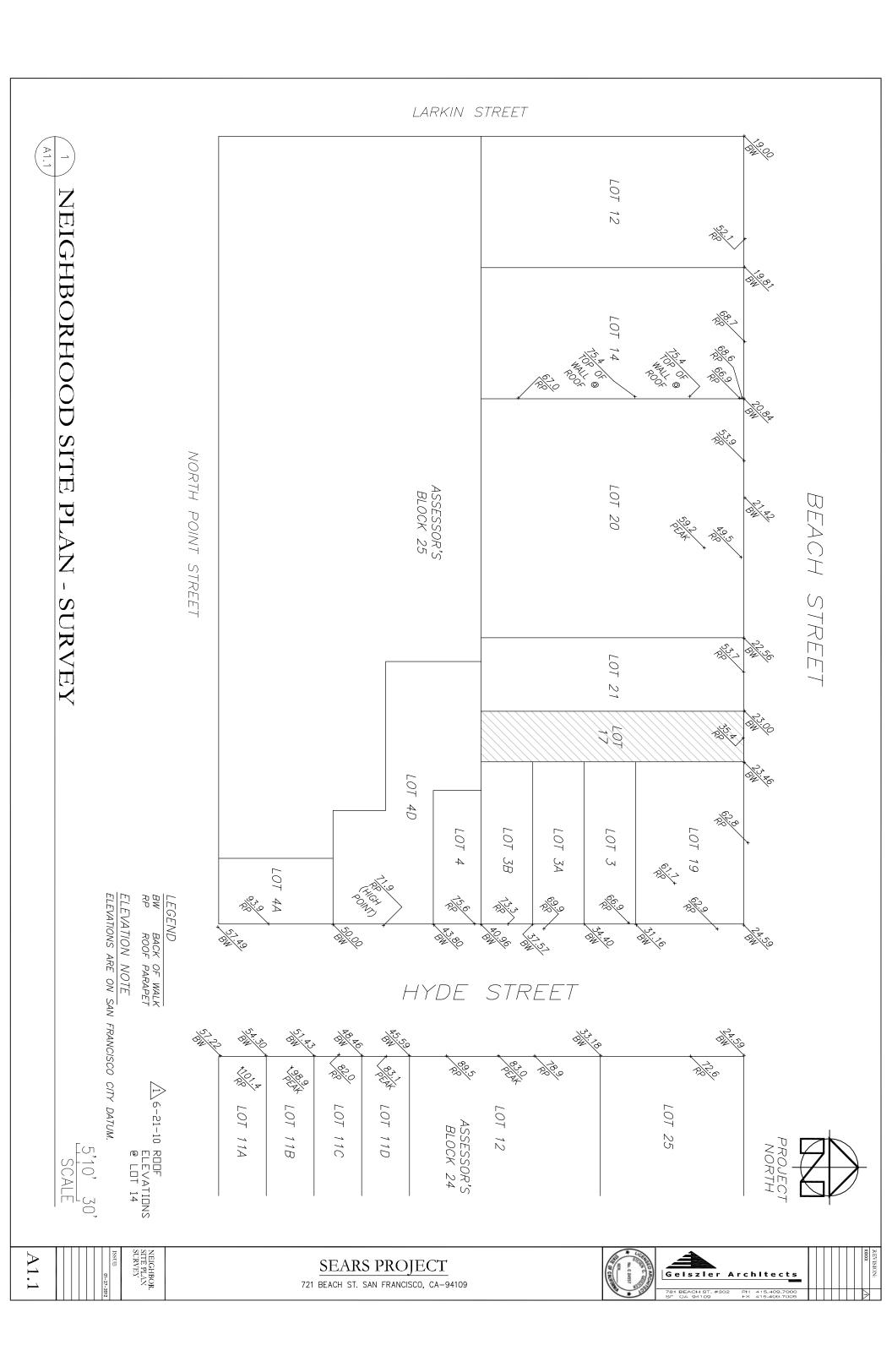
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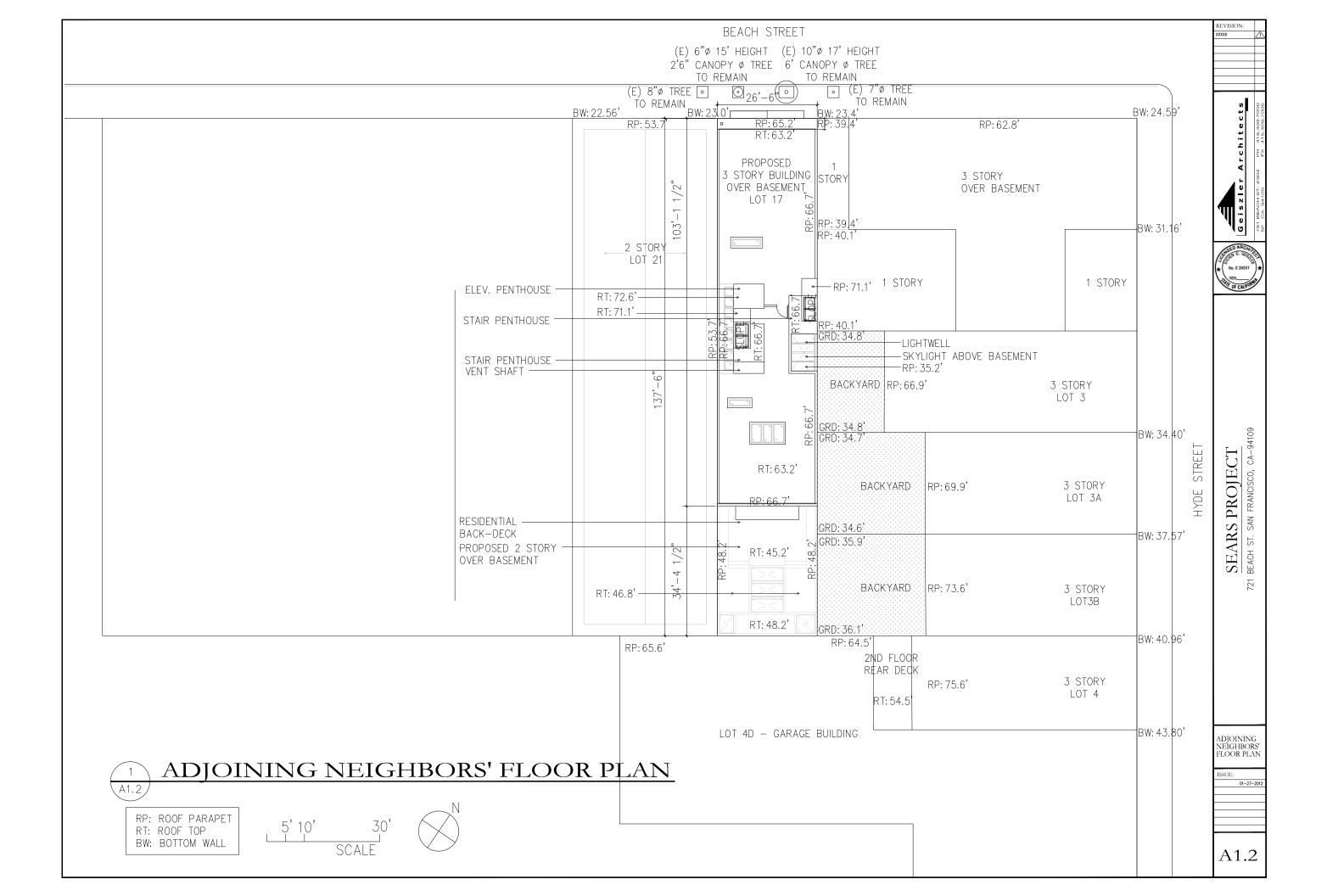
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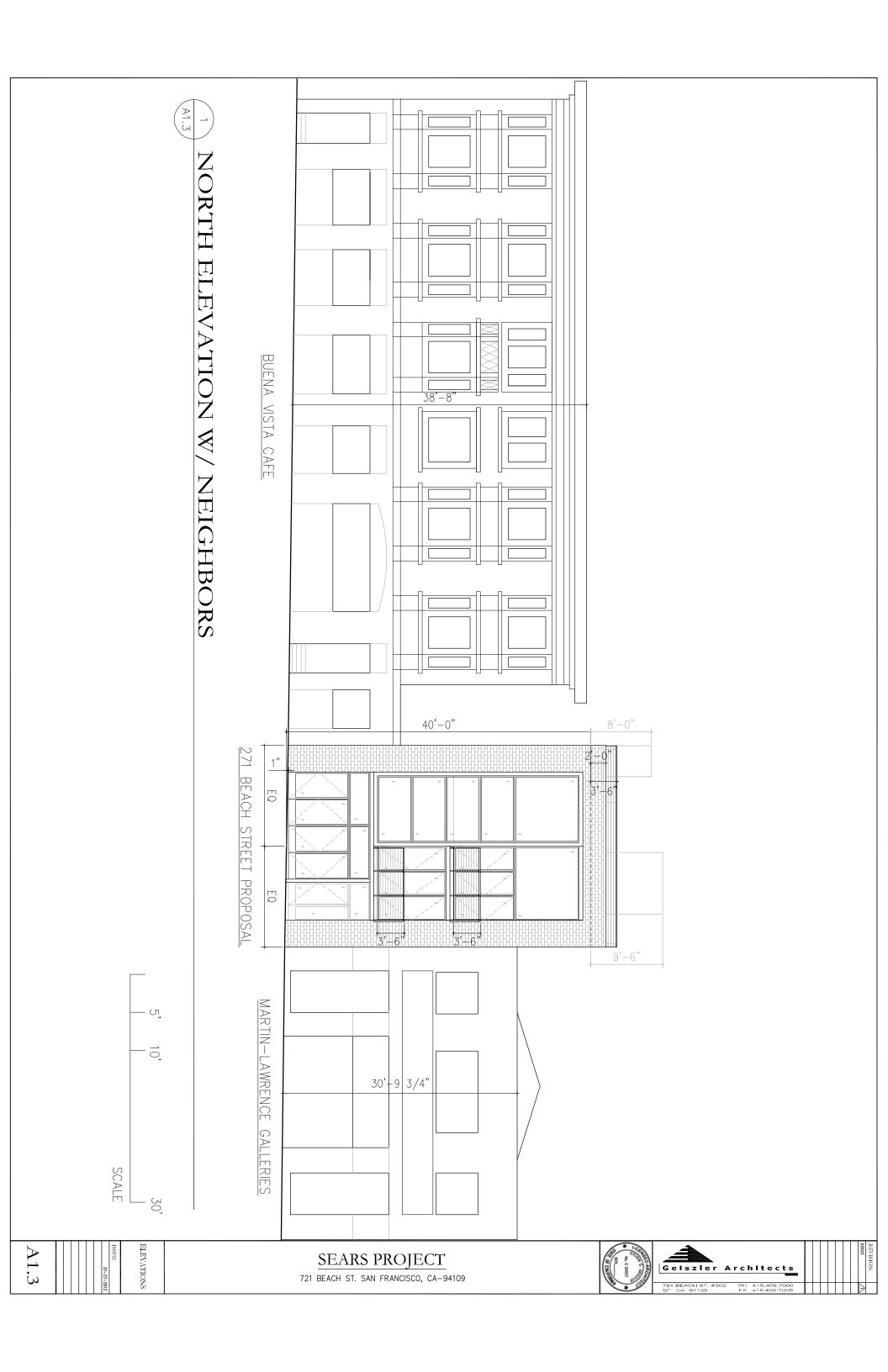


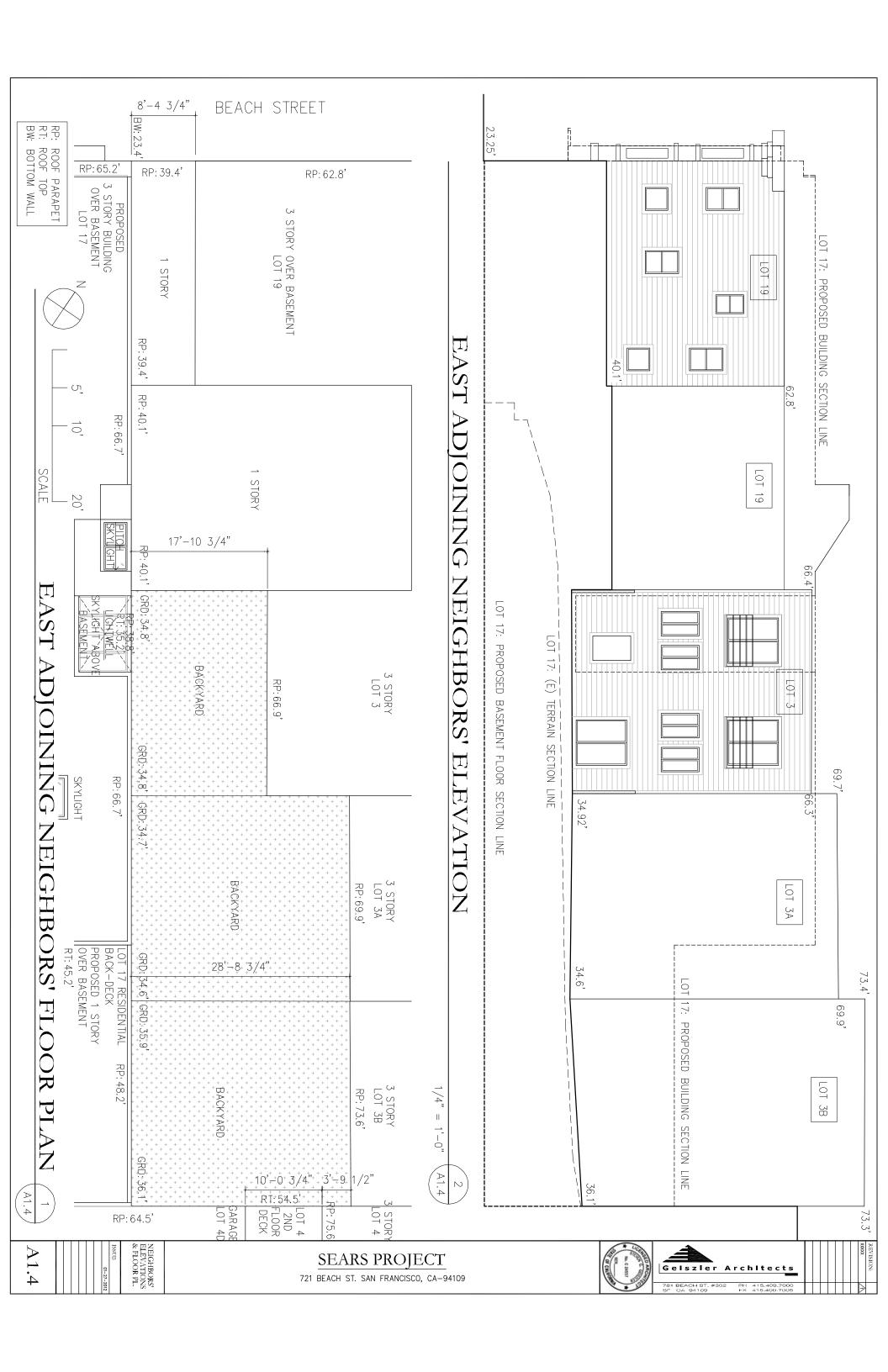


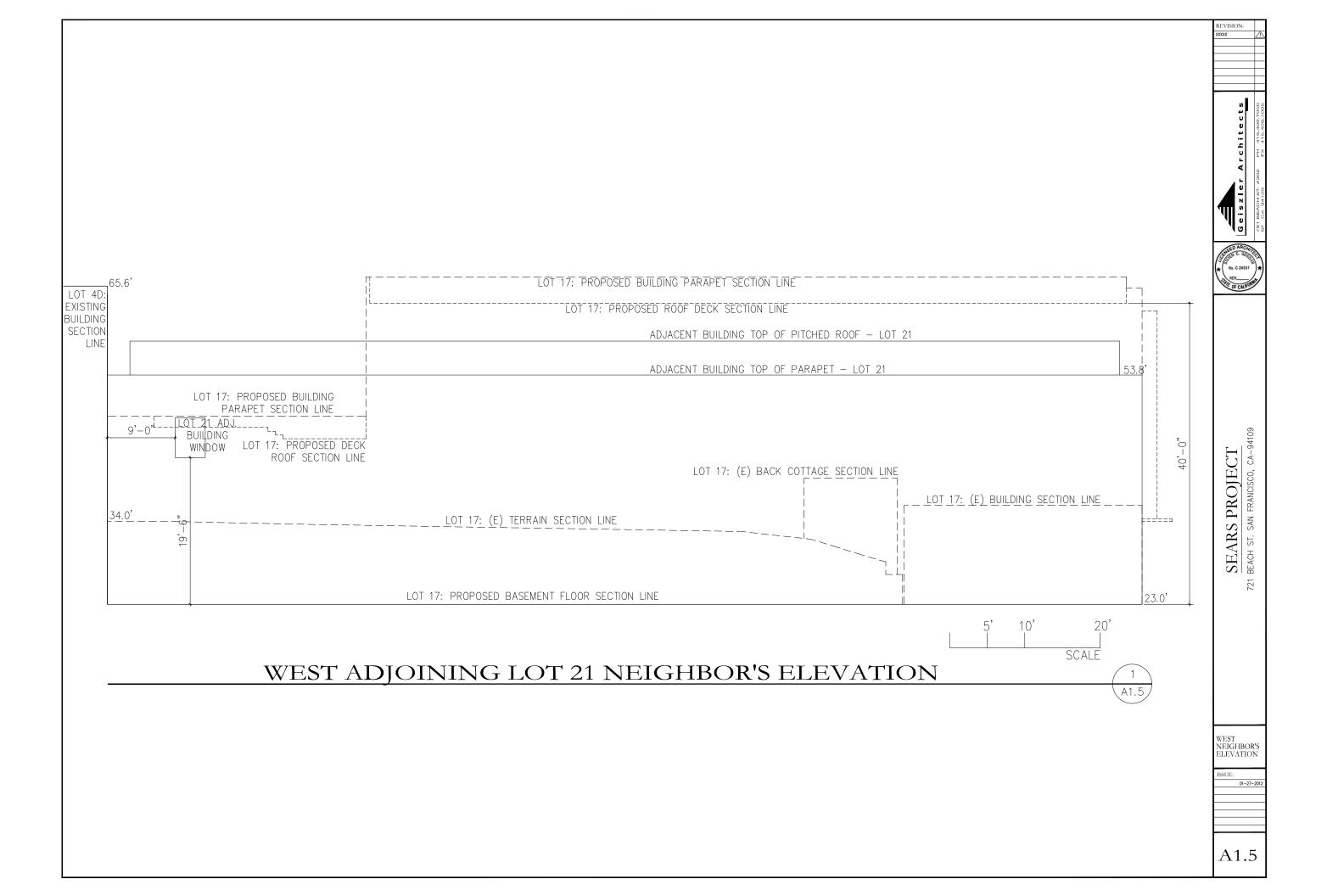


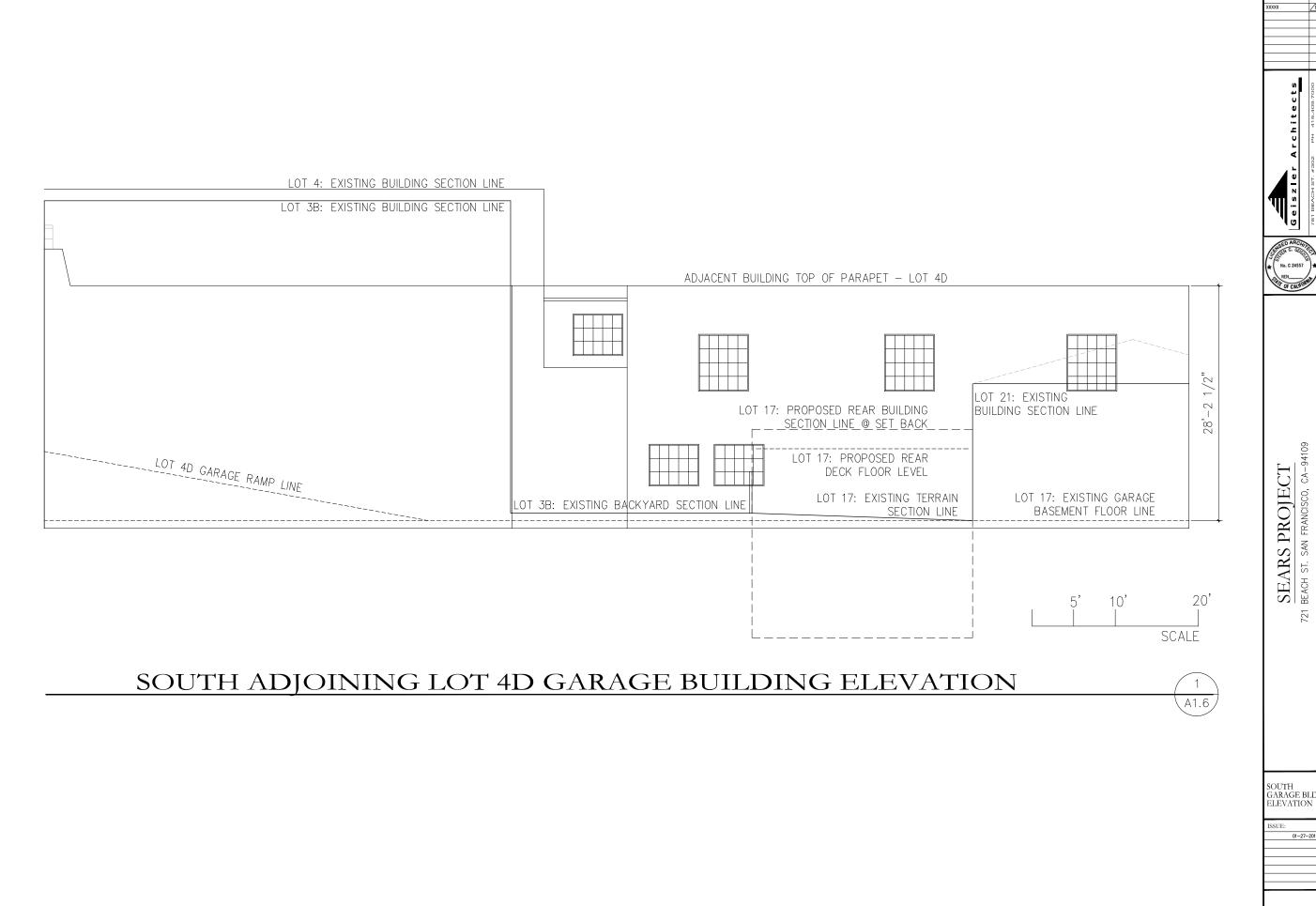












SOUTH GARAGE BLD. ELEVATION

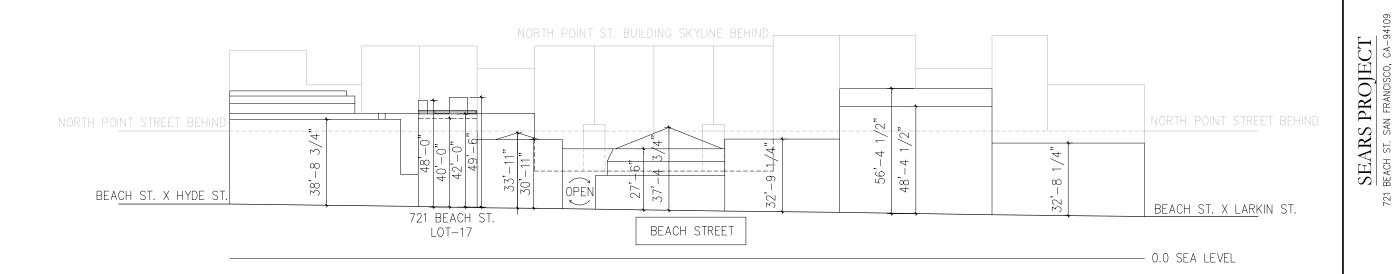
A1.6







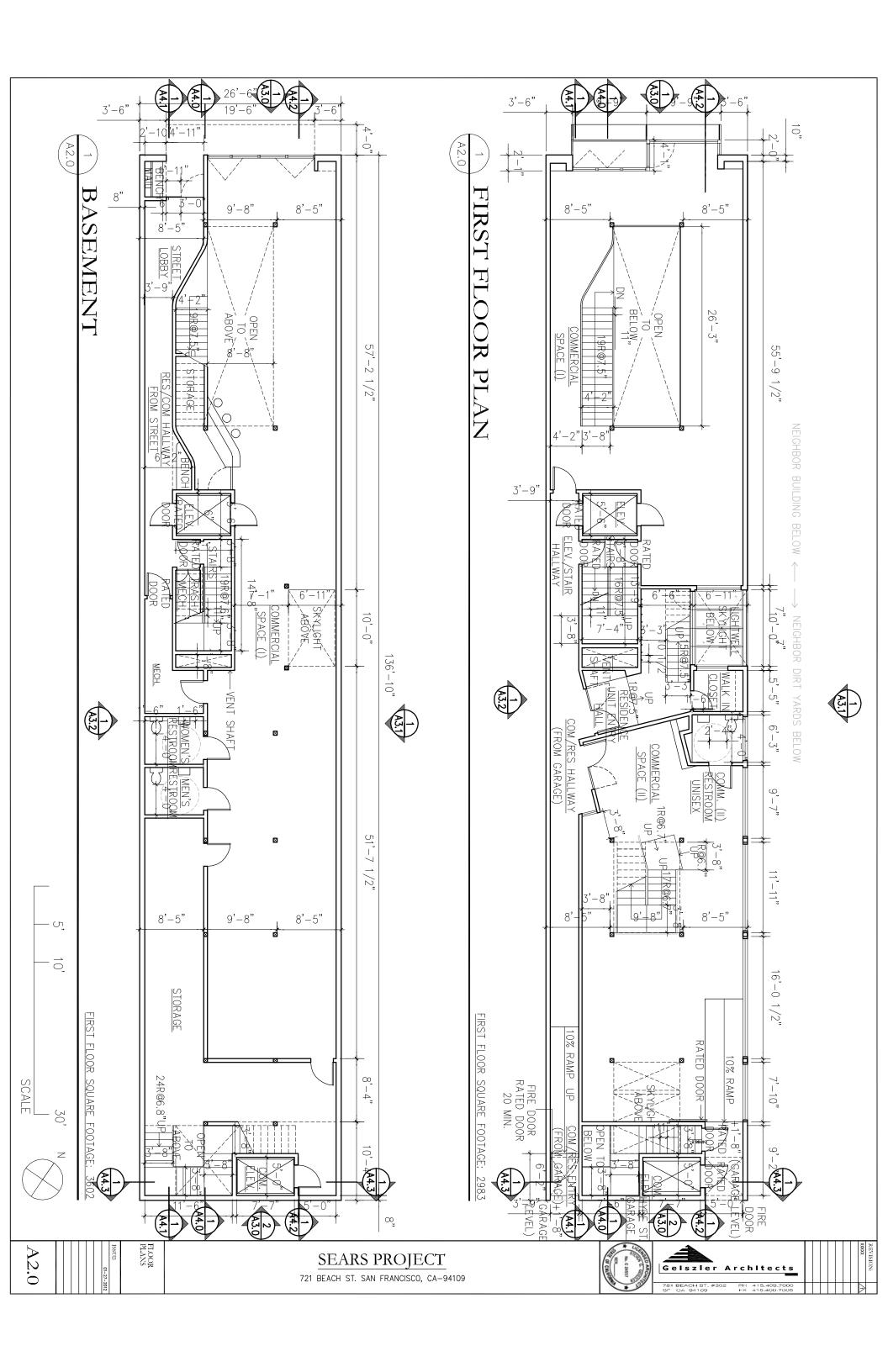


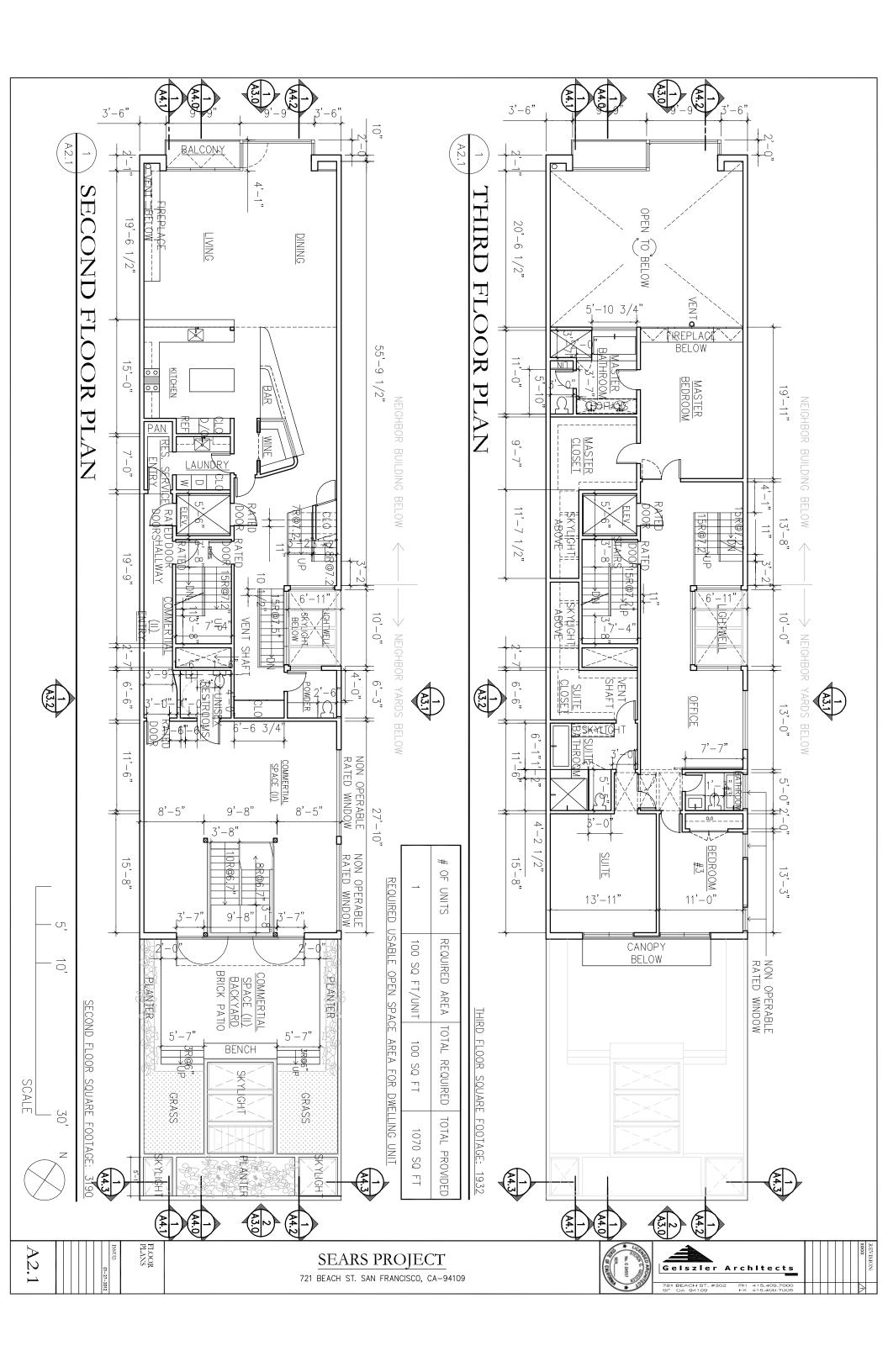


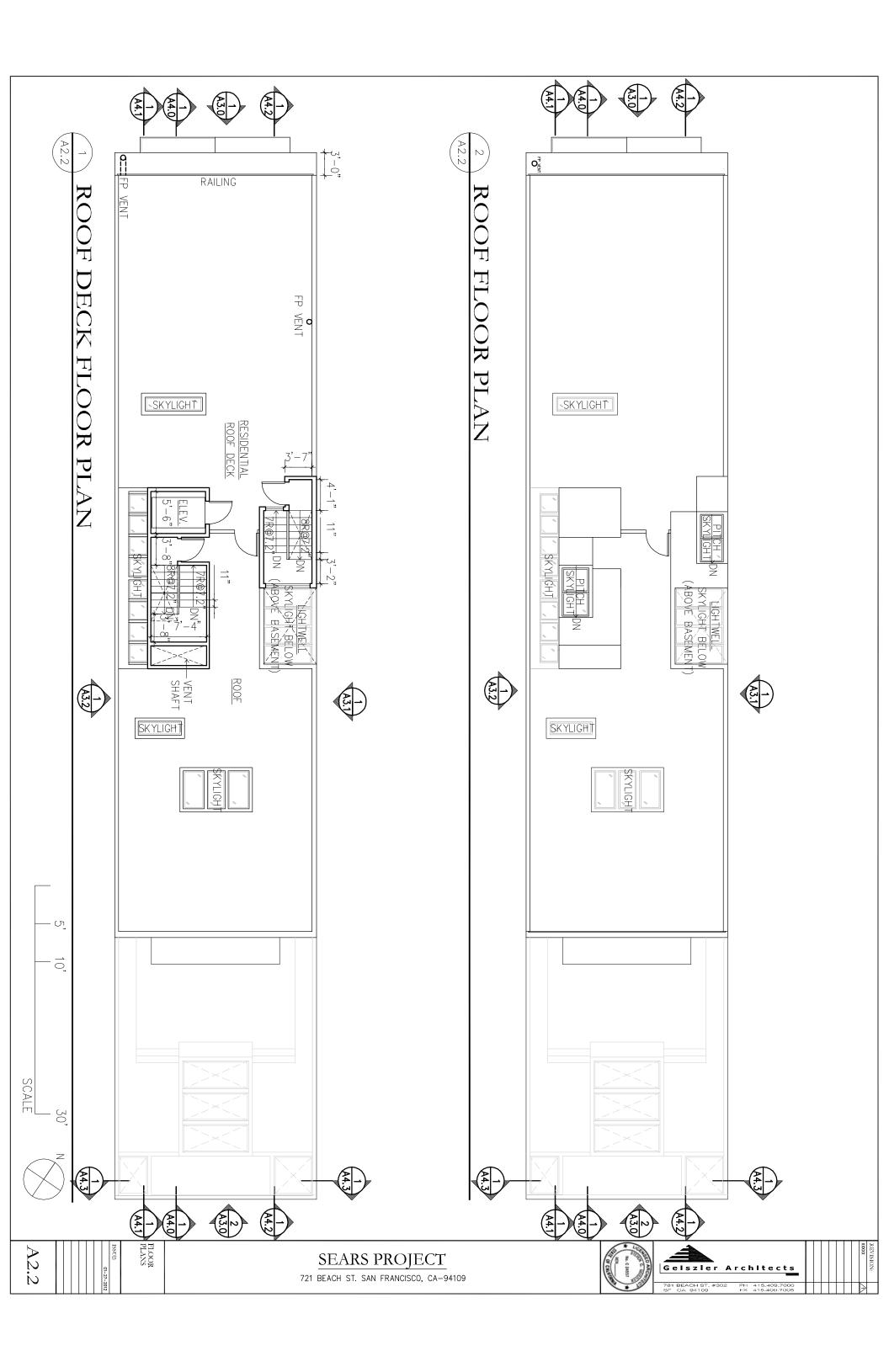
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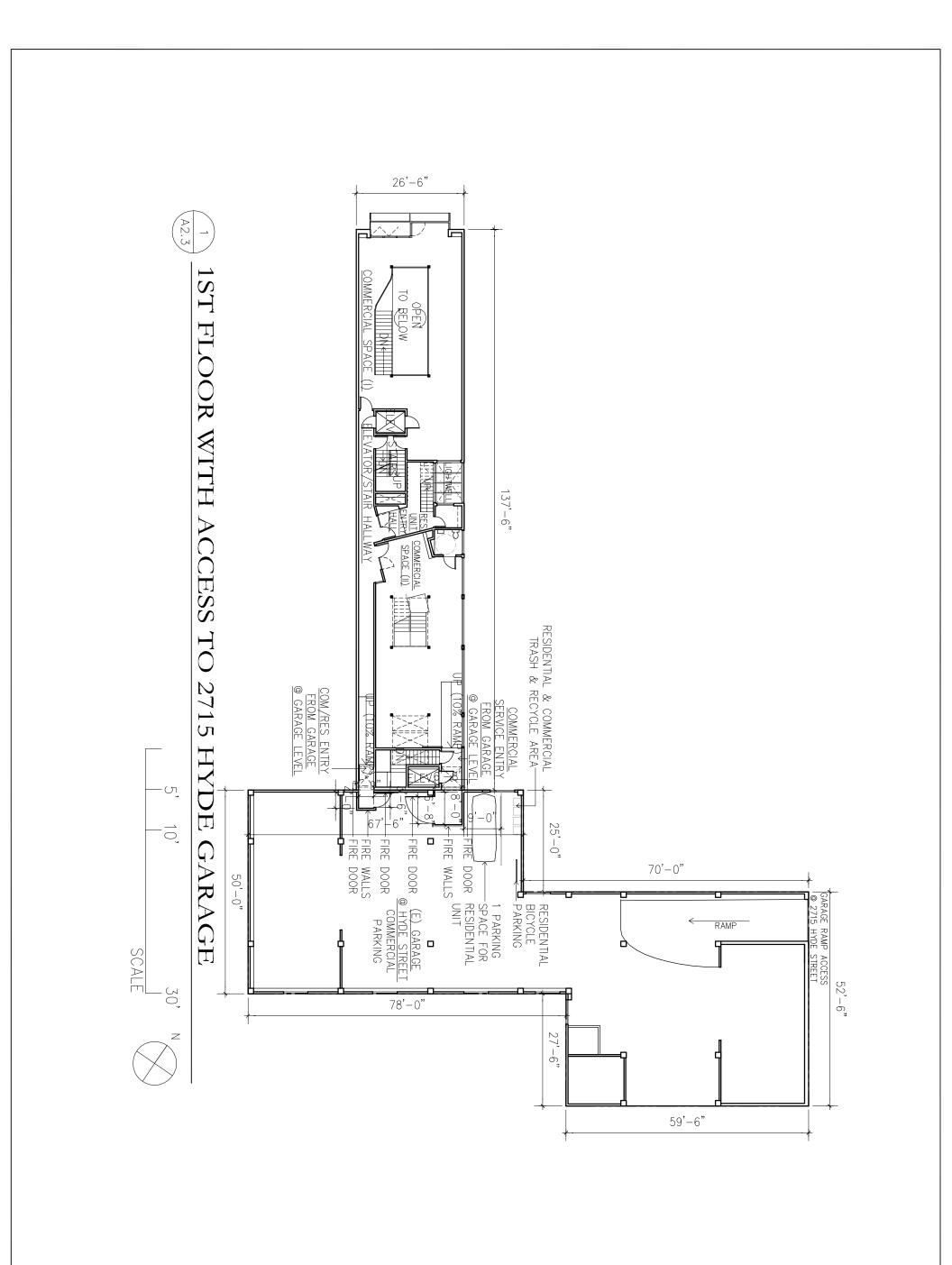
BEACH ST BLOCK ELEVATIONS

A1.7









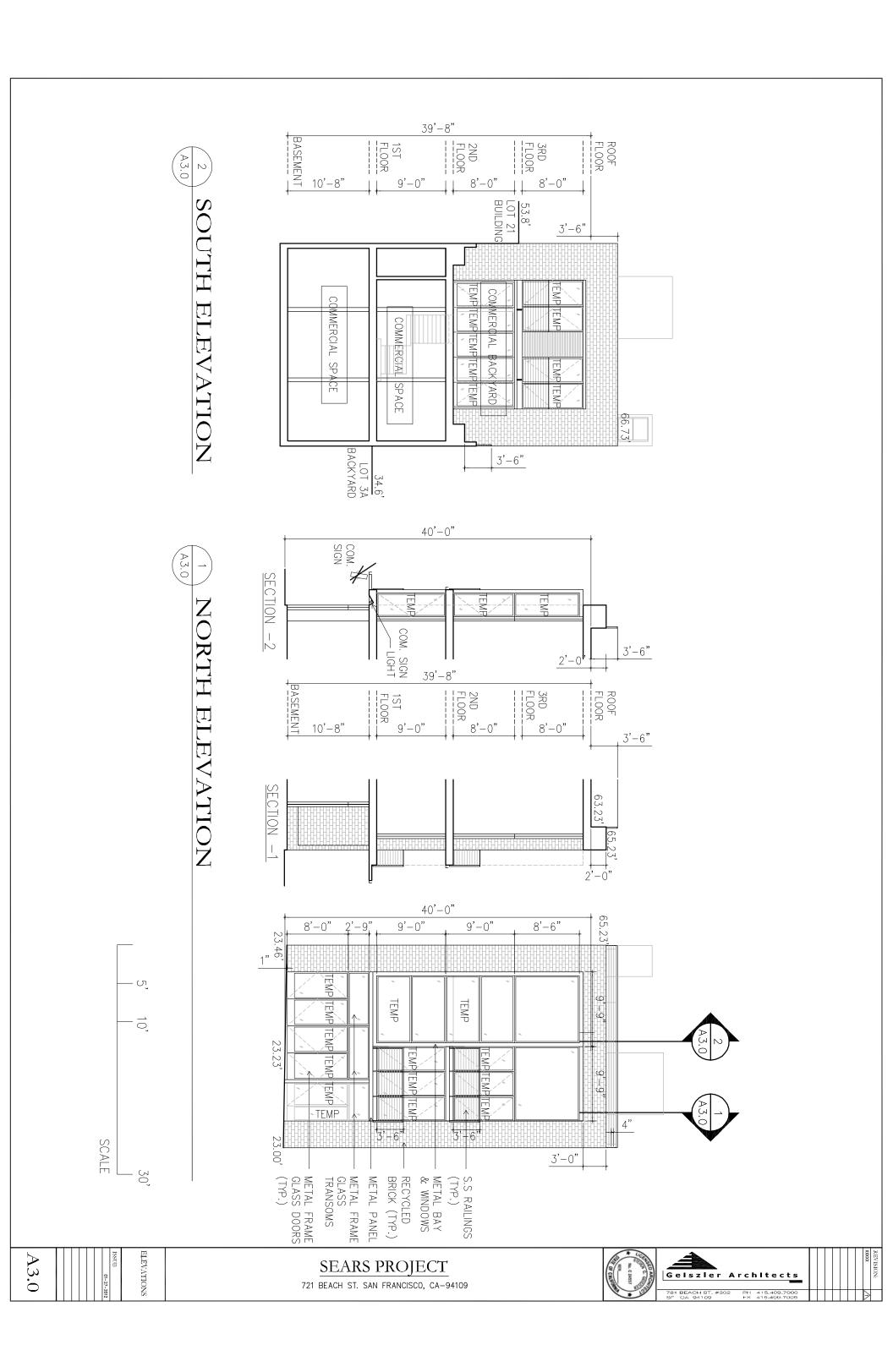
FLOOR PLANS

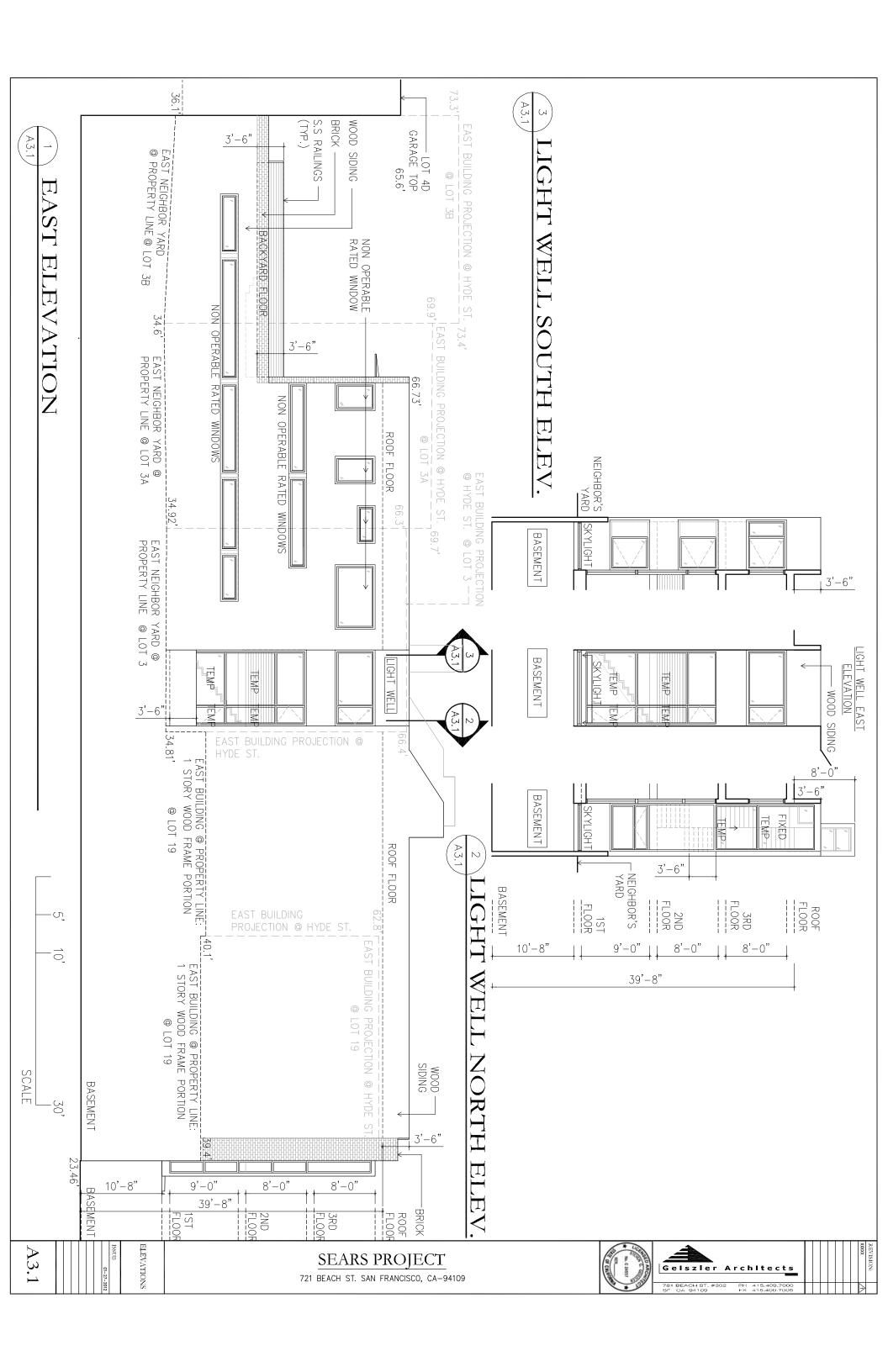
SEARS PROJECT
721 BEACH ST. SAN FRANCISCO, CA-94109

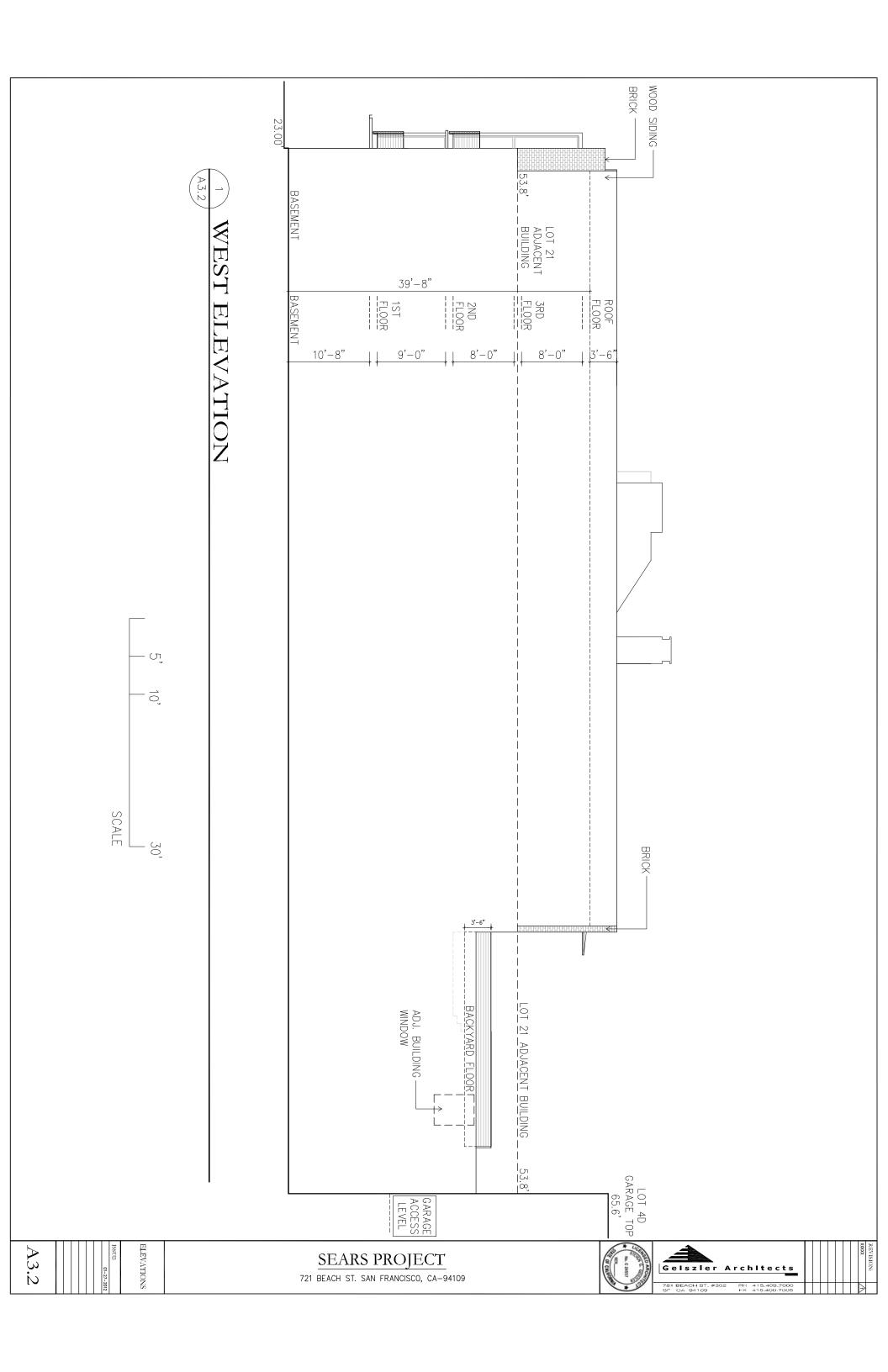
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P81 BEACH ST. #302 PH 415.409.7000 BF CA 94109 FX 415.409.7005







REUBEN & JUNIUS ...

March 15, 2012

Mr. Rodney Fong, President San Francisco Planning Commission 1650 Mission Street, 4th Floor San Francisco, CA 94103

Re:

721 Beach Street – Brief in Opposition to DR Request

Our File No.: 7116.01

Dear President Fong and Commissioners:

This office represents Jeff and Helena Sears, the owners of 721 Beach Street (the "Property"), who are proposing to demolish the existing 558 square foot retail structure at the site and construct a four-story, 40-foot tall mixed-building in its place (the "Project"). The new building would consist of 10,703 square feet, with the bottom two floors (and a small portion at the rear of the third floor) consisting of 5,959 square feet of retail and storage uses and the upper two floors consisting of a single dwelling unit, to be occupied by the Sears as their home. The one required off-street parking space will be provided through a deeded space at their adjacent property – eliminating the need to create a curb cut along the pedestrian-heavy Beach Street.

The Sears currently operate their bicycle rental business (dba "Blazing Saddles") from both the Property and 2715 Hyde Street (also owned by the Sears). The rear of the lot abuts the side of the existing building at 2715 Hyde Street (the "Hyde Street Building"). The Project would create an opening between the new building at the Property and the Hyde Street Building. The majority of the retail portion of the business would be operated at the Property, and the Hyde Street Building would store the bicycles and continue to house the maintenance operations of the business. Bicycles will be transported between the two locations through the internal opening, rather than along the Hyde Street and Beach Street sidewalks. Garbage and recycling for both buildings will take place on Hyde Street, off the busy and scenic Beach Street. Part of the retail space at the Property will also be used for back-office space for the business.

Jeff and Helena have invested their lives and careers in the Fisherman's Wharf neighborhood, and are dedicated to building a project that benefits the community while maintaining its vibrant and historic character. Jeff grew up on Russian Hill. During summers inbetween school years at George Washington High School, Jeff worked on Fisherman's Wharf cracking crabs. After high school, Jeff met Helena, who grew up in Brazil and was attending college in the city, and they married three months later. Jeff and Helena first started a pedi-cab business, leasing space on Port property, and worked with the city to develop the first ordinance regulating the industry. Soon thereafter, they moved the business to the Hyde Street Building, where, in the early 1990s, they founded Blazing Saddles. Working seven days a week, 365 days a year, they have grown from this single location to seven locations throughout San Francisco.

One Bush Street, Suite 600 San Francisco, CA 94104

Jeff is now a board member of the Fisherman's Wharf Community Benefit District that promotes positive change to the Fisherman's Wharf Neighborhood. In recent years, Jeff and Helena have lived in Mill Valley with their three children. With the kids now out of the house, they are excited to move back to the neighborhood where they have spent their life.

Jeff and Helena have dedicated their lives to their business and the Fisherman's Wharf community, and they have designed the Project to further improve the neighborhood. They hired an architect, Steve Geiszler, whose offices are located just a few buildings away from the Property on Beach Street, due to his understanding of the built fabric of the neighborhood and in order to best craft a project that would be consistent with the local character. We respectfully request that you do not take discretionary review and approve the Project as proposed.

Procedural Background A.

A previous version of the Project was first proposed in 2006. The previous project proposed a five-story, 40-foot tall, 12,857 square foot mixed-use, retail and residential building. The project included four dwelling units on the top three floors consisting of 6,299 square feet and retail space on the first and second floors consisting of 6,558 square feet. While the previous project was technically considered 40 feet tall under the Planning Code, it included a fifth story with an effective height (from the front curb) of 53 feet, 4 inches (with parapet). The project took advantage of the upslope grade to increase the effective height at the rear of the Property.

A mitigated negative declaration ("MND") was issued by the Planning Department and was upheld by the Planning Commission at a hearing on October 16, 2008. At that hearing, a number of residents gave public comment in opposition to the project, generally citing three issues: (1) there is insufficient parking for the four residential units and retail space (no off-street parking spaces were proposed), (2) the project would have a negative impact on area light, air and views, and (3) the project was too tall. Many made a point of saving that they supported development at the site, but wanted sufficient parking provided and a lower height. A number of speakers suggested the height be reduced to 40 feet.

At the close of the hearing, the Planning Commission upheld the MND, but expressed reservations about the project itself, due to the amount of public comment in opposition. The Zoning Administrator decided that he would bring the building permit for the project to the Planning Commission on mandatory discretionary review (he also took the requested variance under advisement). Even though the current Project does not require any conditional approval under the Planning Code, this is why it is before the Commission.

B. Subsequent Project Alterations and Public Outreach

Jeff actually attended the 2008 Planning Commission hearing, and heard the concerns of many of his neighbors. Soon after the hearing, the Property became available for sale.

> One Bush Street, Suite 600 San Francisco, CA 94104

tel: 415-567-9000 fax: 415-399-9480

www.reubenlaw.com

Identifying it as a unique opportunity to improve their business operations and construct a home back in Jeff's native San Francisco, Jeff and Helena purchased the Property. Aware of the significant concerns of their neighbors, the first thing the Sears did was to approach the planners involved with the previous project to ask them what they needed to do to effectively respond to those concerns. As a result, they removed the fifth floor and reduced the effective height of the project to 40 feet with a 3.5 foot parapet. They reduced the number of proposed dwelling units to one, and provided off-street parking for that unit through a deeded parking space at their Hyde Street Building. Further, they changed the architectural style of the structure from modern to one that was more consistent with the existing buildings in the Fisherman's Wharf district, including using recycled bricks that resemble those used at the Ghirardelli Building.

After drafting updated plans incorporating these changes to the Project, Jeff and Helena held several neighborhood meetings to present the Project to the neighborhood. Meetings were held on the following dates:

- February 2, 2011: Held at architect's office at 781 Beach Street;
- February 9, 2011: The meeting was convened at the architect's office, but the Sears took a tour of four locations of neighboring buildings on the block to discuss their owners' unique concerns;
- February 15, 2011: Also held at several neighboring buildings;
- March 7, 2011: Held at architect's office.

With the exception of a handful of people that asked for an entire additional story of the Project to be eliminated, Jeff and Helena received no specific requests for project modifications. As the discretionary review hearing approached, Jeff and Helena appeared at a board meeting of the Aquatic Park Neighbors ("APN"), a group of over 250 residents and merchants that was originally formed in response to the original project at the Property. On February 1, APN's board voted to endorse the Project. Having spent so much effort and energy crafting the Project to meet the community's needs, Jeff and Helena were elated to receive APN's support. However, on the following Sunday, they received another email from the APN informing them that it was rescinding its endorsement, and that it would neither endorse nor oppose the Project.

In response to requests from some neighbors, Jeff and Helena agreed to a continuance of the February 9, 2012 Planning Commission hearing to try and resolve any remaining issues related to the Project. The meeting was held on Saturday, February 25, at the home of a neighbor on North Point Street. At the meeting, several of the neighbors who had extensive knowledge of the Project provided the Sears with a proposed redesign of the height and bulk of the Project. The proposal reduced the overall height of the Project to 35 feet, with a top-story

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setback of roughly the depth of the adjacent Buena Vista Café, leaving only a 25 foot tall building at the Property line along Beach Street.

While the Sears would like to satisfy the needs of everyone from the neighborhood, the project modifications proposed by this group of neighbors simply would not allow them to achieve their goals for the Project. A height of 25 feet at the front of the building would effectively only permit two floors. Since bicycles will be displayed and stored on ceiling hangars, the bottom floor of retail needs at least 10 feet of clearance. With a height of 25 feet, that leaves only 15 feet for two additional floors (one retail, one residential). Floor heights of 7.5 feet each simply would not create comfortable, usable space on these floors (this would even approach the California Building Code minimum floor height, which does not permit residential stories with ceiling-to-floor heights of less than 7 feet.)

The requested modifications also do not fulfill the goals of the Draft Fisherman's Wharf Public Realm Plan. A taller ground floor height creates a differentiated base, compared to the rest of the building (Policy 2.1). Mixed-use buildings with ground floor shops are also encouraged to be built to the lot line with the sidewalk (Policy 2.8). Upper-story setbacks are only recommended for buildings with street frontages of 100 feet or greater (Policy 2.2).

The second floor of commercial use is critical to the Sears' business needs. The main retail headquarters of Blazing Saddles will be relocated to the first and second floors of the Project. Significant space will be used for the storage and display of bicycles. Also, the Property is a narrow lot – just 26.5 feet wide – and at least two full stories are necessary to provide adequate publicly-accessible retail space that will allow for a comfortable experience for Blazing Saddles' customers. In addition, the business's administrative offices operate in cramped spaces at the Hyde Street Building, which resembles a parking garage more than useful back-office space. Another business office is located at a separate location on Mason Street. The offices will be also be relocated to the Project, allowing all of Blazing Saddles' office functions to operate in a singular, comfortable location.

In attempt to accommodate the neighbor's request, the Sears made several additional changes in response to the neighbors' concerns. First, they almost completely eliminated the parapet, reducing it from 42 inches to 12 inches at Beach Street and to 6 inches on the other three sides. A glass or stainless steel cable guardrail will be provided instead. Second, they have removed the two staircase penthouses on the roof and have redesigned the stairs leading to the roof deck so they are on the interior, recessing them into the building. This removes two large blocks that would have been viewed by the neighbors, and provides a cutout in each side of the building, breaking the continuous side elevation.

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The Sears have now made significant modifications to the Project twice, and believe that they have responded to neighborhood concerns in good faith. The following chart summarizes the two rounds of modifications that have already been made to the Project:

	Original 2008 Project	First Modification (2010)	Second Modification (2012)
Effective Height	53 feet, 4 inches	43 feet, 6 inches	41 feet along front wall,
ANTERIOR DE CONTRACTOR DE CONT		The second secon	40 feet, 5 inches elsewhere
Rear Yard	Provided at 4 th Floor	Provided at 3 rd Floor	Provided at 3 rd Floor
Parking	0 spaces for 4 units	1 space for 1 unit	1 space for 1 unit

The Project as currently proposed is not out of scale with the existing built environment in the neighborhood. The Project is only 8 inches taller than the adjacent Buena Vista Café and from a look at the rendering of the Project in the context of the entire block face, it is clear that it does not stand out in any way compared to the existing built environment.

C. <u>Impacts to Hyde Street Properties</u>

Unavoidably, an urban infill project will have some impacts on adjacent properties. Currently, the rear of three properties along Hyde Street are adjacent to the near-vacant subject Property (2749-51 Hyde Street, 2741-43 Hyde Street, 2735-37 Hyde Street). The Project will have some impact on light and air reaching these properties, but these impacts are limited. First, all three have rear yards on their own lots, so they will continue to maintain access to light and air. Second, the rear yards of the 2741-43 Hyde Street and 2735-37 Hyde Street buildings (both containing dwelling units above ground floor retail) will both be adjacent to a rear yard that is being provided by the Project at its third and fourth floors, providing greater light and air access from more than just their own rear yards. Third, 2749-51 Hyde Street is a commercial office building, and therefore the tenants generally only occupy the building during the day and would be less impacted. 2749-51 Hyde Street will also continue to maintain some light and air access directly from the north, as there will be a significant gap between the Buena Vista Café and the Project above the single floor of the Buena Vista Café.

Further, page A1.8 of the Project plans indicates the roofline of the Project as compared to the existing buildings along Hyde Street. As you can see, the top floor of both 2741-43 and 2735-37 Hyde Street will continue to rise above the top of the Project, therefore maintaining light and air access from the north and west.

As for the properties on North Point Street that are upslope and directly south of the Property, there will be virtually no impact to the light and air access they currently enjoy. As page A1.8 also indicates, the Project will vertically encroach the basement level of the North Point Street residences by only 4 feet, 6 inches. However, the Hyde Street Building is located in between the Property and the North Point residences, and is 2 feet, 6 inches taller than the Project. Add to that the fact that the Project will provide a roughly 37-foot rear yard, and that the

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Hyde Street Building separates the North Point residences from the Property by another 50 feet. A full 87 feet will separate the rear wall of the fourth story of the Project and the North Point residences, eliminating any potential impact that could be caused by the fourth story of the Project.

D. Project Support

As of the date of this letter, Jeff and Helena are continuing to have neighbors in favor of the Project write letters to the Planning Commission in support. They are also gathering signatures of local merchants in favor of the Project. These letters will be provided to Commissioners prior to the public hearing on March 22, 2012.

E. Project Benefits

The Project will be a major improvement to the neighborhood, and will provide the following benefits:

- 1. The Project completes the street wall along this block of Beach Street with a mixeduse building that is consistent with the rest of the block face. It is neither the tallest nor the shortest building. It has a uniform façade with no setback, consistent with the other buildings on this block;
- 2. The Project has an aesthetic that is based on the existing built environment of the neighborhood. It incorporates a brick façade using bricks that resemble other buildings in the Fisherman's Wharf area, including the Ghirardelli Building;
- 3. The Project takes advantage of the Sears' ownership of both the Property and the Hyde Street Building. This will allow Blazing Saddles to transfer bicycles between these two locations internally, rather than along the Hyde Street and Beach Street sidewalks, which are typically crowded with tourists. Garbage and recycling pick-up will take place on Hyde Street, freeing up additional room on busy Beach Street. The Project avoids constructing a new curb cut along Beach Street by deeding a space at the Hyde Street Building for use by the new residential unit;
- 4. The Project will have little additional impact beyond existing conditions in the area. It will simply provide Blazing Saddles with additional space on a site where it already operates. The business generates little automobile traffic, as the vast majority of customers are tourists who travel to the area by foot or public transit. Jeff and Helena are already travelling to the site on a daily basis and parking in the Hyde Street Building, so no additional parking demand will be generated by the residential unit.
- 5. The Project provides an appropriate development for this remaining vacant lot on the subject block. The lot is zoned C-2 (Community Business), and the neighborhood character is that of a mix of tourist-oriented commercial uses and residential uses.

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The Project proposes a mixed use building with one dwelling unit and less than 5,000 square feet of commercial space to be devoted to a tourist-oriented business, with a height and bulk that is well within the character of the existing built environment.

F. Conclusion

The Sears are thrilled to have the opportunity to sensitively develop the last remaining lot on the subject block while improving the operation of their existing business, and providing a convenient residence for them to return to the city. It is difficult to imagine a project sponsor that would be more considerate and careful to develop a structure that does not take away from the unique character of the Fisherman's Wharf neighborhood. Jeff and Helena intend to spend many more years in the neighborhood, and have a strong interest in constructing a project that will benefit the area and build upon the unique and successful neighborhood character that has developed there. We respectfully request that you do not take discretionary review of the Project, and allow it to move forward as proposed.

Very truly yours,

REUBEN & JUNIUS, LLP

John Kevlin

Enclosures

cc: Jeff and Helena Sears