

File No. 141269

Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 14, 2015

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Linda Wong Date January 9, 2015
Completed by: _____ Date _____

1 [Real Property Acquisition - 1995 Evans Street - Claire A. Spencer, Trustee of the William D.
2 Spencer and Claire A. Spencer 1995 Living Trust - \$15,475,000]

3 **Resolution authorizing the acquisition of real property at 1995 Evans Street**
4 **(Assessor's Block No. 5231, Lot Nos. 004, 005, and 006) from Claire A. Spencer,**
5 **Surviving Trustee of the William D. Spencer and Claire A. Spencer 1995 Living Trust,**
6 **dated February 9, 1995 (Spencer Trust) for the purchase price of \$15,475,000; and**
7 **adopting findings, including environmental findings, and findings of consistency with**
8 **the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

9
10 WHEREAS, The Spencer Trust owns the real property located at 1995 Evans Street
11 (Assessor's Block No. 5231, Lot Nos. 004, 005, and 006), located at Evans Street and Toland
12 Avenue (the "Property"), which is comprised of 44,210 square feet of improvements on 89,200
13 square feet of land; and

14 WHEREAS, The Property has been leased by the City since August 1, 2013, for interim
15 storage purposes, with an option to purchase the property by no later than December 31,
16 2014, as authorized through the Board of Supervisors and Mayoral approval of Resolution
17 No. 390-13 on November 12, 2013; and

18 WHEREAS, The Property has been identified as the future location for the City's
19 Forensic Services Division and Traffic Company of the San Francisco Police Department,
20 pursuant to the General Obligation Bond Measure approved by the voters of San Francisco
21 County on June 3, 2014, (Earthquake Safety and Emergency Response Bond II, also known
22 as Proposition A), and following the passage of Proposition A, the Director of Property
23 negotiated a proposed Purchase and Sale Agreement for the Property, which is on file with
24 the Clerk of the Board of Supervisors under File No. 141269 (the "Purchase Agreement"), with
25 a purchase price of \$15,475,000; and

1 WHEREAS, The Director of Property has determined that the proposed sales price is
2 reasonable given current market conditions and transactions in process of similar property
3 with which the Director is familiar, the conclusion of an independent appraiser, and the
4 reduction in the purchase price from the original Purchase Option Price negotiated in 2013;
5 and

6 WHEREAS, The Planning Department, through the Final Mitigated Negative
7 Declaration issued October 2, 2013, and as amended on November 15, 2013, for Case
8 Number 2013.0342E, transmitted via Planning Department letter dated November 18, 2013,
9 (“Planning Letter”), which is on file with the Clerk of the Board of Supervisors under File No.
10 141269, has verified that the City’s acquisition and use of the Property for purposes consistent
11 with the voter-approved General Obligation Bond measure noted herein could not have a
12 significant effect on the environment, and is consistent with the General Plan, and the eight
13 priority policies under Planning Code, Section 101.1; and

14 WHEREAS, Under the Purchase Agreement, the Spencer Trust shall deliver the
15 Property to the City at the close of escrow, anticipated to occur on or around December 31,
16 2014, with no occupants or tenants on the Property beyond the City’s existing presence; now,
17 therefore, be it

18 RESOLVED, That the Board of Supervisors hereby finds that the acquisition of the
19 Property is consistent with the City’s General Plan, and the eight priority policies of Planning
20 Code, Section 101.1, and the purchase and project shall not have a significant effect on the
21 environment based on the criteria of the Guidelines of the State Secretary for Resources,
22 Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance),
23 and 15070 (Decision to Prepare a Negative Declaration), for the same reasons as set forth in
24 the Planning Letter, and hereby incorporates such findings by reference as though fully set
25 forth in this Resolution; and, be it

1 FURTHER RESOLVED, That in accordance with the recommendations of the Director
2 of Property, the Board of Supervisors hereby approves the Purchase Agreement, in
3 substantially the form presented to this Board, and authorizes City staff to take all actions
4 necessary to acquire the Property consistent with the Purchase Agreement; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
6 Property to complete the purchase of the Property; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
8 Property, in consultation with the City Attorney, to enter into any additions, amendments or
9 other modifications to the Purchase Agreement that the Director of Property determines are in
10 the best interests of the City, do not materially increase the obligations or liabilities of the City
11 or materially decrease the benefits to the City, and are in compliance with all applicable laws,
12 including the City's Charter; and, be it

13 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
14 in the name and on behalf of the City and County, to accept the Deed to the Property from the
15 Spencer Trust in accordance with the Purchase Agreement, place the Property under the
16 jurisdiction of Real Estate, and to take any and all steps (including, but not limited to, the
17 execution and delivery of any and all certificates, agreements, notices, consents, escrow
18 instructions, closing documents and other instruments or documents) as the Director of
19 Property deems necessary or appropriate in order to consummate the purchase of the
20 Property pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and
21 intent of this Resolution, such determination to be conclusively evidenced by the execution
22 and delivery by the Director of Property of any such documents; and be it

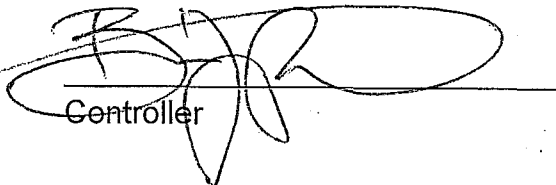
23 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
24 with respect to the Purchase Agreement, or authorized and directed by this Resolution, are
25 hereby ratified, approved and confirmed by this Board of Supervisors.

\$15,500,000 available

Project Code: CESER2 TC0064

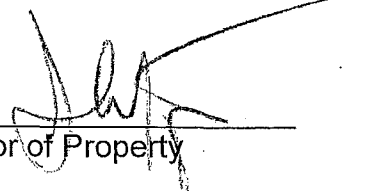
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RS 12.1.14



Controller

RECOMMENDED:



Director of Property

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CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

January 9, 2015


TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst 
SUBJECT: January 14, 2015 Budget and Finance Committee Meeting

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Item 2 File 14-1257	Department: Controller's Office (Controller)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would establish the City's FY 2014-15 appropriations limit at \$2,842,635,601 as calculated by the Controller. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • Article XIII B of the California State Constitution places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for (1) the change in population, and (2) the change in the cost of living. • Local governments are allowed to calculate the change in the cost of living using (1) the percentage change in California per-capita personal income or (2) the percentage change for the local jurisdiction's assessment roll for non-residential new construction. In 2013, change in per-capita personal income was -.23 percent and change in assessment roll was .25 percent. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The Controller calculated the FY 2014-15 appropriations limit to be \$2,842,635,601, using the change to the local assessment roll. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The Controller has discretion to calculate the change in the cost of living using (1) the percentage change in California per-capita personal income or (2) the percentage change for the local jurisdiction's assessment roll for non-residential new construction. • The Controller calculated the appropriations limit of \$2,842,635,601 using the change to the local assessment roll. This resulted in a limit \$505,033 higher than if it had used the change to per-capita personal income, which totaled \$2,842,130,568. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

California Constitution Article XIII B states that each local government must set an annual appropriations limit as calculated using the preceding year's appropriations limit adjusted for (1) the change in population and (2) the change in the cost of living.

BACKGROUND

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B (later amended by State Proposition 111, as approved by the voters in June of 1990) places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for (1) the change in population, and (2) the change in the cost of living.

Per Article XIII B Section 9 and California Government Code Section 7901, the appropriations limit does not apply to any tax proceeds appropriated for (a) debt service, (b) federally-mandated services, (c) qualified capital outlays, and (d) various hazardous waste programs administered by the Department of Public Health.

California Government Code Section 7901(b) defines the change in population as the population growth for the calendar year preceding the beginning of the fiscal year for which the appropriations limit is to be determined. According to the California Department of Finance, in calendar year 2013, San Francisco's population growth was 1.29 percent.

California Constitution Article XIII B Section 8(e)2 allows the local government to use one of the two following definitions to calculate the cost of living adjustment:

Definition 1: The percentage change in California per-capita personal income from the preceding year, estimated to be -.23 percent in 2013, or

Definition 2: The percentage change for the local jurisdiction in the assessment roll from the preceding year due to non-residential new construction, estimated to be .25 percent in 2013.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would establish the City's FY 2014-15 appropriations limit at \$2,842,635,601 as calculated by the Controller. The appropriations limit for FY 2014-15 is based on the amount of the FY 2013-14 appropriations limit and adjusted to reflect changes in (1) the population and (2) cost of living adjustment (calculated using the increase in assessment roll of non-residential new construction).

FISCAL IMPACT

Per California Constitution Article XIII B, the appropriations limit does not apply to tax proceeds appropriated for: (a) debt service, (b) federally-mandated services, (c) qualified capital outlays, and (d) various hazardous waste programs administered by the Department of Public Health. Consequently, the Controller excluded \$493,121,151 from the City's total FY 2014-15 tax proceeds of \$3,254,786,471 as shown in Table 1 below.

Table 1: Estimated Tax Proceeds Subject to the Proposed Appropriations Limit

FY 2014-15 Estimated Total Tax Proceeds*	\$3,254,786,471
Exclusions	
(a) Debt Service	(245,442,021)
(b) Federally-Mandated Services	(64,150,094)
(c) Qualified Capital Outlays	(180,349,879)
(d) Hazardous Waste Program	(3,179,157)
Subtotal Exclusions	(\$493,121,151)
FY 2014-15 Net Tax Proceeds Subject to Appropriations Limit	\$2,761,665,320

*Includes property taxes, business taxes, other local taxes, rents & concessions, interest, and state grants.

The City's FY 2014-15 net proceeds of taxes, as determined by the Controller, are \$2,761,665,320 as shown in Table 1 above. As shown in Table 2 below, the proposed resolution would establish the City's appropriations limit in FY 2014-15 at \$2,842,635,601, as calculated by the Controller.

Table 2: Proposed FY 2014-15 Appropriations Limit

FY 2013-14 Appropriations Limit^a	\$2,799,495,180
Adjustment Factors	
Increase in Population	1.29%
Increase in Assessment Roll (Cost of Living)	.25%
FY 2014-15 Appropriations Limit^a	\$2,842,635,601

Source: Controller's Office

^a The annual appropriations limit is a formula set by the California Constitution. The Controller calculated the FY 2014-15 appropriations limit based on the increase in the City's population and assessed value of new construction as follows: \$2,799,495,180 x 1.0129 x 1.0025 equals \$2,842,635,601 (actual total may vary due to rounding).

As shown in Table 1 and Table 2 above, the City's estimated FY 2014-15 net tax proceeds of \$2,761,665,320 are \$80,970,281 less than the proposed FY 2014-15 appropriations limit of \$2,842,635,601.

POLICY CONSIDERATION

As noted in the background section, the Controller has discretion to calculate the cost of living adjustment factor using one of two following definitions:

Definition 1: The percentage change in California per-capita personal income from the preceding year, estimated to be -.23 percent in 2013, or

Definition 2: The percentage change for the local jurisdiction in the assessment roll from the preceding year due to local non-residential new construction, estimated to be 0.25 percent in 2013.

Table 3 below shows the FY 2014-15 appropriations limit using both definitions.

Table 3: The FY 2014-15 Appropriations Limit Can Vary Depending on Definition

	<u>Definition 1</u>	<u>Definition 2</u>
	Per-Capita Personal Income	Local Assessment Roll from Non- Residential New Construction ^a
FY 2013-14 Appropriations Limit	\$2,799,495,180	\$2,799,495,180
Adjustment Factors		
Increase in Population	1.29%	1.29%
Increase in Per-Capita Personal Income	-.23%	-
Increase in Local Assessment Roll	-	0.25%
FY 2014-15 Appropriations Limit	\$2,842,130,568	\$2,842,635,601

^a Difference due to rounding

For the FY 2014-15 appropriations limit, the Controller elected to use the percentage change in local assessment roll from the preceding year to calculate the cost of living adjustment, consequently calculating the appropriations limit at \$2,842,635,601, as shown in Table 3 above. Had the Controller elected to use the percentage change in the per-capita personal income from the preceding year, the appropriations limit, as shown in Table 3 above, would have been calculated at \$2,842,130,568, which is (a) \$505,033 less than the proposed appropriations limit of \$2,842,635,601 and (b) \$80,465,248 more than the Controller’s estimate of net tax proceeds subject to the appropriations limit of \$2,761,665,320, as shown in Table 1 above.

RECOMMENDATION

Approve the proposed resolution.

Item 3 File 14-1078	Department: San Francisco International Airport
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would authorize an early termination and buyout of the lease between the San Francisco International Airport (Airport) and BaySubway Airport (Subway) in an amount not-to-exceed \$1,200,000. <p>Key Points</p> <ul style="list-style-type: none"> • The Airport entered into a ten-year lease with GDDC, Inc. in 2014 to sell food and beverages at two locations located in Airport Terminal 3. The Airport subsequently assigned the lease to Subway in 2007 after GDDC, Inc. sold the franchise to Subway. The Airport began its planned renovation of Terminal 3 Boarding Area E in 2011, which required the closure, demolition, and relocation of existing food and beverage tenants in Boarding Area E. The Airport subsequently executed an amendment to the lease with Subway in March 2012 to close their Boarding Area E location during the renovation period. This amendment provided for replacement locations in Boarding Area E and a new ten-year lease term to commence upon completion of renovations to Boarding Area E. • Prior to Subway commencing their tenant improvements to the new location, the Airport executed an agreement with United Airlines to build its United Club in Boarding Area E, located next to Subway's proposed location. As a result, the Airport was unable to deliver the proposed replacement premises to Subway. The Airport and Subway were not able to find a viable, comparable location in another part of the Airport for the replacement premises. At that point, the Airport and Subway agreed that an early termination of the lease was necessary. The Airport Commission approved an early termination and buyout of BaySubway's lease on September 9, 2014 in an amount not-to-exceed \$1,200,000. • The proposed resolution would authorize an early termination and buyout of Subway's lease with the Airport in an amount not-to-exceed \$1,200,000. The buyout would cancel the existing Subway lease, and as a result, Subway would permanently close its two locations and waive any further claims associated with this lease. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The buyout amount of \$1,200,000 was based on an analysis of Subway's earnings performed by an independent consulting firm, LeighFisher, LLC, retained by the Airport. • As a result of the Airport's "residual rate setting methodology" (breakeven policy) used by the Airport to determine rental rates, landing fees, and related fees for all Airlines, approving payment of \$1,200,000 to Subway will not result in any budgetary shortfall for the Airport. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

According to City Charter Section 9.118, contracts entered into by a department, board or commission having anticipated revenue to the City and County of one million dollars or more, or the modification, amendment or termination of any contract which when entered into had anticipated revenue of one million dollars or more, shall be subject to Board of Supervisors approval by resolution.

BACKGROUND

The San Francisco International Airport (Airport) entered into a ten-year lease with GDDC, Inc. in 2003, based on a competitive process to sell food and beverages at two locations for 1,307 total square feet located in Airport Terminal 3, one on the mezzanine level and a second location in Boarding Area E.

GDDC, Inc. sold its franchise to BaySubway Airport (Subway), and the Airport Commission approved assignment of the lease to Subway in 2007. Ms. Cheryl Nashir, Director of Resource Development at the Airport, reports that assignment of the lease was not subject to approval by the Board of Supervisors because such assignments are not considered to be lease modifications by the City Attorney's Office.

The lease required the tenant to commit a Minimum Investment Amount (\$250 per square foot) to build out their premises. The lease also stipulated rent and fees to be paid to the Airport on an annual basis, which included:

- (a) Base rent calculated as the greater of:
 - a. Minimum Annual Guarantee (MAG) rent, or;
 - b. Percentage rent based on gross revenue:
 - 6% of gross revenues up to \$600,000
 - 8% of gross revenues from \$600,001 to \$1,000,000
 - 10% of gross revenues from \$1,000,001 and above
- (b) Various fees including:
 - Tenant Infrastructure Fee (\$15 per square foot),
 - Food Court Fee (\$15 per square foot)
 - Promotional Charge (\$1 per square foot)

The Airport began its planned renovation of Terminal 3 Boarding Area E in 2011, which required the closure, demolition, and relocation of existing food and beverage tenants in Boarding Area E. The renovation period was expected to last one year. Due to the closure of Boarding Area E, the Airport and Subway executed the first amendment to the existing lease to suspend the MAG rent, percentage rent, and fees paid by Subway during the renovation period. The rent and fees were to be reinstated at the end of the renovation period when Subway was able to resume its operations. The amendment was approved by the Board of Supervisors on July 20, 2011.

The Airport and Subway executed the second amendment to the lease in 2012, which provided for replacement locations¹ in Boarding Area E and a new ten-year lease term to commence upon completion of the renovations to Boarding Area E of Terminal 3. The amendment also provided an Unamortized Construction Reimbursement of \$154,907 to Subway to compensate for the initial investments to build out their Boarding Area E location required under the existing lease. The second amendment was approved by the Board of Supervisors on July 27, 2012.

Prior to Subway commencing their renovations, the Airport executed an agreement with United Airlines (United) to build its United Club in Boarding Area E, located next to Subway's proposed location. According to Ms. Sharon Perez, Principal Property Manager at the Airport, the Airport and United Airlines subsequently agreed that there was not adequate square footage available for the United Club, a United customer service office and Subway. As a result, the Airport was unable to deliver the proposed replacement premises to Subway.

The Airport and Subway were not able to find a viable, comparable location in another part of the Airport for the replacement premises. At that point, the Airport and Subway agreed that an early termination of the lease was necessary. The Airport Commission approved an early termination and buyout of Subway's lease on September 9, 2014 in an amount not-to-exceed \$1,200,000.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize an early termination and buyout of Subway's lease with the Airport in an amount not-to-exceed \$1,200,000. The buyout would cancel the existing Subway lease, and as a result, Subway would permanently close its two locations and waive any further claims associated with this lease.

As noted above, the Airport determined that Subway and the United Club were not able to be located adjacent to each other in Boarding Area E. Subway and the Airport have not been able to locate a comparable space elsewhere in the Airport space for Subway to lease, which necessitated the termination of the existing lease.

FISCAL IMPACT

According to Ms. Perez, the buyout amount of \$1,200,000 was based on an analysis of Subway's earnings performed by an independent consulting firm, LeighFisher, LLC, retained by the Airport. The analysis estimated net present value of the Subway lease to be \$1,565,000². Airport staff negotiated with Subway and reached an agreement to buy out the ten-year term of the lease for an amount of \$1,200,000, which is \$365,000 or 23 percent less than the net

¹ Replacement locations were to be constructed by Subway. Per the lease amendment, the minimum investment amount for these premises was to be \$350 per square foot.

² The LeighFisher analysis calculated the earnings before interest, taxes and depreciation as a percentage of Subway's sales for its last three years of operation. This percentage was applied to projected ten years of forgone earnings for the ten-year lease term. A discount factor of 12 percent was applied to determine the net present value of lost earnings, which totaled \$1,565,000.

present value of the \$1,565,000 of the Subway lease. The buyout will provide compensation for the lost earnings during the ten-year term of the lease. Funding for the \$1,200,000 buyout payment was included in the Airport's Fiscal Year 2014-15 budget, which was approved by the Board of Supervisors.

Impact of Loss of Subway Rental Revenue

As a result of the Airport's "residual rate setting methodology" (breakeven policy) used by the Airport to determine rental rates, landing fees, and related fees for all Airlines, approving payment of \$1,200,000 to Subway will not result in any budgetary shortfall for the Airport. The residual rate setting methodology is a formula which sets the schedule of all rental rates, landing fees, and related fees to a level which ensures that Airport revenues received from all of the airlines at the Airport, plus the non-airline revenues received by the Airport, is equal to the Airport's total costs, including debt service and operating expenditures. Therefore, the payment of \$1,200,000 to Subway and lost rental revenue from Subway, will not have a direct impact on the Airport's budget.

Impact on City General Fund

In accordance with the Lease and Use Agreement between the Airport and the airlines, 15 percent of all concessions revenues realized by the Airport are transferred to the City's General Fund as an Annual Service Payment. According to Mr. Bruce Robertson, Budget Director at the Airport, due to the closure of the tenants' operations as part of the Airport's Terminal 3 East renovation, the Airport will lose concessions revenues. However, Mr. Robertson reports that this loss of revenues will be offset by higher concessions revenues elsewhere in the Airport. In FY 2014-15, the Airport estimates providing an Annual Service Payment of approximately \$38,400,000, based on 15 percent of the Airport's total concessions revenue, to the City's General Fund.

RECOMMENDATION

Approve the proposed resolution.

Item 4 File 14-1013	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <p>The proposed resolution would approve the first amendment to the existing concession lease between the Airport and Emporio Rulli to (1) add a second location of 405 square feet of space in the food court in Terminal 3, (2) increase the MAG amount by \$20,322 from \$120,031 to \$140,353 and (3) authorize the Airport to add the second location to Emporio Rulli's lease without undergoing a competitive process that would otherwise be required under City Administrative Code Section 2A.173.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • Based on a competitive process, the Board of Supervisors approved a resolution (File 03-1710) in December 2003 that authorized the San Francisco International Airport (Airport) to enter into 28 concession leases with various vendors including Emporio Rulli, Inc. (Emporio Rulli) for a term of ten years with one option to extend the term of the lease by two years for 2,392 square feet of space in Boarding Area F of Terminal 3 to provide food concessions. • United Airlines, which leases Gates 76 through 79, began ramp construction work in September 2012 and diverted planes to other gates in Terminal 1 and Terminal 3. According to Mrs. Evelyn Reyes-Dizadji, Airport Principal Property Manager, since September 2012 when United Airlines began construction, foot traffic and associated revenues in Terminal 3 where Emporio Rulli is located have decreased by an estimated 40 percent. • Under the proposed amendment, the Airport would allocate to Emporio Rulli a second concession location of 405 square feet in the food court in Terminal 3 as compensation for the declining foot traffic and related reduced sales at the current Emporio Rulli location in Boarding Area F of Terminal 3. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Under the provisions of the amendment, Emporio Rulli would pay an additional \$85,041 per year in MAG rent and other fees to the Airport. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.118(b) states that a contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification with a \$500,000 impact or more is subject to Board of Supervisors approval.

Administrative Code Section 2A.173 requires the Airport to conduct a competitive process for concession leases on Airport property.

Background

Based on a competitive process, the Board of Supervisors approved a resolution (File 03-1710) in December 2003 that authorized the San Francisco International Airport (Airport) to enter into 28 concession leases with various vendors including Emporio Rulli, Inc. (Emporio Rulli) for a term of ten years with one option to extend the term of the lease by two years. The lease with Emporio Rulli was for 2,392 square feet in Boarding Area F of Terminal 3 to provide food concession. The Airport delivered the space to Emporio Rulli in May 2006 after completion of the Airport's renovations in Boarding Area F. The lease commencement date began on completion of Emporio Rulli's tenant improvements on November 19, 2006 and extended for ten years through November 18, 2016 with one option to extend the term by an additional two years through November 18, 2018. Rent was the greater of the Minimum Annual Guarantee (MAG), which is \$120,031,¹ or percentage rent.

United Airlines, which leases Gates 76 through 79, began ramp construction work in September 2012 and diverted planes to other gates in Terminal 1 and Terminal 3. According to Mrs. Evelyn Reyes-Dizadji, Airport Principal Property Manager, since September 2012 when United Airlines began construction, foot traffic and associated revenues in Terminal 3 where Emporio Rulli is located have decreased by an estimated 40 percent.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the first amendment to the existing concession lease between the Airport and Emporio Rulli to (1) add a second location of 405 square feet of space in the food court in Terminal 3, (2) increase the MAG amount by \$20,322 from \$120,031 to \$140,353 and (3) authorize the Airport to add the second location to Emporio Rulli's lease without undergoing a competitive process that would otherwise be required under City Administrative Code Section 2A.173.

Under the proposed amendment, the Airport would allocate to Emporio Rulli a second concession location of 405 square feet in the food court in Terminal 3 as compensation for the declining foot traffic and related reduced sales at the current Emporio Rulli location in Boarding

¹ Under the provisions of the concession lease between the Airport and Emporio Rulli, the MAG is adjusted annually to reflect inflation in the previous year.

Area F of Terminal 3. Under the proposed amendment, Emporio Rulli would be able to operate the 405 square feet of space in the food court through the end of the term of the previously awarded concession lease on November 18, 2016.

As noted above, the Airport is requesting that the Board of Supervisors waive the competitive process requirements for the added 405 square feet of food court space. According to Ms. Reyes-Dizadji, the Airport staff believe that this request is appropriate because (1) because the initial contract awarded to Emporio Rulli was approved under the competitive process required under the City's Administrative Code, (2) the United Airlines construction work has reduced the revenues to Emporio Rulli by approximately 40 percent, and (3) the Airport is increasing the MAG by \$20,322.

FISCAL IMPACT

The proposed resolution would add a second location to the existing concession lease between the Airport and Emporio Rulli comprised of 405 square feet of food and beverage space in the food court of Terminal 3.

Under the provisions of the amendment, Emporio Rulli would pay an additional \$85,041 per year in MAG rent and other fees to the Airport as shown in Table 1 below.

Table 1: Annual MAG and Other Fees Paid by Emporio Rulli to the Airport under the Proposed First Amendment

	Annual Amount Per Square Foot	Current Square Footage	Current Total Amount	Additional Square Footage	Additional Amount	New Total Amount
Minimum Annual Guarantee	\$50.18	2,392	\$120,031	405	\$20,322	\$140,353
Promotional Charge	1.00	2,392	2,392	405	405	2,797
Tenant Infrastructure Fee	15.00	-	-	405	6,075	6,075
Food Court Fee	15.00	-	-	405	6,075	6,075
Food Court Maintenance Fee	128.80	-	-	405	52,164	52,164
Total	\$209.98		122,423		\$85,041	\$207,464

RECOMMENDATION

Approve the proposed resolution.

Item 5 File 14-1077	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <p>The proposed resolution would (a) approve the first amendment to the existing concession lease between the Airport and Marina's Café to add the second location; and (2) exempt the Airport from the competitive process requirements under the City Administrative Code Section 2A. 173. The proposed first amendment would add concession space on the first floor of the Rental Car Center, increasing the total square footage under the lease by 88 percent, or 207 square feet, from 235 square feet to 442 square feet; and increase the MAG by 88 percent, or \$9,936, from \$11,280 to \$21,216.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Airport entered into a concession lease with the Marina's Café in October 2012 through a competitive process to provide food and beverage services at the Airport's Rental Car Center. • In July 2014, Hertz Rent-A-Car (Hertz) moved its operations to the first floor of the Rental Car Center in order to relieve congestion on the fourth floor. Consequently, foot traffic on the fourth floor of the Rental Car Center has dropped by approximately 38 percent with a similar and corresponding decline in revenues at the Marina's Café fourth floor location. • To compensate for the decline in foot traffic, the Airport allowed the Marina's Café to add a second location comprised of 207 square feet on the first floor of the Rental Car Center. • Although the Airport's lease with Marina's Café does not generate more than \$1 million in revenues to the Airport and therefore, does not require Board of Supervisors approval under City Charter Section 9.118, the Airport cannot execute the proposed first amendment to the lease unless the Board of Supervisors waives the competitive requirements under Administrative Code Section 2A.173. • Under this proposed resolution, the Airport is requesting that the Board of Supervisors waive the competitive process to lease the additional 207 square feet of space because of the decline in revenues and because the original concession lease was awarded under a competitive process. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The subject lease would (1) increase the MAG amount payable by Marina's Café to the Airport by \$9,936, or 88 percent, from \$11,280 to \$21,216, and (2) increase the promotional fee charge of \$1 per square foot by \$207, or 88 percent, from \$235 to \$442 <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend the proposed resolution to be retroactive to August 1, 2014. • Approve the proposed resolution as amended. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Charter Section 9.118(c) requires Board of Supervisors approval for leases with a term of ten years or more, including options to renew, or having anticipated revenue to the City of \$1,000,000 or more; or the modification or termination of these leases.

Administrative Code Section 2A.173 requires the Airport to conduct a competitive bid process for concession leases on Airport property.

Background

The Airport entered into a concession lease with the Marina's Café in October 2012 through a competitive process to provide food and beverage services at the Airport's Rental Car Center. The lease was for 235 square feet on the fourth floor of the Rental Car Center, and for a term of five years. Under the conditions of the existing concession lease, Marina's Café pays the Airport the greater of the Minimum Annual Guarantee (MAG) or a percentage of gross revenue.

At the time when the Airport and Marina's Café entered into the concession lease in October 2012, all of the rental car companies kept their rental offices on the fourth floor of the Rental Car Center. However, Hertz Rent-A-Car (Hertz) moved its operations beginning in July 2014 to the first floor of the Rental Car Center in order to relieve congestion on the fourth floor. Consequently, according to Ms. Sharon Perez, Airport Principal Property Manager, foot traffic on the fourth floor of the Rental Car Center has dropped by approximately 38 percent with a similar and corresponding decline in revenues at the Marina's Café fourth floor location.

To compensate for the decline in foot traffic, the Airport allowed the Marina's Café to add a second location comprised of 207 square feet on the first floor of the Rental Car Center. Marina's Café occupied this second location and opened for business on August 1, 2014. Therefore the proposed resolution should be amended for retroactivity.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (a) approve the first amendment to the existing concession lease between the Airport and Marina's Café to add the second location; and (2) exempt the Airport from the competitive process requirements under the City Administrative Code Section 2A. 173. The proposed first amendment would add concession space on the first floor of the Rental Car Center, increasing the total square footage under the lease by 88 percent, or 207 square feet, from 235 square feet to 442 square feet; and increase the MAG by 88 percent, or \$9,936, from \$11,280 to \$21,216.

Under this proposed resolution, the Airport is requesting that the Board of Supervisors waive the competitive process to lease the additional 207 square feet of space because:

- (1) As a result of moving the Hertz rental counter from the fourth floor to the first floor of the Airport Rental Center, the Airport estimates that revenues to be realized Marina's Café will decrease by approximately 38 percent, and
- (2) The Airport awarded the initial concession lease on the fourth floor through a competitive process.

Although the Airport's lease with Marina's Café does not generate more than \$1 million in revenues to the Airport and therefore, does not require Board of Supervisors approval under City Charter Section 9.118, the Airport cannot execute the proposed first amendment to the lease unless the Board of Supervisors waives the competitive requirements under Administrative Code Section 2A.173.

FISCAL IMPACT

Under the proposed first amendment, the total lease space will increase by 88 percent, or 207 square feet, from 235 square feet to 442 square feet. Therefore, the subject lease would (1) increase the MAG amount payable by Marina's Café to the Airport by \$9,936, or 88 percent, from \$11,280 to \$21,216, and (2) increase the promotional fee charge of \$1 per square foot by \$207, or 88 percent, from \$235 to \$442.

Under this lease, Marina's Café pays the Airport the greater of the MAG or percentage rent. For the 12-month term from August 2013 through July 2014, for the existing 235 square feet of space, Marina's Café paid the Airport percentage rent of \$39,514, which is \$28,234 more than the MAG of \$11,280.

RECOMMENDATIONS

1. Amend the proposed resolution to be retroactive to August 1, 2014.
2. Approve the proposed resolution as amended.

<p>Item 7 File 14-1269 <i>(Continued from January 7, 2015)</i></p>	<p>Department: Department of Administrative Services Real Estate Division</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<p>The proposed resolution authorizes the Director of Real Estate to enter into a purchase and sale agreement for three contiguous lots located at 1945-1995 Evans Street for a purchase price of \$15,475,000.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • Under the proposed resolution, the Real Estate Division would enter into a purchase and sale agreement to purchase 1995 Evans Street in the Bayview Hunter’s Point neighborhood from the current property owner, Claire A. Spencer, consisting of three adjacent lots that comprise 2.05 acres of land. • Since August 1, 2013, the City leased this property as an interim storage space for the Department of Technology and the Department of Administrative Services’ Central Shops. A purchase option for \$16,000,000 was included in the original lease, which the City exercised on June 23, 2014. • General Bond Obligation Measure Proposition A, the Earthquake Safety and Emergency Response Bond II (ESER II), identified 1995 Evans Street as the future location for the City’s Forensic Services Division (FSD) and Traffic Company (TC) of the San Francisco Police Department (SFPD). General Bond Obligation projects require fee ownership of property by the City which is why the City seeks to purchase, rather than continue to rent, this property. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • An appraisal in August, 2014 concluded the value of the property to be \$11,360,000, or \$4,640,000 less than the current lease’s purchase option of \$16,000,000 negotiated in the summer of 2013. Mr. Updike reported that after negotiations with the landowner, the two parties mutually agreed to a purchase price of \$15,475,000. This is \$525,000 less than the original purchase option of \$16,000,000, but \$4,115,000 more than the recent appraised value. Funding for the purchase of this property would come from ESER II. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • On January 7, 2015, the Budget and Finance Committee continued the resolution to the call of the Chair, requesting the Director of Real Estate to undertake further negotiations with the owner. Based on these negotiations, Mr. Updike reports that the owner will not reduce the \$15,475,000 purchase price, but will waive the \$70,000 General Fund rent which would otherwise be owed for January 2015. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City. • Approval of the proposed resolution is a policy decision for the Board of Supervisors. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Administrative Code Section 23.1 requires Board of Supervisors approval of all resolutions and ordinances approving real property transactions. Administrative Code Section 23.4 requires Board of Supervisors approval of the granting of real property to the City before the Director of Real Estate can accept the deed to the property.

Background

The City has an existing lease with Claire A. Spencer for the property at 1945-1995 Evans Street ("1995 Evans Street") in the Bayview Hunter's Point neighborhood, which the City uses for interim storage for the Department of Administrative Services' (DAS) Central Shops and the Department of Technology's (DT) Public Safety Communications Division. The existing lease, which was previously approved by the Board of Supervisors for the 17 month period from August 1, 2013 through December 31, 2014 (File 13-1038), contained an option to purchase the property for \$16,000,000 by no later than December 31, 2014. The City exercised the option to purchase the property on June 23, 2014 at a renegotiated price of \$15,475,000.

Proposed Use of the Property

The City's Capital Plan identified 1995 Evans Street as the future location for the San Francisco Police Department (SFPD) Forensic Services Division's Crime Lab, and the SFPD Traffic Company, which houses the SFPD's motorcycle fleet. Development of 1995 Evans Street for the Crime Lab and Traffic Company will be funded by the Earthquake Safety and Emergency Response Bond II (ESER II), approved by the San Francisco voters on June 3, 2014. As General Bond Obligation projects require fee ownership of property by the City, the City seeks to purchase this property rather than continue to lease it.

Currently, the Crime Lab is spread out over two locations, one in the seismically deficient Hall of Justice, and one in Hunter's Point Shipyard which is scheduled for demolition to make way for a new residential development. Combining the two Crime Lab facilities in one location would provide uninterrupted service to residents while allowing the Crime Lab to modernize facilities and accommodate evolving technologies. Relocating the Police Department's Traffic Company to the 1995 Evans Street is important, as it will house the motorcycle fleet in a new seismically safe facility rather than the current seismically deficient Hall of Justice, ensuring that motorcycles are available to assist in recovery efforts in the event of a major disaster.¹

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (1) authorizes the purchase of three adjacent lots located at 1945-1995 Evans Street (Lots 004, 005 and 006, all in Block 321) ("1995 Evans Street") by the City from Claire A. Spencer, Surviving Trustee of the William D. Spencer and Claire A. Spencer 1995

¹ San Francisco Earthquake Safety and Emergency Response Bond Program.
<http://www.sfearthquakesafety.org/motorcycle-police-and-crime-lab.html>.

Living Trust (“landowner”) for a purchase price of \$15,475,000; (2) adopt findings that the purchase and improvements on this property will not have a significant effect on the environment under the California Environmental Quality Act (CEQA); and (3) adopt findings that the acquisition of the property by the City is consistent with the City’s General Plan and Eight Priority Policies of City Planning Code Section 101.1.

Under the proposed resolution, the City would enter into a purchase and sale agreement with the landowner to purchase three adjacent lots located at 1995 Evans Street. This property would be used for the future location for the San Francisco Police Department (SFPD) Forensic Services Division’s Crime Lab, and the SFPD Traffic Company, which houses the SFPD’s motorcycle fleet. The property consists of 89,198 square feet, or approximately 2.05 acres of land, one existing two-story office building and a smaller building. The property is zoned PDR-2, Production, Distribution, and Repairs, and is currently being used as an interim storage space for both the Central Shops and DT’s Public Safety Communications Division. Under the purchase and sale agreement, the City would buy the property “as-is” from the landowner.

The City plans to demolish the existing structures on site and construct a new four-story, 90,000 square foot (sf) building, along with a separate 42,000 sf parking structure. The parking structure will consist of 82 spaces for sworn officers and City vehicles, 110 spaces for Traffic Company motorcycles, and storage space for 25 Forensic Services Division evidence impound vehicles.

Project Timeline

According to Mr. John Updike, Director of Real Estate, the City expects to complete the purchase of the property in January 2015. Arrangements have been made with the landowner to pay a prorated rental amount for January as part of the closing of escrow.

Environmental review under the California Environmental Quality Act (CEQA) was completed in September 2013 and the Final Mitigated Negative Declaration was published in November 2013. Upon finalizing the purchase and sale agreement, the City will begin development of 1995 Evans Street with project completion and occupancy by October 2018.

The Department of Public Works (DPW) selected HOK in November 2014 through a competitive Request for Qualifications (RFQ) process to provide architectural and engineering services. The Board of Supervisors approved an ordinance in October 2014, authorizing DPW to procure construction work through a hybrid Construction Manager/General Contractor and Design/Build approach (File 14-0846). DPW issued an RFQ in October 2014 for these services and plans to select a contractor in Spring of 2015. Table 1 below outlines the expected project timeline.

Table 1: Project Timeline

Project Phase	Date
Complete Purchase of Property	January 2015
Start Construction	May 2016
Complete Construction	July 2018
Building Occupancy	October 2018

Source: ESER 2014: Safeguarding San Francisco Bond Report

Relocation of the Items Currently Stored at 1995 Evans Street

Under the current lease, DAS's Central Shops and DT's Public Safety Communications Division are granted temporary use of the property for storage purposes. Items stored at 1995 Evans Street will be relocated to their new office near Pier 80 by early 2016, when construction will begin at the site.

Details of Proposed Property Purchase

The purchase price shall be allocated in the manner outlined in Table 2 below:

Table 2: Sales Price and Square Footage by Lot Number at 1995 Evans Street

Lot Number	Square Feet	Price
Lot 004	33,449	\$5,477,000
Lot 005	33,449	\$4,999,000
Lot 006	22,300	\$4,999,000
Total	89,198	\$15,475,000

Source: SF Real Estate Division, SF Planning Department

According to Mr. Updike, the variation in each lot's price was requested by the landowner for tax purposes. As the breakdown of the payment is not material to the City and was important to the landowner, the City agreed to this request.

Conformance with the General Plan, Area Plan, and Requirements under CEQA

The proposed resolution finds the purchase and improvements on the property at 1995 Evans Street are in conformance with the City's General Plan and the priority policies of Planning Code Section 101.1. The property is located within the Bayview Hunter's Point Area Plan within the Oakinba Activity Node.² The industrial nature of the proposed project is consistent with the objectives of the Bayview Hunter's Point Area Plan.

In November 2013, the Planning Department determined the proposed project at 1995 Evans Street would not have a significant effect on the environment under the California Environmental Quality Act (CEQA), and adopted a Final Mitigated Negative Declaration.

Except for the subject request for Board of Supervisors approval, no further approvals are required to finalize the purchase of the property.

FISCAL IMPACT

The proposed purchase price of \$15,475,000 is part of the total \$165,000,000 budget for development of 1995 Evans Street as shown in Table 3. The project will be funded by ESER II bond proceeds. The Board of Supervisors approved sale and appropriation of \$106,095,000 in ESER II bonds in August 2014 (Files 14-0801, 14-0802, 14-0811, 14-0812, and 14-0840), of which

² An "Activity Node" is a community-identified catalyst area in which to focus public investment. SF Planning Department, Environmental Planning Division, Bayview Hunters Point Area Plan Available online at: http://www.sf-planning.org/ftp/General_Plan/Bayview_Hunters_Point.htm.

\$30,319,674 was allocated to the Forensic Services Division and Traffic Company project at 1995 Evans Street.

Table 3: SFPD's Traffic Company and Forensic Services Division Project Budget

Service/Task Description	Amount
Purchase, Construction, & Installation	\$103,345,991
Project Control	\$38,399,373
Site Control (Property Purchase and Associated Costs)	\$16,500,000
Other Program Costs	\$3,949,636
Finance Costs	\$2,805,000
Total Program Budget	\$165,000,000

Source: DPW

January 2015 Rent During Closing Period

Closing for the property will not be complete until January 2015, which is after the December 31, 2014 purchase option date identified in the original lease. The City and the landowner have agreed that the City will continue to pay the landowner a prorated rental amount between December 31, 2014 and the closing of the property.

Ongoing Costs of Ownership

According to Mr. Updike, the ongoing costs to the City, as owner of the property, have not yet been determined, as this property will not be ready for occupancy until approximately 2018. When the design process is farther along closer to this date, future costs will be better known. Ongoing costs will be built into the FY 2017-2018 budget once the facility is constructed and ready for occupancy.

POLICY CONSIDERATION

Property Appraisal and Purchase Option

The Real Estate Division selected CBRE through a competitive process to prepare an appraisal of the three lots under consideration. The appraisal in August, 2014 concluded the value of the property to be \$11,360,000. This amount is \$4,640,000 less than the agreed upon price in the current lease's purchase option of \$16,000,000 negotiated in the summer of 2013. Mr. Updike reported that after negotiations with the landowner, the two parties mutually agreed to a purchase price of \$15,475,000. This is \$525,000 less than the original purchase option of \$16,000,000 agreed upon in the current lease, but \$4,115,000 more than the CBRE appraised value. The purchase options and appraisal values are outlined in Table 4 below.

Table 4: Purchase Option & Appraisal Values for 1995 Evans Street

Purchase Option	Price	Price per Square Foot for 89,198 Square Feet
Original Purchase Option (2013)	\$16,000,000	\$179.38
CBRE Appraisal (2014)	\$11,360,000	\$127.36
Renegotiated Purchase Option (2014)	\$15,475,000	\$173.49
Reduction between Original and Renegotiated Purchase Options	\$525,000	-
Difference between CBRE Appraisal and Renegotiated Purchase Option	\$4,115,000	-

Mr. Updike has expressed concerns with the methodology and conclusion of the CBRE appraisal, including:

- The CBRE appraisal considered the value of the three lots separately, rather than as one contiguous 89,198 sf site. Mr. Updike believes the ability to assemble 89,189 sf greatly increases the value of the property as a whole, and that is not reflected in the appraisal.
- The comparable sales used were some of the lowest in the market at the time. Mr. Updike found other sales he thought to be more comparable to this site that were valued closer to the purchase option price of \$16,000,000. However the appraiser disagreed, and did not find Mr. Updike's suggestions to be comparable.

The landowner was not required to reduce the price of 1995 Evans Street based on the CBRE appraisal after the City exercised its option to acquire the property. However, Mr. Updike was able to renegotiate the purchase option price down to \$15,475,000, \$525,000 less than the originally agreed upon price due to the appraisal information.

However, the proposed purchase price of \$15,475,000 is \$4,115,000 or 36.2 percent more than the CBRE appraised price of \$11,360,000.

Given the difference between the originally negotiated price and the CBRE appraisal of the property, Mr. Updike believes the renegotiated purchase option of \$15,475,000 (\$173.49 per sf) is a fair price for the City to pay for the subject property at 1995 Evans Street.

Comparison with Five Other Industrial Properties

The negotiated purchase price of \$173.49 per sf is higher than five other comparable industrial properties identified in the appraisal. As shown in Table 5 below, the average price per sf is \$154 for five comparable industrial properties, which would translate into an estimated \$13,736,492 for the 89,198 sf property at 1995 Evans Street. If the lowest priced property at 6000 3rd Street at \$113 per sf is not included, the average price for the other four properties is \$164 per sf, or an estimated \$14,628,472 for the 89,198 sf property at 1995 Evans Street. The \$15,475,000 proposed purchase price is still \$846,528 or 5.8 percent more than the \$14,628,472 amount.

Table 5: Comparison of Properties

Address	Size of Property (acres)	Price per Square Foot
1995 Evans Street	89,198 (2.05 acres)	\$173
6000 3 rd Street	2.00	113
1680 Evans Street	0.68	172
400 Alabama	0.57	175
888 Tennessee	0.87	156
200 Kansas	1.50	155
Average of 5 Other Properties		\$154
Average of 4 Other Properties		\$164

Option to Purchase Did Not Include Appraisal

As noted above, when the Board of Supervisors approved the lease for the 1995 Evans Street property in November of 2013, the lease included the option to purchase the property for \$16,000,000 (File 13-1038). The Real Estate Division indicated the \$16,000,000 option price was based on negotiations regarding land values of approximately \$180 per square foot for comparable properties and anticipated market conditions in 2014 or 2015. However, at that time, the Real Estate Division also advised that an appraisal would be conducted prior to entering into a purchase agreement. In addition, the Real Estate Division advised that the purchase of the property would be subject to other evaluations and “substantial due diligence”.

This language in the option to purchase agreement has not allowed the Real Estate Division to base the actual purchase price on the August 2014 appraised value of \$11,360,000. Rather, according to Mr. Updike, the option to purchase agreement simply allows the City not to exercise the option if the due diligence process discovers a matter that is not satisfactory to the City and cannot be mitigated.

The proposed purchase of 1995 Evans Street is now being requested for \$15,475,000, an average price of \$173.49 per sf. This price is \$4,115,000 or 36.2 percent more than the recent appraised value of \$11,360,000 (\$127.36 per sf), and 5.8% more than four other comparable industrial properties’ average value of \$14,628,472 (\$164 per sf).

Ideally, when options to purchase properties are included in future lease agreements, such options should not specify agreed purchase prices, without actual appraisals and/or ability to employ subsequent due diligence regarding the specified price. An appraisal of current day value does not mitigate the fact that both parties to a purchase agreement are taking risks as to future price increases or decreases in the real estate market. The Board of Supervisors should request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City.

Eminent Domain

Eminent domain legally provides the City with the power to take private property for public use, with fair compensation to the private property owner for the taking of the property. According to Mr. Updike, the City most recently used eminent domain to acquire the Transbay Terminal properties and in 2005, the City used eminent domain to acquire private property for the new North Beach Branch Library. Over the past ten years, the City has also infrequently used eminent domain to purchase property for water and wastewater lines for the Public Utilities Commission. However, Mr. Updike notes that it is generally the City's policy to not use eminent domain except in extreme circumstances, when there is no other alternative.

Alternative Options

On January 7, 2015, the Budget and Finance Committee considered the following four alternative policy options:

1. Continue the Proposed Resolution and Exercise Eminent Domain - While generally not the City's policy unless there is no other alternative, the City could legally use eminent domain procedures to obtain the subject property at a potentially lower cost than the proposed \$15,475,000. However, the City has an existing lease agreement with the private owner of the property, which includes a purchase option for \$16,000,000 that the City has exercised. In addition, the use of eminent domain is a legal procedure, which will require significant legal time and expense, resulting in considerable delay in obtaining this property. Mr. Jim Buker, Senior Architect at the Department of Public Works advises that each 12 month delay results in an estimated 5% increase in the remaining project costs, or an estimated \$7 million per year.

2. Continue the Proposed Resolution and Request Further Negotiations – Although the existing lease agreement includes a purchase option for \$16,000,000, the Real Estate Division was able to negotiate a price reduction of \$525,000, to \$15,475,000 based on the recent appraisal. The recent appraised value was \$11,360,000 (\$127.36 per sf). Four other comparable industrial properties' reflect an average value of \$14,628,472 (\$164 per sf) for the subject property. Mr. Updike advises that he believes the proposed \$15,475,000 purchase price is a fair price for the subject property, given there are not any other properties of this size on the market. However, the Board of Supervisors could request the Real Estate Division to renegotiate with the existing property owner to attempt to further reduce the City's purchase price for the subject property.

3. Do Not Approve the Proposed Resolution – The proposed purchase price of \$15,475,000 is \$4,115,000 or 36.2 percent more than the recent appraised value of \$11,360,000 (\$127.36 per sf) and \$846,528 more than the \$14,628,472 (\$164 per sf) average price for four comparable industrial properties. When the Board of Supervisors approved the lease agreement, with the \$16,000,000 purchase option, the Real Estate Division advised that a subsequent appraisal and other evaluations and "substantial due diligence" would be conducted prior to entering into a purchase agreement. As noted, not approving the subject resolution will delay the completion of the subject project, resulting in additional costs.

4. Approve the Proposed Resolution – San Francisco voters approved General Obligation bonds for the subject Crime Lab and Traffic Company project in June 2014. The CEQA process

for the proposed project has now been completed for the 1995 Evans Street site and Mr. Buker advises that the City has expended an estimated \$1.1 million for site-specific design and related environmental review expenses for the project at 1995 Evans Street. If the Crime Lab and Traffic Company project is relocated to a different site, the estimated \$1.1 million of site-specific design and environmental expenses already incurred would be forfeited and new design and environmental expenses at a different site would be incurred. According to Mr. Buker, the project schedule would also be delayed by an estimated 12-30 months, resulting in building construction inflation costs of an estimated 5% per year, or between \$7 million to \$19 million in additional costs to the overall project, depending on the length of the delay. In addition, Mr. Updike notes that there are no comparable properties of this size (2 acres) on the market for a comparable price, and any further negotiations with the existing owner are not realistic.

Further Negotiations with Owner

On January 7, 2015, the Budget and Finance Committee continued this resolution to the call of the Chair and requested the Director of Real Estate to undertake additional negotiations with the owner to attempt to further reduce the City's purchase price.

Based on these negotiations, Mr. Updike advises that the owner of 1995 Evans Street will not reduce the proposed \$15,475,000 purchase price. However, as noted above, the City and the landowner previously agreed that the City will continue to pay the landowner prorated rent between December 31, 2014 and the closing of the property. Based on these further negotiations, Mr. Updike advises that the owner has now agreed to waive the City's lease payment for January 2015, a \$70,000 General Fund savings.

Mr. Updike further notes that the owner advises that if the City does not approve the pending \$15,475,000 purchase offer, the owners will exercise their rights to terminate the City's existing lease at 1995 Evans Street, thereby providing the City with only the required 30 day notice to vacate the 1995 Evans Street property. As discussed above, under the existing lease, DAS's Central Shops and DT's Public Safety Communications Division currently use the 1995 Evans Street property for storage. The current plan is to relocate these storage facilities in early 2016, when construction is anticipated to begin on the 1995 Evans Street site. According to Mr. Updike, the City does not have an alternative location for 40,000 sf of interior storage on a two acre lot at this time.

RECOMMENDATIONS

1. Request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City.
2. Approval of the proposed resolution is a policy decision for the Board of Supervisors.

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

Claire A Spencer, Surviving Trustee of the William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1995,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

1995 Evans Street, Lots 4, 5 and 6, Block 5231
San Francisco, California

December 1, 2014

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EXHIBIT B – Grant Deed

EXHIBIT C – Assignment of Warranties and Guaranties and Other Intangibles

EXHIBIT D – Certificate of Transferor Other Than An Individual (FIRPTA Affidavit)

EXHIBIT E – Designation Agreement

EXHIBIT F – Memorandum of Agreement

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(Lots 4, 5 and 6, in Block 5231, San Francisco County)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of December 1, 2014 is by and between Claire A Spencer, Surviving Trustee of the William D Spencer and Claire A Spencer 1995 Living Trust, dated February 9, 1995 ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

RECITALS

A. City currently leases from Seller certain real property in the City and County of San Francisco commonly known as 1995 Evans Street, Lots 4, 5 and 6, in Block 5231, San Francisco County pursuant to the terms of that certain Office Lease between Seller and City dated as of November 13, 2013 (the "Lease"). The Lease grants the City the option to purchase the premises pursuant to the terms and conditions set forth in Section 22.1 of the Lease (the "Purchase Option").

B. City exercised the Purchase Option on June 23, 2014 (the "Option Exercise Date"), and in accordance with the terms of Purchase Option, City and Seller have executed and do hereby enter into this Agreement.

AGREEMENT

IN CONSIDERATION of the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately 89,200 square feet of land, located in the City and County of San Francisco, commonly known as 1945-1995 Evans Street and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land, including, without limitation, (i) that certain two-story office building containing approximately 44,210 square feet of gross area and known as 1945-1995 Evans Street, as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Land and its improvements such as heating and air conditioning systems and facilities used to provide any utility, refrigeration, ventilation, garbage disposal or other services, and together with all on-site parking (collectively, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

All of the items referred to in Subsections (a), (b) and (c) above are collectively referred to as the "Property."

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is Fifteen Million Four Hundred Seventy Five Thousand and No/100 Dollars (\$15,475,000.00) (the "Purchase Price"). The Purchase Price shall be allocated in the following manner to the Property: \$5,477,000 to Lot 004, Block 5231; \$4,999,000 to Lot 005, Block 5231; \$4,999,000 to Lot 006, Block 5231.

2.2 Payment

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Subsections 6.3(h) and (i) [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

2.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds to Title Company (as defined below), as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its nominee, marketable and insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit C (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 3.2 [Title Insurance]).

3.2 Title Insurance

Delivery of title in accordance with the preceding Section shall be evidenced by the commitment of Old Republic Title Company (the "Title Company") to issue to City an ALTA extended coverage owner's policy of title insurance (Form B - 1970 amended 4-6-90) (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants and all other exceptions, liens and encumbrances except solely for the Accepted Conditions of Title pursuant to Subsection 5.1(a) below. The Title Policy shall provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, shall not contain any exclusion from coverage for creditor's

rights or bankruptcy, and shall contain an affirmative endorsement that there are no violations of restrictive covenants, if any, affecting the Property such special endorsements as City may reasonably request. The Title Policy shall also provide for reinsurance with direct access with such companies and in such amounts as City may reasonably request.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS.

4.1 Due Diligence

City acknowledges and agrees that City is in possession of the Land and Improvements pursuant to the terms of the Lease has been given or will be given before the end of the Due Diligence Period (as defined below), a full opportunity to investigate, either independently or through agents of City's own choosing, the condition of the Property and the suitability of the Property for City's intended use. The period for completion of all such investigations shall expire on the date occurring 90 days after the Effective Date (as defined in Section 11.18 below) of this Agreement (the "Due Diligence Period"), subject to the terms and conditions provided hereinbelow.

Seller confirms and City acknowledges that in accordance with the provisions of Section 22.1 of the Lease, Seller has previously delivered to City the following documents, all to the extent such documents exist and are either in the possession or control of Seller, or may be obtained by Seller through the exercise of commercially reasonable efforts: structural calculations for the Improvements; site plans; certified copies of the as-built plans and specifications for the Improvements; recent inspection reports by Landlord's engineers; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; presently effective warranties or guaranties received by Landlord from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repair or alteration of the Improvements; insurance policies, insurance certificates of tenants, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; any other contracts or documents of significance to the Property; and any other contracts or documents necessary for the operation of the Property or which will be binding on the Property after the Closing (collectively, the "Documents"). Seller further agrees to promptly deliver to City any such Documents discovered, created or received by Seller, its property manager or its asset manager (each, a "Newly Discovered Document") from the date of such initial delivery through Closing. In addition to the Documents, Seller confirms that Seller has delivered to City a Natural Hazards Disclosure Statement for the Property as required under California law. The Natural Hazards Disclosure Statement was based on a report or reports of a licensed engineer, land surveyor, geologist, or expert in natural hazard discovery, which report or reports was attached to such Natural Hazards Disclosure Statement. City acknowledges that the Natural Hazards Disclosure Statement shall be based solely on the information contained in the report or reports attached thereto, and Seller shall have no liability for any inaccuracy in such reports. In no event shall such Natural Hazards Disclosure Statement or any such report be deemed a representation or warranty of Seller or impose any liability or obligation on Seller.

Notwithstanding the foregoing, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information contained in any opinions, reports, documents, or data generated by any third party ("Third Party Materials") and delivered by Seller to City in connection with the transaction contemplated hereby. City acknowledges and agrees that all such Third Party Materials delivered by Seller to City in connection with the transaction contemplated hereby are provided to City as a convenience only and that any reliance on or use of such Third Party Materials by City shall be at the sole risk of City, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions,

City acknowledges and agrees that (a) any environmental or other Third Party Materials with respect to the Property which is delivered by Seller to City shall be for general informational purposes only, (b) City shall not have any right to rely on any such Third Party Materials delivered by Seller to City, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by City with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such Third Party Materials delivered by Seller to City shall have any liability to City for any inaccuracy in or omission from any Third Party Materials.

4.2 City's Right to Terminate

If a Newly Discovered Document is delivered to City on or after the date which is ten (10) business days prior to the Option Exercise Date, and such Newly Discovered Document affects or discloses a matter or condition which potentially adversely affects the City's use or occupancy of the Premises as originally intended, then City shall be permitted to rescind the exercise of City's option to purchase the Property, by written notice to Seller given within ten (10) business days after City's receipt of such Newly Discovered Document, and in such event this Agreement shall terminate and City shall have no further obligation to purchase the Property. Notwithstanding the foregoing, Seller shall have five (5) business days after receipt of City's termination notice to notify City in writing ("Seller's Cure Notice") as to what curative action Seller agrees to undertake in order to cure or correct the matter or condition disclosed by the Newly Discovered Document prior to Closing. If Seller does not provide the Seller's Cure Notice to City within such five (5) business day period, Seller shall be deemed to have elected not to cure the matter or condition disclosed by the Newly Discovered Document and in such event this Agreement shall terminate and City shall have no further obligation to purchase the Property. City shall notify Seller in writing within five (5) business days of receipt of Seller's Cure Notice if City reasonably disputes that Seller's proposed curative action would satisfactorily cure the disclosed condition or matter, and in such event this Agreement shall terminate and City shall have no further obligation to purchase the Property. If City does not timely notify Seller that the proposed curative action would be unsatisfactory, Seller shall have thirty (30) days from the date of City's receipt of the Seller Cure Notice to cure or correct the matter or condition disclosed by the Newly Discovered Document to City's reasonable satisfaction. If Seller does not cure or correct the matter or condition disclosed by the Newly Discovered Document to City's reasonable satisfaction within such thirty (30) day period, City may elect to terminate this Agreement by written notice to Seller given within ten (10) days after the expiration of such thirty (30) day period, and in such event this Agreement shall terminate and City shall have no further obligation to purchase the Property. If necessary, the Closing shall be extended to permit the completion of the notice and cure procedure described above, subject however to any timing constraints related to the successful issuance, delivery and sale of the Certificates of Participation (as defined in Section 5.1(e) below). In the event that this Agreement is terminated for any reason, City shall promptly return to Seller the originals of all Documents previously delivered to City by or on behalf of Seller.

4.3 As Is Conveyance; Release.

(a) CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND CITY IS PURCHASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 8.1 BELOW, CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR CITY'S INTENDED USE OR ANY OF THE PROPERTY CONDITIONS. SELLER DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY, NOR

DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, RESOLUTION OR REGULATION. NEITHER SELLER NOR ITS AGENTS HAVE MADE, AND SELLER HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE PROPERTY CONDITIONS, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 8.1 BELOW. WITHOUT LIMITING THE FOREGOING, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 8.1 BELOW, NEITHER SELLER NOR ITS AGENTS HAVE MADE, AND SELLER HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUTH, ACCURACY OR COMPLETENESS OF ANY DOCUMENTS.

(b) Without limiting the provisions of subparagraph (a) above, City waives its rights to recover from the Seller, and forever releases, covenants not to sue and discharges the Seller from, any and all damages, demands, claims, losses, liabilities, penalties, fines, liens, judgments, costs or expenses whatsoever, including attorneys' fees and costs incurred by City, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the physical condition of the Property, including, but not limited to, the presence of any Hazardous Materials (as defined in Section 8.1(k)(ii) below) on, in, or under the Property ("Physical Claims"), except for (i) any liability of Seller for Seller's fraud or intentional misrepresentation, or (ii) any breach of any representation or warranty set forth in Section 8.1, below, which liability shall survive the Closing.

(c) Subject to the limitations set forth in Section 4.3(b) above, the release set forth therein includes Physical Claims of which City is presently unaware or which City does not presently suspect to exist which, if known by City, would materially affect City's willingness to enter into the release of the Seller set forth in Section 4.3(b), above. In this connection and to the fullest extent permitted by law, City hereby agrees, represents and warrants that City realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to Physical Claims which are presently unknown, unanticipated and unsuspected, and City further agrees, represents and warrants that the release set forth in Section 4.3(b), above, has been negotiated and agreed upon in light of that realization and that City nevertheless hereby intends to release, discharge and acquit the Seller, in accordance with and subject to the conditions and limitations set forth in Section 4.3(b), from any such unknown Physical Claims, except for (i) any liability of Seller for Seller's fraud or intentional misrepresentation, or (ii) any breach of any representation or warranty set forth in Section 8.1, below, which liability shall survive the Closing. In connection with the release set forth in Section 4.3(b), above, City expressly waives the benefits of Section 1542 of the California Civil Code which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

(d) The provisions of this Section 4.3 shall survive the Closing.

5. CLOSING CONDITIONS

5.1 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "Conditions Precedent"):

(a) City shall have reviewed and approved title to the Property, as follows:

(i) Within twenty (20) days after the Option Exercise Date, Seller shall deliver, or cause to be delivered to City a current extended coverage preliminary report on the Real Property, issued by Title Company, accompanied by copies of all documents referred to in the report (collectively, the "Preliminary Report");

(ii) Within the period referred to in clause (i) above, Seller shall deliver to Buyer copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Seller knows of no such documents, a written certification of Seller to that effect; and

(iii) City may at its option arrange for an "as-built" survey of the Real Property and Improvements prepared by a licensed surveyor (the "Survey"). Such survey shall be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for and the Title Policy without boundary, encroachment or survey exceptions.

City shall advise Seller, prior to the end of the Due Diligence Period, what exceptions to title, if any, City is willing to accept (the "Accepted Conditions of Title"). City's failure to so advise Seller within such period shall be deemed disapproval of title. Seller shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. ~~If City shall fail to give Seller notice of its election within such ten (10) days, City shall be deemed to have elected to terminate this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City shall have the rights and remedies provided herein or at law or in equity.~~

(b) City's review and approval, within the Due Diligence Period, of the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Subsection 8.1(j)) City shall be responsible for performing or arranging any such reviews at City's expense, provided that if City's consultants reasonably determine that, based upon their Phase I examination, a Phase II examination is necessary with respect to all or a part of the Real Property, City may elect to perform a Phase II examination.

If any of City's investigations reveal any contamination of the Property with any Hazardous Material, then City may, at its sole election, by written notice to Seller on or before the end of the Due Diligence Period: (i) request that Seller, at Seller's sole cost, complete before the Closing through duly licensed contractors approved by City such activities as are necessary to cleanup, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Material located on or under the Property in compliance with all governmental laws, rules, regulations and requirements and in accordance with a written remediation plan approved by City in its sole discretion and by all regulatory agencies with jurisdiction; or (ii) terminate this Agreement. If

City notifies Seller of its election to request that Seller remediate the contamination as provided in clause (i) above, Seller shall have fifteen (15) days after receipt of City's notice, to elect, at Seller's sole option, to provide City with: (iii) Seller's election to remediate the contamination before the Closing pursuant to clause (i) above; or (iv) Seller's election to terminate this Agreement. Seller's failure to provide notice to Buyer within such fifteen (15)-day period shall be deemed notice of termination under clause (iv) above. If Seller chooses to remediate the contamination as provided in clause (iii) above the Closing may be extended for a reasonable time to enable Seller to complete such remediation, provided any such extension shall be subject to City's prior written approval, which City may give or withhold in its sole discretion. Seller shall indemnify City for any claims relating to the remediation of such Hazardous Material pursuant to a separate written agreement in form and substance satisfactory to City.

(c) City's review and approval, within the Due Diligence Period, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval, within the Due Diligence Period, of (i) the Documents; and (ii) such other information relating to the Property that is specifically requested by City of Seller in writing during the Due Diligence Period (collectively, the "Other Information").

(e) Seller shall not be in default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct as of the Option Exercise Date and shall be true and correct as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below are true and correct as of the Closing Date.

(f) The physical condition of the Property shall be substantially the same on the Closing Date as on the Option Exercise Date, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) Title Company shall be committed at the Closing to issue to City, or its nominee, (i) the Title Policy as provided in Section 3.2 [Title Insurance].

(h) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions contemplated herein.

(i) Seller shall have delivered the items described in Section 6.3 below [Seller's Delivery of Documents] on or before the Closing.

The Conditions Precedent contained in the foregoing Subsections (a) through (i) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the

Conditions Precedent described in items (h) above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. If City shall not have approved or waived in writing all of the Conditions Precedent in items noted above by the end of the Due Diligence Period, , then this Agreement shall automatically terminate. In addition, the Closing Date may be extended, at City's option, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property, and neither party shall have any further rights or obligations hereunder, or (2) continue this Agreement pending City's action for specific performance and/or damages hereunder, including, without limitation, City's costs and expenses incurred hereunder.

5.2 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Effective Date (as defined in Article 11 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company located at Chicago Title, 455 Market Street, Suite 2100, San Francisco, California 94105, within one hundred eighty (180) days after the Effective Date of this Agreement, or on such earlier or later date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 [Conditions Precedent]. Seller, at its sole option, shall have the right to extend the Closing Date for a period of thirty (30) days. To exercise this right Seller shall deliver written notice to City and Title Company not less than thirty (30) days prior to the then scheduled Closing Date. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which

may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver to City, through escrow, the following:

- (a) a duly executed and acknowledged Deed;
- (b) originals of the Documents and any other items relating to the ownership or operation of the Property not previously delivered to City;
- (c) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit H, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;
- (d) a properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (e) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (f) closing statement in form and content satisfactory to City and Seller; and
- (g) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Subsection 5.1(e) hereof.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City shall deliver to Seller through escrow the following:

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) a closing statement in form and content satisfactory to City and Seller; and
- (c) the Purchase Price, as provided in Article 2 hereof.

6.5 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof, including, without limitation, an agreement (the "Designation Agreement") designating Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder, and executed by Seller, City and Title Company. The Designation Agreement shall be substantially in the form attached hereto as Exhibit J and, in any event, shall

comply with the requirements of Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder.

6.6 Liquidated Damages

In the event the sale of the Property contemplated hereby is not consummated solely because of a default under this Agreement on the part of City, then City agrees to pay to Seller the sum of Ten Dollars (\$10.00) as liquidated damages. The parties have agreed that Seller's actual damages, in the event of a default by City, would be extremely difficult or impracticable to determine. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST CITY, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF CITY.

INITIALS: Seller _____ City _____

7. EXPENSES AND TAXES

7.1 Apportionments

The following are to be apportioned through escrow as of the Closing Date:

(a) Utility Charges

Seller shall cause all the utility meters to be read on the Closing Date, and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(b) Other Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2 Closing Costs

City shall pay the cost of the Survey, the premium for the Title Policy and the cost of the endorsements thereto, and escrow and recording fees. Seller shall pay the cost of any transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date. At or before the Closing, Seller shall pay the full amount of any special assessments

against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date.

7.4 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.5 Survival

The provisions of this Section shall survive the Closing.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows:

(a) The Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property to the extent available to Seller, and are and at the time of Closing will be true, correct and complete copies of such documents.

(b) No document or instrument furnished or to be furnished by the Seller 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. Notwithstanding the foregoing, Seller makes no representation or warranty as to the truth, accuracy or completeness of any Third Party Materials (as defined in Section 4.1 above) generated by any third party.

(c) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(d) There are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property. There are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(e) There is no litigation pending or, after due and diligent inquiry, to the best of Seller's knowledge, threatened, against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(f) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(g) Sellers are individuals and residents of the State of California, acting in their capacity as authorized trustees under a trust agreement. This Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(h) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(i) Seller knows of no facts nor has Seller failed to disclose any fact that would prevent City from using and operating the Property after Closing in the normal manner in which it is intended.

(j) To Seller's knowledge: (i) during the ownership of Seller of the Property, Seller has not received any written notice from any governmental authority having jurisdiction that the Property is in violation of any applicable law, ordinance or regulation, including, without limitation, any Environmental Laws, which remains uncured and which could reasonably have a material adverse effect on the operation of the Property following Closing; (ii) during the ownership of Seller of the Property, the Property has not been used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material, except for the use of such substances in such limited quantities as are customarily used in offices or warehouses (not including the warehousing of Hazardous Material); (iii) during the ownership of Seller of the Property, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) the Property does not contain any underground storage tanks; (v) the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below: **[OPEN]**

(i) "Environmental Laws" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or

pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(k) There are now, and at the time of Closing will be, no leases or other occupancy agreements affecting any of the Property. At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. There are no obligations in connection with the Property which will be binding upon City after Closing except for matters which are set forth in the Preliminary Report.

(l) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

As used herein, the term Seller's knowledge shall mean the actual knowledge of Joseph Harney, the real estate broker and agent of Seller, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of Landlord or to impose upon such person any duty to investigate the matter to which such actual knowledge, or the absence therefrom, pertains. Seller hereby represents that as of the Effective Date of this Agreement and as of Closing, Joseph Harney is the individual charged with primary responsibility for the oversight of the operation of the Improvements and Property.

8.2 Indemnity

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive beyond the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, or if condemnation proceedings are commenced against any of the Property, then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount thereunder, and the insurer agrees to timely pay for the entire cost of such repair, and such damage or destruction would cost less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) (the "Threshold Damage Amount") to repair or restore, then this Agreement shall remain in full force and effect and City shall acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City.

(b) If such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than the Threshold Damage Amount to repair or restore, then the transaction contemplated by this Agreement shall be consummated with City receiving a credit against the Purchase Price at the Closing in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction.

(c) If the cost of such damage or destruction would equal or exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any of the Property, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property damaged or destroyed or subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not damaged or affected by condemnation, as the case may be). City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination. If City elects not to terminate this Agreement, Seller shall notify City of Seller's intention to repair such damage or destruction, in which case this Agreement shall remain in full force and effect, or notify City of Seller's intention to give City a credit against the Purchase Price at the Closing in the amount reasonably determined by City and Seller (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction and, in the event of a result of such condemnation proceeding, the value of any Property taken as a result of such proceeding, in which case this Agreement shall otherwise remain in full force and effect, and Seller shall be entitled to any proceeds of insurance or condemnation awards. Any repairs elected to be made by Seller pursuant to this Subsection shall be made within one hundred fifty (150) days following such damage or destruction and the Closing shall be extended until the repairs are substantially completed. As used in this Section, the cost to repair or restore shall include the cost of lost rental revenue, including additional rent and base rent.

9.2 Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full replacement value of the Improvements and the Personal Property, insuring against all insurable risks, including, without limitation, fire, vandalism, malicious mischief, lightning, windstorm, water, earthquake, flood and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

9.3 Possession

Possession of the Property shall be delivered to City on or before the Closing Date.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any Lease, and shall make all repairs, maintenance and replacements of the Improvements and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the Effective Date, Seller shall not enter into any Lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, without in each instance obtaining City's prior written consent thereto. City agrees that it shall not unreasonably withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

11. GENERAL PROVISIONS

11.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: FSD/TT
Facsimile No.: (415) 552-9216

with copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: 1995 Evans Street, San Francisco
Facsimile No.: (415) 554-4755

Seller:

Claire A Spencer, Surviving Trustee of the
William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1999

Attn: Clair A. Spencer
99 South Hill Drive
Brisbane, CA 94005

Facsimile No.: () _____

[With a copy to:

Rentschler / Tursi, LLP
Joseph G. Tursi
411 Borel Avenue, Suite 510
San Mateo, CA 94402

Facsimile No.: (650) 524-1985]

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for Joe Harney with HC&M Commercial Properties, Inc., whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

11.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

11.6 Governing Law

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

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is

waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.10 Attorneys' Fees

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

11.11 Sunshine Ordinance

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

11.12 Conflicts of Interest

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

11.13 Notification of Limitations on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from 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 (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the

contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Seller's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the name of the each person, entity or committee described above.

11.14 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

11.15 Earned Income Credit (EIC) Forms

San Francisco Administrative Code Section 120 requires that employers provide their employees with IRS Form W-5 (Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Seller shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Seller has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Seller; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in Subsection (a) of this Section shall constitute a material breach by Seller of the terms of this Agreement. If, within thirty (30) days after Seller receives written notice of such a breach, Seller fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Seller fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Seller shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

11.16 Counterparts

This Agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in two or more counterparts, all of which constitute the same writing.

11.17 Memorandum of Agreement

At any time on or after the Effective Date, the parties, upon City's request, shall execute and acknowledge a memorandum hereof, on the form attached hereto as Exhibit F, which will be recorded in the Official Records of the County in San Francisco, California.

11.18 Effective Date

As used herein, the term "Effective Date" shall mean the date on which the City's Board of Supervisors and Mayor enact a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

11.19 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

11.20 Agreement Not to Market Prior to Effective Date

Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

11.21 Intentionally Deleted

11.22 Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT

AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

Signatures Appear on the Page Next Following / The Remainder of the Page is intentionally left blank.

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:

Claire A Spencer, Surviving Trustee of the
William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1995

By: Claire A. Spencer
Name Printed: Claire A. Spencer
Title: Trustee

Date: 12-3-14

CITY:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: Dennis J. Herrera

Deputy City Attorney

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement and to execute the Designation Agreement (attached hereto as Exhibit J) and act as the Reporting Person (as such term is defined in the Designation Agreement). Title Company's failure to execute below shall not invalidate the Agreement between City and Seller.

TITLE COMPANY:

Chicago Title Insurance Company

By: _____

Its: _____

Date: _____

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

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

Beginning at the point of intersection of the Southeasterly line of Toland Street and the Southwesterly line of Evans Avenue; running thence Southeasterly and along said line of Evans Avenue 400 feet; thence at a right angle Southwesterly 223 feet; thence at a right angle Northwesterly 400 feet to the Southeasterly line of Toland Street; thence at a right angle Northeasterly along said line of Toland Street 223 feet to the point of beginning.

Being part of fractional Block No. 91 O'Neill and Haley Tract and all of Fractional Block No. 91 Tide lands and part of Fairfax Avenue (now closed).

Assessor's Lot 004; Block 5231, Lot 005; Block 5231 and Lot 006; Block 5231

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Assessor's Parcel No. _____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Claire A Spencer, Surviving Trustee of the William D Spencer and Claire A Spencer 1995 Living Trust, dated February 9, 1995, hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

Executed as of this _____ day of _____, 20__.

_____, a _____

NAME

By: _____

Its: _____

NAME

By: _____

Its: _____

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
JOHN UPDIKE
Director of Property

EXHIBIT A TO DEED

Legal Description of Property

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

Beginning at the point of intersection of the Southeasterly line of Toland Street and the Southwesterly line of Evans Avenue; running thence Southeasterly and along said line of Evans Avenue 400 feet; thence at a right angle Southwesterly 223 feet; thence at a right angle Northwesterly 400 feet to the Southeasterly line of Toland Street; thence at a right angle Northeasterly along said line of Toland Street 223 feet to the point of beginning.

Being part of fractional Block No. 91 O'Neill and Haley Tract and all of Fractional Block No. 91 Tide lands and part of Fairfax Avenue (now closed).

Assessor's Lot 004; Block 5231, Lot 005; Block 5231 and Lot 006; Block 5231

EXHIBIT C

ASSIGNMENT OF WARRANTIES AND GUARANTIES AND OTHER INTANGIBLE PROPERTY

THIS ASSIGNMENT is made and entered into as of this ___ day of _____, 20___, by and between Claire A Spencer, Surviving Trustee of the William D Spencer and Claire A Spencer 1995 Living Trust, dated February 9, 1995 ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under:

A. all warranties and guaranties made by or received from any third party with respect to any building, building component, structure, system, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of that certain real property described in Exhibit A attached hereto including, without limitation, those warranties and guaranties listed in Schedule 1 attached hereto (collectively, "Warranties");

B. any other Intangible Property (as defined in that certain Agreement of Purchase and Sale of Real Estate dated as of _____, 20___, between Assignor and Assignee (or Assignee's predecessor in interest) (the "Purchase Agreement").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

2. Except as otherwise set forth in the Purchase Agreement, effective as of the Effective Date (as defined below), Assignee hereby assumes all of the owner's obligations under the Service Contracts and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Effective Date (as defined below) and arising out of the owner's obligations under the Service Contracts.

3. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

4. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

6. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

7. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

ASSIGNOR:

Claire A Spencer, Surviving Trustee of the
William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1995

By: _____

Name Printed: Claire A. Spencer
Title: Trustee

ASSIGNEE:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

By: _____
[NAME]

Its: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
[DEPUTY'S NAME]
Deputy City Attorney

EXHIBIT D

**CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)**

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by _____

_____, a _____
("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's U.S. employer identification number is _____; and
3. Transferor's office address is _____

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 20__.

On behalf of:

[NAME]

a _____

By: _____
[NAME]

Its: _____

EXHIBIT E

DESIGNATION AGREEMENT

This DESIGNATION AGREEMENT (the "Agreement") dated as of _____, 20____, is by and between Claire A Spencer, Surviving Trustee of the William D Spencer and Claire A Spencer 1995 Living Trust, dated February 9, 1995 ("Seller"), the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), and _____ TITLE INSURANCE COMPANY ("Title Company").

A. Pursuant to that certain Purchase Agreement entered into by and between Seller and City, dated _____, 20____ (the "Purchase Agreement"), Seller has agreed to sell to City, and City has agreed to purchase from Seller, certain real property located in City and County of San Francisco, California, more particularly described in Exhibit A attached hereto (the "Property"). The purchase and sale of the Property is sometimes hereinbelow referred to below as the "Transaction").

B. Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction.

C. Pursuant to Subsection 2(b)(i) of the Purchase Agreement, an escrow has been opened with Title Company, Escrow No. _____, through which the Transaction will be or is being accomplished. Title Company is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements).

D. Seller, City and Title Company desire to designate Title Company as the "Reporting Person" (as defined in the "Reporting Requirements") with respect to the Transactions.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller, City and Title Company agree as follows:

1. Title Company is hereby designated as the Reporting Person for the Transaction. Title Company shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

2. Seller and City shall furnish to Title Company, in a timely manner, any information requested by Title Company and necessary for Title Company to perform its duties as Reporting Person for the transaction.

3. Title Company hereby requests Seller to furnish to Title Company Seller's correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Title Company with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Title Company, under penalties of perjury, that Seller's correct taxpayer identification number is _____.

4. The names and addresses of the parties hereto are as follows:

SELLER:

Claire A Spencer, Surviving Trustee of the

William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1995
Attn: Claire A. Spencer
Facsimile No.: () _____

CITY:

Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Facsimile No.: () _____

TITLE COMPANY:

Attn: _____
Facsimile No.: () _____

5. Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which the date of closing of the Transaction occurs.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first above written.

SELLER:

Claire A Spencer, Surviving Trustee of the
William D Spencer and Claire A Spencer 1995
Living Trust, dated February 9, 1995

Attn: _____

Facsimile No.: () _____

Date: _____

By: _____

Its: _____

CITY:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

Title Company:

_____ TITLE
INSURANCE COMPANY

Date: _____

By: _____

Its: _____

EXHIBIT F

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT dated as of _____, 20____, is by and between _____, a _____ ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City").

1. Seller is the owner of certain real property located in the City and County of San Francisco, California, commonly known as _____, more particularly described in Exhibit A attached to and incorporated by this reference in this Memorandum of Agreement (the "Real Property").

2. Seller and City have entered into that certain unrecorded Agreement for the Purchase and Sale of Real Estate dated as of _____, 20____ incorporated by this reference into this Memorandum (the "Agreement"), pursuant to which Seller agreed to sell, and City agreed to purchase, the Real Property upon all the terms and conditions set forth in the Agreement.

3. The purpose of this Memorandum of Agreement is to give notice of the Agreement and the respective rights and obligations of the parties thereunder, and all of the terms and conditions of the Agreement are incorporated herein by reference as if they were fully set forth herein.

4. This Memorandum of Agreement shall not be deemed to modify, alter or amend in any way the provisions of the Agreement. In the event any conflict exists between the terms of the Agreement and this instrument, the terms of the Agreement shall govern and determine for all purposes the relationship between Seller and City and their respective rights and duties.

5. This Memorandum of Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, successors and assigns.

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

SELLER:

By: _____

Its: _____

By: _____

Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of San Francisco) ss

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)



SAN FRANCISCO PLANNING DEPARTMENT

Final Mitigated Negative Declaration

<i>PMND Date:</i>	October 2, 2013 ; Amended on November 15, 2013 (amendments to the PMND are shown in deletions as strike through ; additions in <u>double underline</u>)	1650 Mission St. Suite 400 San Francisco, CA 94103-2479
<i>Case No.:</i>	2013.0342E	Reception: 415.558.6378
<i>Project Title:</i>	1995 Evans Avenue / San Francisco Police Department (SFPD) Forensic Service Division (FSD) & Traffic Company (TC)	Fax: 415.558.6409
<i>Zoning:</i>	Industrial Use District PDR-2: Core Production, Distribution, and Repair – Bayview 80-E Height and Bulk District	Planning Information: 415.558.6377
<i>Block/Lot:</i>	Block 5231 / Lots 002B, 004, 005 and 006	
<i>Lot Size:</i>	96,000 square feet	
<i>Project Sponsor:</i>	San Francisco Police Department	
<i>Contact:</i>	Magdalena Ryor, San Francisco Department of Public Works	
<i>Lead Agency:</i>	San Francisco Planning Department	
<i>Staff Contact:</i>	Elizabeth Purl– (415) 575-9028 elizabeth.purl@sfgov.org	


PROJECT DESCRIPTION

The site of the proposed project is 1995 Evans Avenue, at the southeastern corner of the intersection of Evans Avenue and Toland Street in the northern part of the Bayview neighborhood of San Francisco. The site comprises Lots 002B, 004, 005, and 006 of Assessor's Block 5231. Four buildings, totaling approximately 40,500 square feet (sf) in floor area, occupy the site. Between 1954 and 2005 the site was used by the Parisian Baking Company. Recent use includes newspaper printing and warehousing. Currently, the buildings and site parking lot are vacant, with the exception of occasional unauthorized parking. The proposed project entails demolition of the existing buildings and construction of a new 128,000-sf building with a separate 47,000-sf parking garage to house the San Francisco Police Department's (SFPD) Forensic Services Division (FSD) and Traffic Company (TC). The FSD is a division of the SFPD's Investigation Bureau with a forensic testing laboratory that examines evidence and provides expert testimony to support criminal cases. The TC includes a fleet of motorcycle police officers who provide traffic enforcement, accident investigations and education. The project would accommodate approximately 285 full time equivalent employees.

FINDING

This project could not have a significant effect on the environment. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance), and 15070 (Decision to Prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached. Mitigation Measures are included in this project to avoid potentially significant effects (see page 127).

In the independent judgment of the Planning Department, there is no substantial evidence that the project could have a significant effect on the environment.


SARAH B. JONES
Environmental Review Officer

November 18, 2013
Date of Issuance of Final Mitigated
Negative Declaration

cc: Magdalena Ryor, Project Sponsor
Malia Cohen, Supervisor, District 10
Julian Bañales, Neighborhood Planner
Distribution List, Bulletin Board, Master Decision File

INITIAL STUDY
1995 EVANS AVENUE / SAN FRANCISCO POLICE DEPARTMENT
FORENSIC SERVICES DIVISION AND TRAFFIC COMPANY
PLANNING DEPARTMENT CASE NUMBER 2013.0342E

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INITIAL STUDY
1995 EVANS AVENUE / SAN FRANCISCO POLICE DEPARTMENT
FORENSIC SERVICES DIVISION AND TRAFFIC COMPANY
PLANNING DEPARTMENT CASE NUMBER 2013.0342E

A. PROJECT DESCRIPTION

Project Location

The site of the proposed project is 1995 Evans Avenue, at the southeastern corner of the intersection of Evans Avenue and Toland Street in the northern part of the Bayview neighborhood of San Francisco. The site lies between U.S. Highway 101 (U.S. 101) and Interstate 280 (I-280), approximately 1,200 feet south of Cesar Chavez Street. The site comprises Lots 002B, 004, 005, and 006 of Assessor's Block 5231 (Figure 1), which form a 96,000-square-foot (sf) rectangle along 400 feet of Evans Avenue and 240 feet of Toland Street (Figure 2). The site is located in industrial use district PDR-2 (Core Production, Distribution, and Repair – Bayview) and an 80-E height and bulk district; the allowable basic floor area ratio limit is 5:1.

Four vacant buildings, totaling approximately 40,500 sf in floor area, occupy the project site (Figure 3). The main building was constructed in 1954 on previously undeveloped land in the northwest corner of the site. The building is a single-story, 24-foot-high structure, with the exception of a two-story portion along the northeast façade. It is approximately 30,000 sf in area. A retail storefront is located at the northwest corner of the building, facing the intersection of Evans Avenue and Toland Street (Figure 3). A 15-foot-tall covered loading area (approximately 8,000 sf) was added to the building's east side in 1956. An ancillary single-story parking garage building, of approximately 1,500 sf, and a one-story, 2,200-sf storage shed occupy the southeastern corner of the site. The parking garage is rectangular in plan with a shallow gable roof, metal cladding, three metal roll-up doors, and two flush metal man doors at the northeast elevation. The shed also has a gable roof, a flush metal door at the southeast elevation, and a window and roll-up metal door at the northeast elevation. A fourth ancillary single-story building of 640 sf is located at the northeastern corner of the site. The four buildings occupy approximately 45 percent of the lot.

All of the buildings are currently vacant. Recent use of the main building includes a hydroponics supply operation, newspaper printing, and warehousing. The most recent business, Hydroponic Connection, vacated the site in 2013. The San Francisco Examiner's newspaper printing operation, which used the site prior to Hydroponic Connection, also ceased operation in 2013 and the printing equipment was relocated to the Examiner's East Bay facility. In 1940, the West Oregon Lumber Company erected and used the ancillary building at the northeastern corner as an office (Figure 4). It is not known if the subsequent owners or tenants used this building. The shed at the southeastern corner of the site was constructed in 1960 and is believed to have been used for storage. The site parking lot was recently used for bus storage and is now vacant. Unauthorized cars are occasionally parked in the lot.

The area not occupied by the buildings is entirely paved with no vegetation. Eight trees are present along the sidewalk on Evans Avenue (see photograph in Figure 3). About 20 percent of the property contains marked parking areas, with 10 standard spaces for cars or small trucks and 14 long spaces for buses or large trucks. The loading area has approximately 14 bays. Parking in unmarked areas can accommodate approximately 30 additional cars or small trucks. An abandoned rail spur at the south side of the site (on Lot 002B) has been paved over on the western portion of the site but is visible on the eastern portion. The site is accessible to pedestrians and automobiles via one entrance on Toland Street and two entrances on Evans Avenue, which allow trucks to drive to the covered loading area on the southeast side of the main building. Pedestrian access is via the retail storefront of the main building.

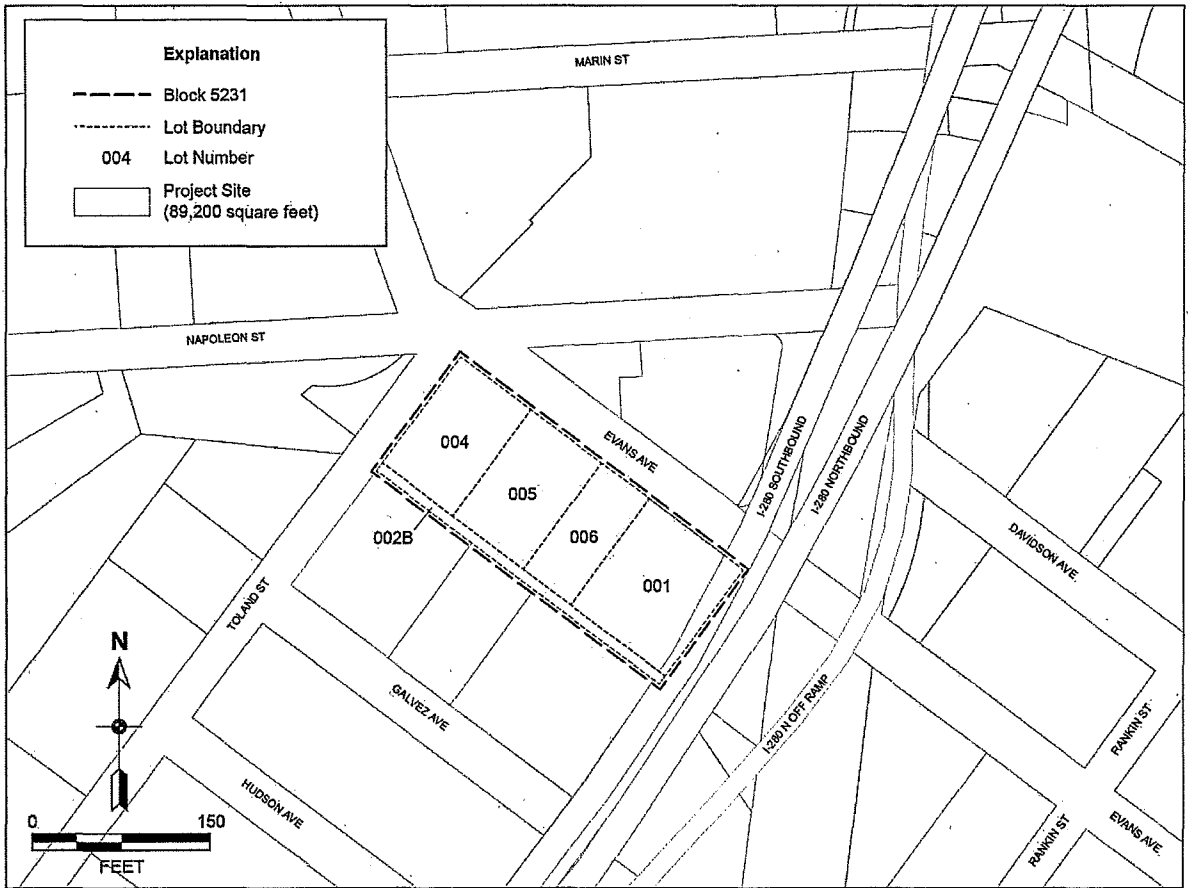
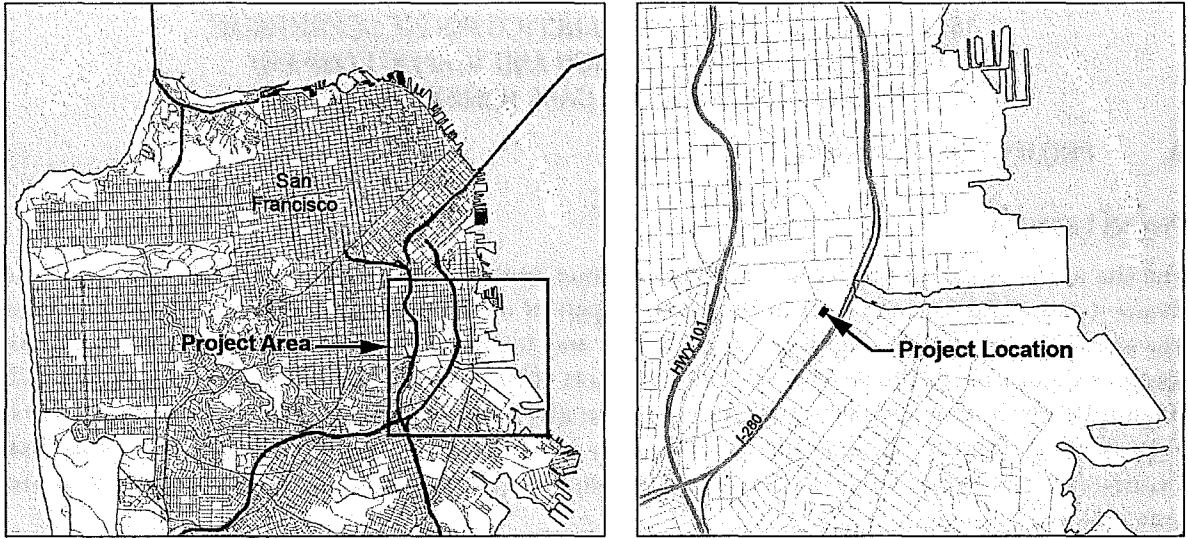
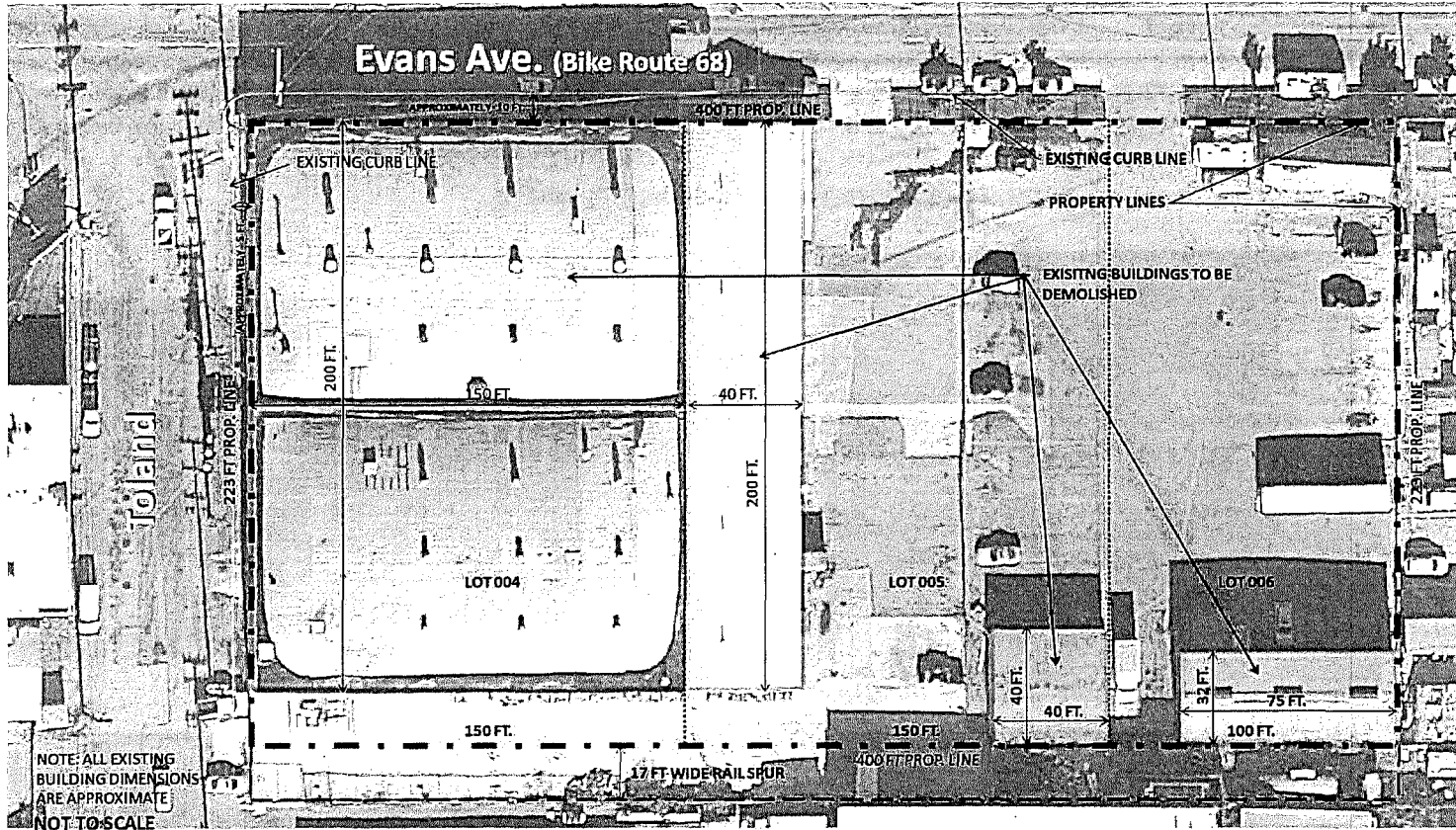



Figure 1. Project Location



 **Site Plan – Existing Structures**
NOT TO SCALE

07-29-13



Figure 2. Existing Site Plan

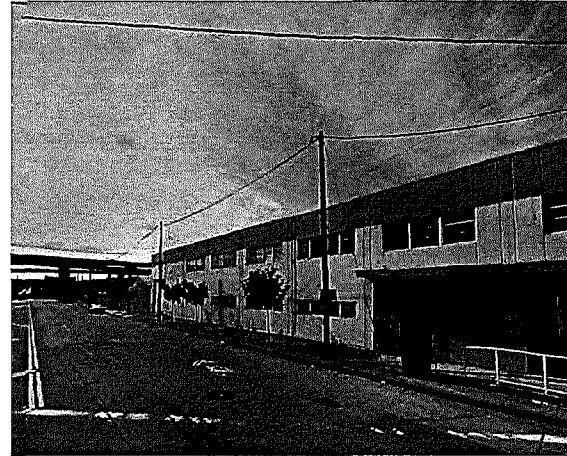
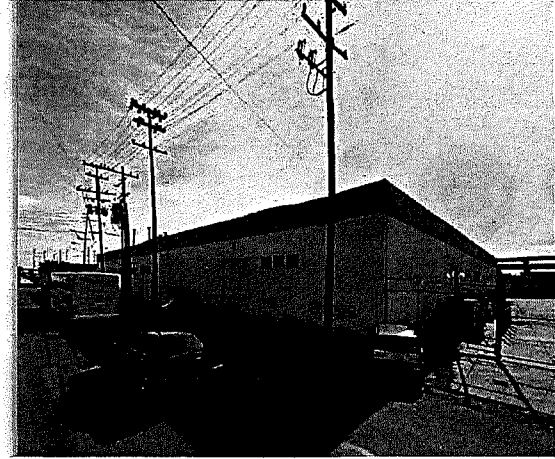


Figure 3. Photographs of Current Uses

Clockwise from top left: Storefront façade of the main building at the corner of Evans Avenue and Toland Street looking southwest. View of main building looking along Toland Street to the east. West corner of the storefront façade of the main building at the corner of Evans Avenue and Toland Street looking east. Eastern side of main building looking southeast along Evans Avenue.

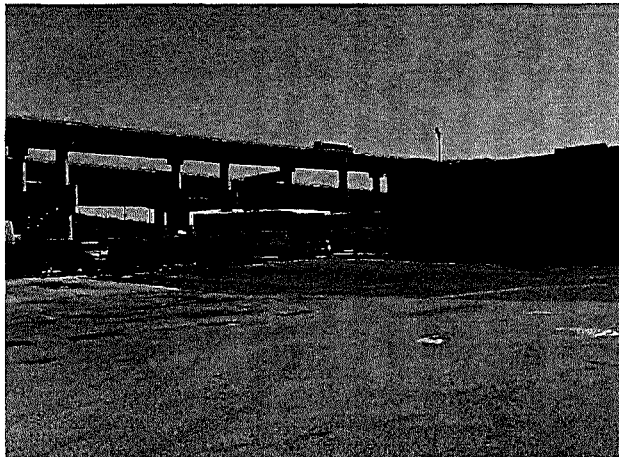


Figure 4. Photographs of Current Uses

Clockwise from top left: Back of main building with covered loading dock looking northwest. Entrance from Evans Avenue with view of loading dock on right. Ancillary structure at southeastern corner with Interstate Highway 280 in background. Former office of lumber company at eastern corner of the site.

The closest San Francisco Municipal Transit Agency (SFMTA) Bus Route is No. 19 from Hunters Point to Fisherman's Wharf, which stops on Evans Street at Napoleon Street to the north of the site. The Evans Street stop for the T-Third Street rail line is approximately one-half mile from the site.

Project Characteristics

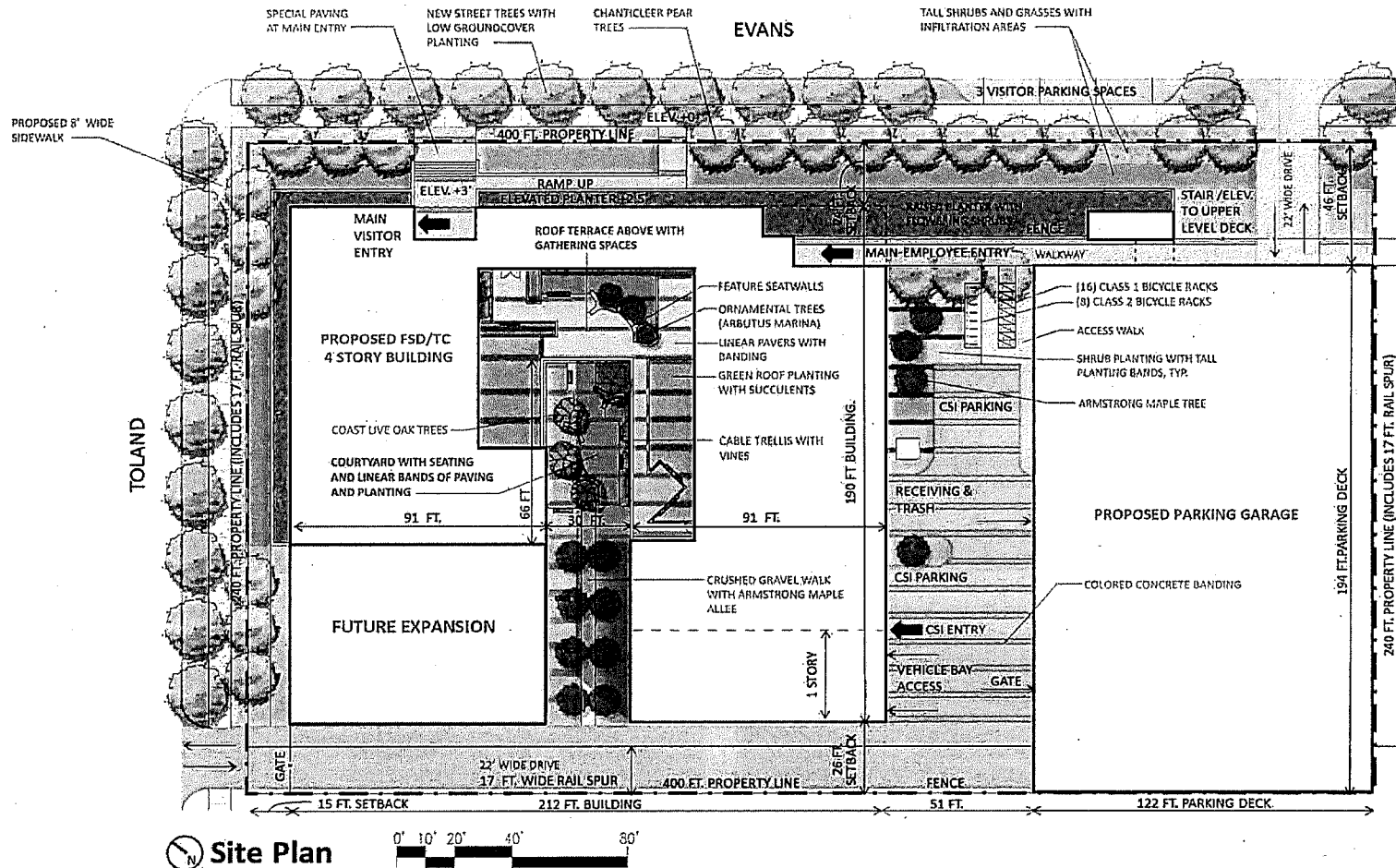
The proposed project entails demolition of the existing buildings, removal of pavement, and construction of a new building with a separate parking garage to house the San Francisco Police Department's (SFPD) Forensic Services Division (FSD) and Traffic Company (TC) (Figure 5). The FSD, a division of the SFPD's Investigation Bureau, is a forensic testing laboratory that examines evidence and provides expert testimony to support cases involving firearms, forensic biology (DNA), narcotics, arson debris, gunshot residue from the hands of shooters, and forensic documents. The TC, an independent command within the SFPD's Field Operations Bureau, operates a fleet of solo motorcycle officers who provide traffic enforcement, accident investigations, and education. The TC is presently housed at the Hall of Justice building at 850 Bryant Street in San Francisco, and the FSD function is presently located at the Hunters Point Shipyard.

Demolition of existing structures and removal of pavement from the site would be completed prior to the construction of a new 128,000-sf building and associated parking garage.¹ The proposed FSD/TC building would be four stories, approximately 64 feet in height inclusive of a 1-foot parapet, with a mechanical penthouse extending approximately 15 feet above the roofline, for a total building height of 80 feet. Elevations of the proposed building façades are shown on Figure 6 and a site section with heights is shown on Figure 7. Two elevators would provide access to the upper floors. The FSD would occupy 110,000 sf and the TC would occupy 18,000 sf of the FSD/TC building. The TC would be located on the first two floors of the southwestern section of the FSD/TC building, and FSD facilities would be housed in the remaining space not utilized for common areas or facility infrastructure. Floor plans of the FSD/TC building are shown on Figure 8 through Figure 12. FSD facilities would include forensics laboratories, laboratory support space, and offices. The TC would use the building for offices and storage.

Table 1 provides project characteristics for each building and the functions of each division.

A 47,000-sf, two-level parking garage would be constructed with 82 spaces for TC sworn-officer personal vehicles, 110 spaces for TC motorcycles, and storage space for 25 impounded vehicles. The parking garage would include four handicap spaces and two car share spaces. Parking garage floor plans are shown on Figure 13. Three parking spaces for visitors would be located along Evans Avenue (Figure 5). In addition, 16 Class 1 and eight Class 2 bicycle parking spaces would be located to the northwest of the parking garage near the main employee entry of the FSD/TC building. Receiving and one off-street loading space would be situated between the parking garage and the FSD/TC building as shown on Figure 5. Employee access to the facility would be via secure entrances to the parking garage structure from Toland Street and Evans Avenue and a walkway from the parking garage to the FSD/TC building. Employees and visitors arriving on foot or via public transit would enter the FSD/TC building lobby located on Evans Avenue. A vehicle access bay would also be constructed at the northeastern side of the site.

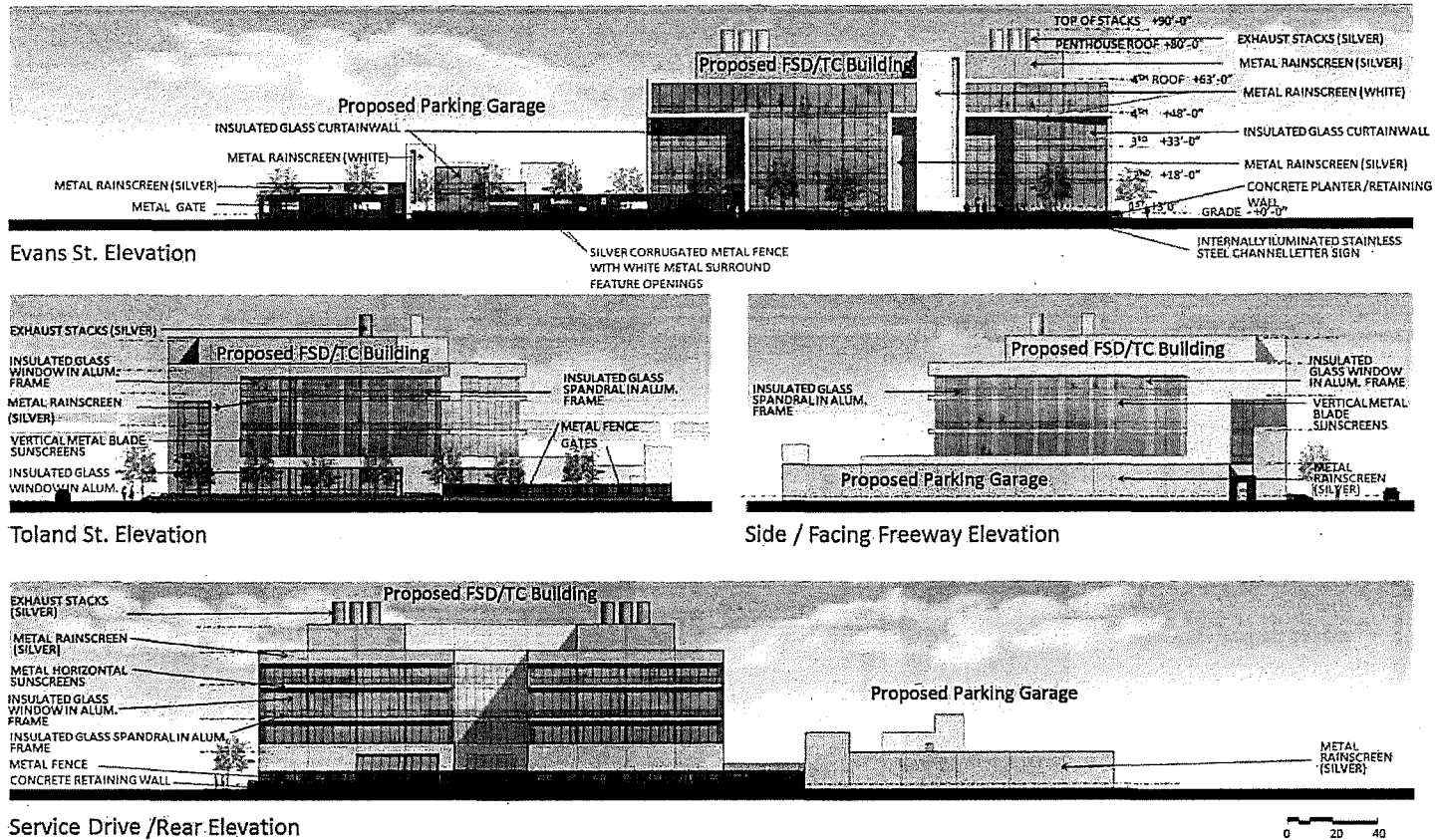
¹ Approximately 23,000 sf of the total may be constructed as a potential future building expansion. This Initial Study analyzes impacts associated with full build-out at the site. For the 23,000-sf future building expansion, approximately 16,100 sf will be utilized for additional forensic testing laboratory space and 6,900 sf will be utilized for additional office space.



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Figure 5. Proposed Site Plan

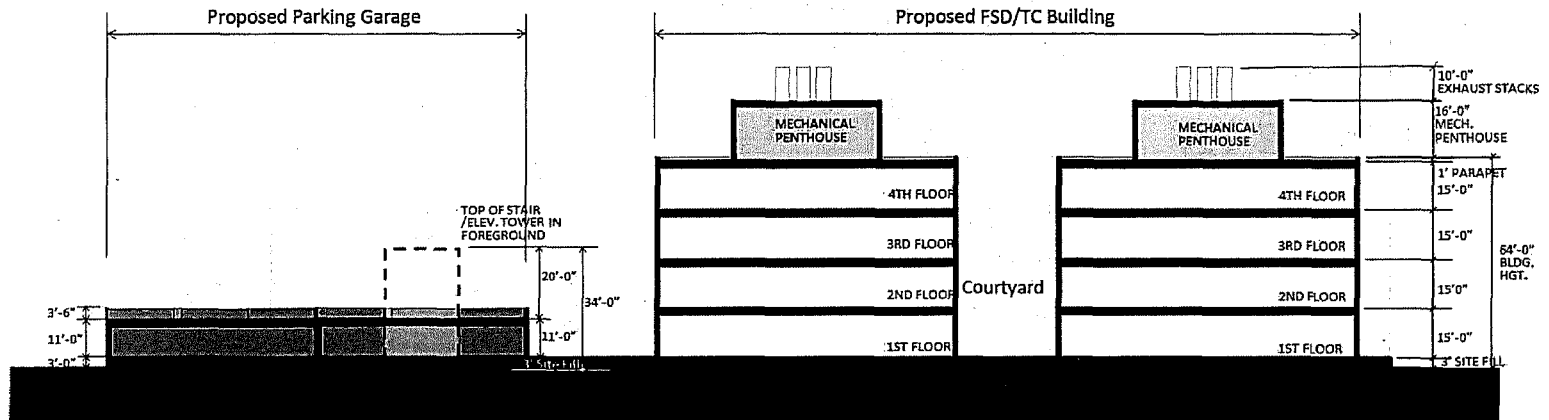
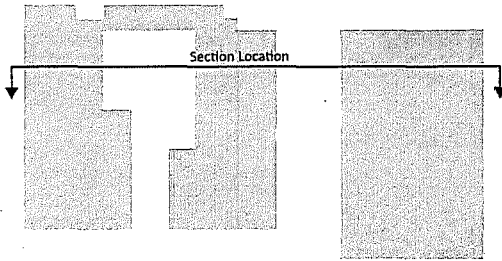


Note: Elevations are preliminary. Materials, design elements and features shown are to establish quality levels only.

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Figure 6. Proposed Building Elevations



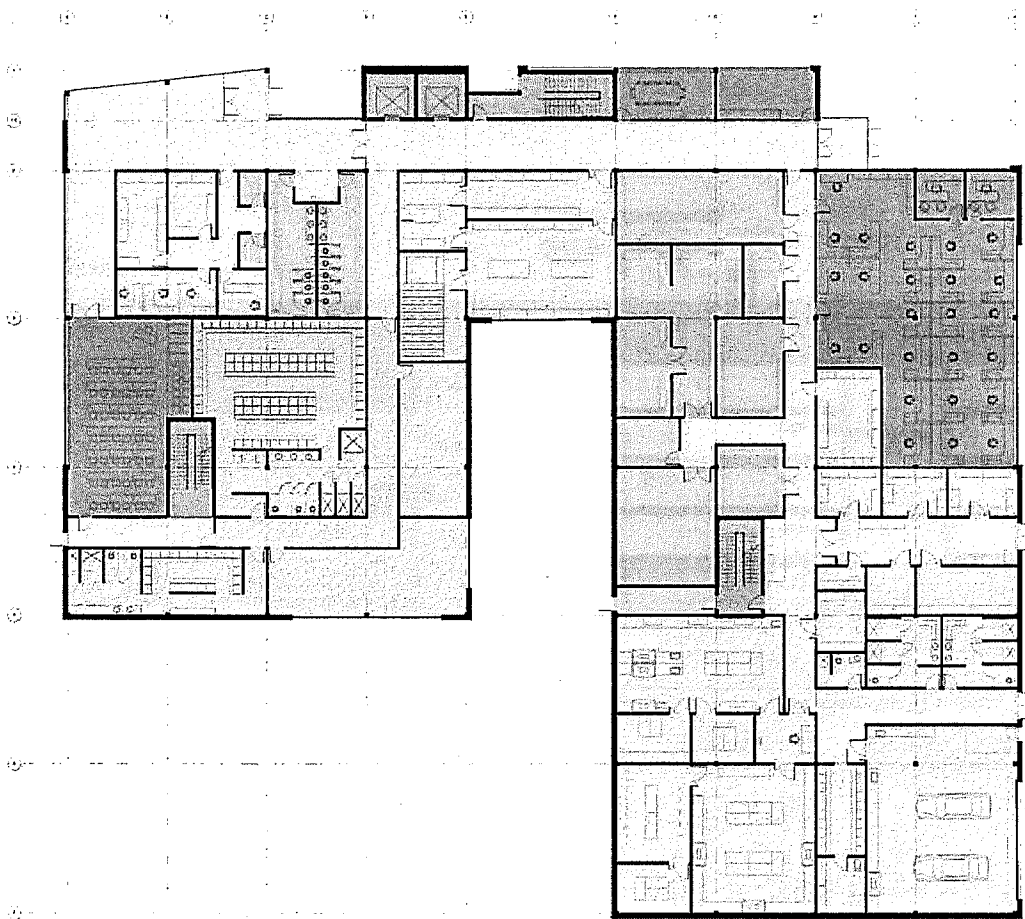
NOT TO SCALE


Site Section
(Looking Southwest)








07-29-13



Figure 7. Proposed Building Section



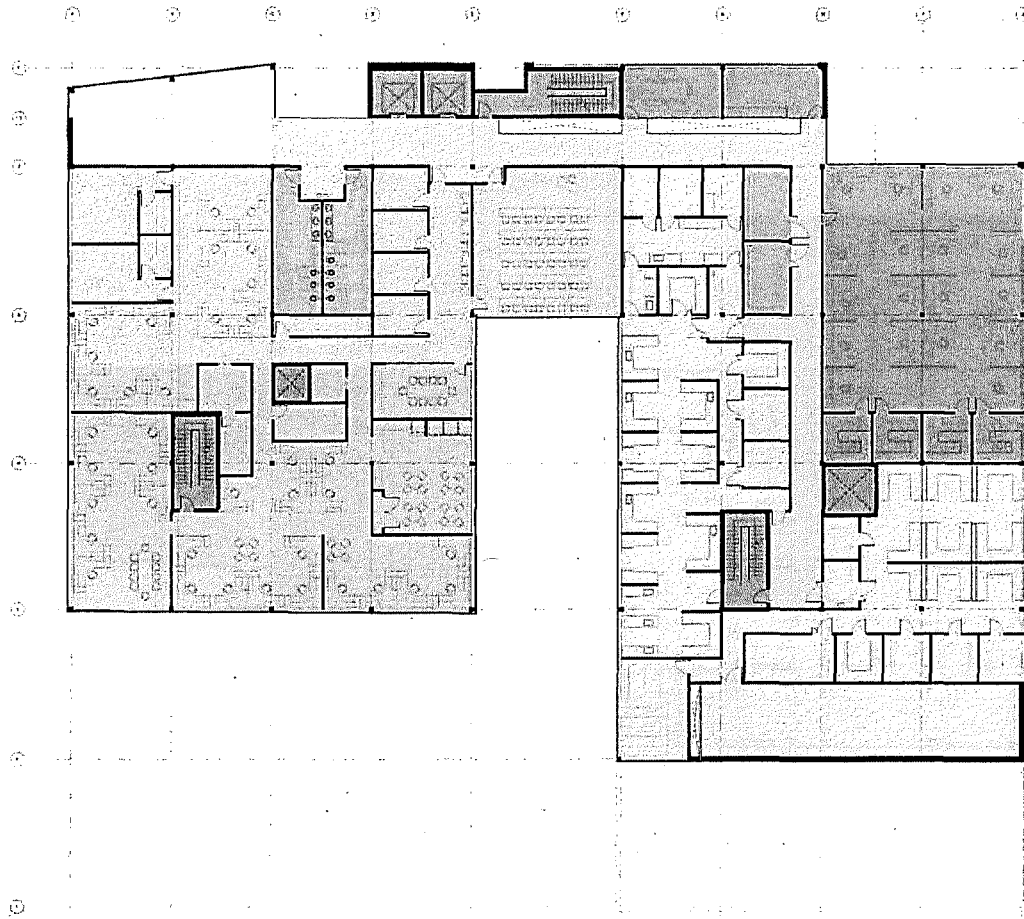

1st Floor
 NOT TO SCALE


-  LAB & LAB SUPPORT
-  OFFICE
-  TRAFFIC
-  BUILDING SUPPORT
-  FUTURE EXPANSION
-  CIRCULATION
-  VERTICAL CIRCULATION








07-29-13



Figure 8. Proposed FSD/TC Building Ground-Floor Plan



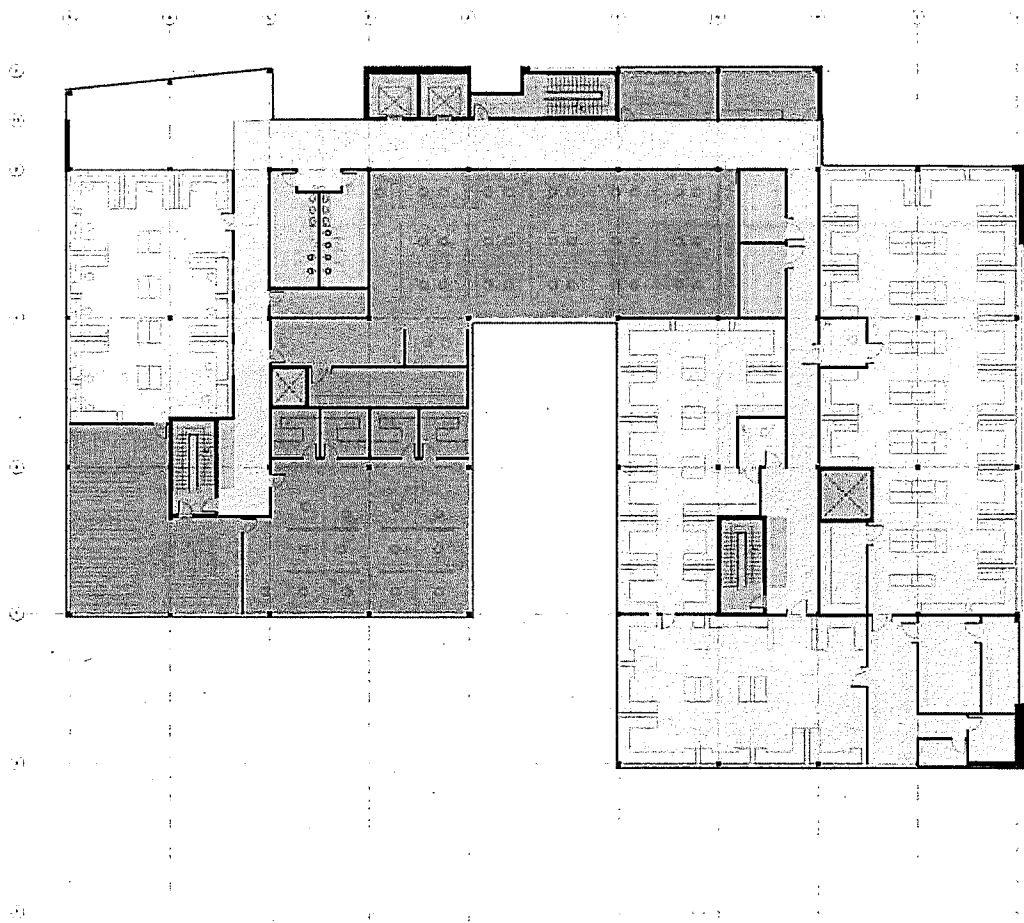

2nd Floor
 NOT TO SCALE

-  LAB & LAB SUPPORT
-  OFFICE
-  TRAFFIC
-  BUILDING SUPPORT
-  FUTURE EXPANSION
-  CIRCULATION
-  VERTICAL CIRCULATION

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Figure 9. Proposed FSD/TC Building Second-Floor Plan





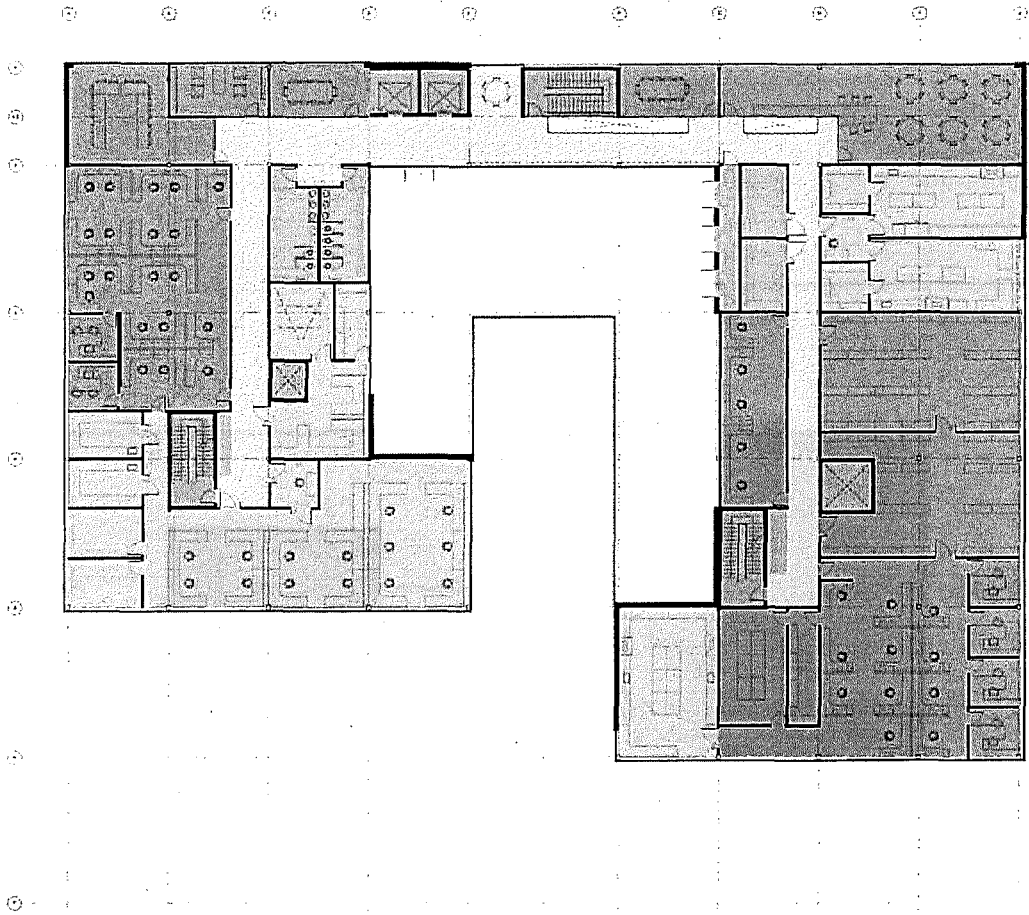
3rd Floor
 NOT TO SCALE

- LAB & LAB SUPPORT
- OFFICE
- TRAFFIC
- BUILDING SUPPORT
- FUTURE EXPANSION
- CIRCULATION
- VERTICAL CIRCULATION








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Figure 10. Proposed FSD/TC Building Third-Floor Plan





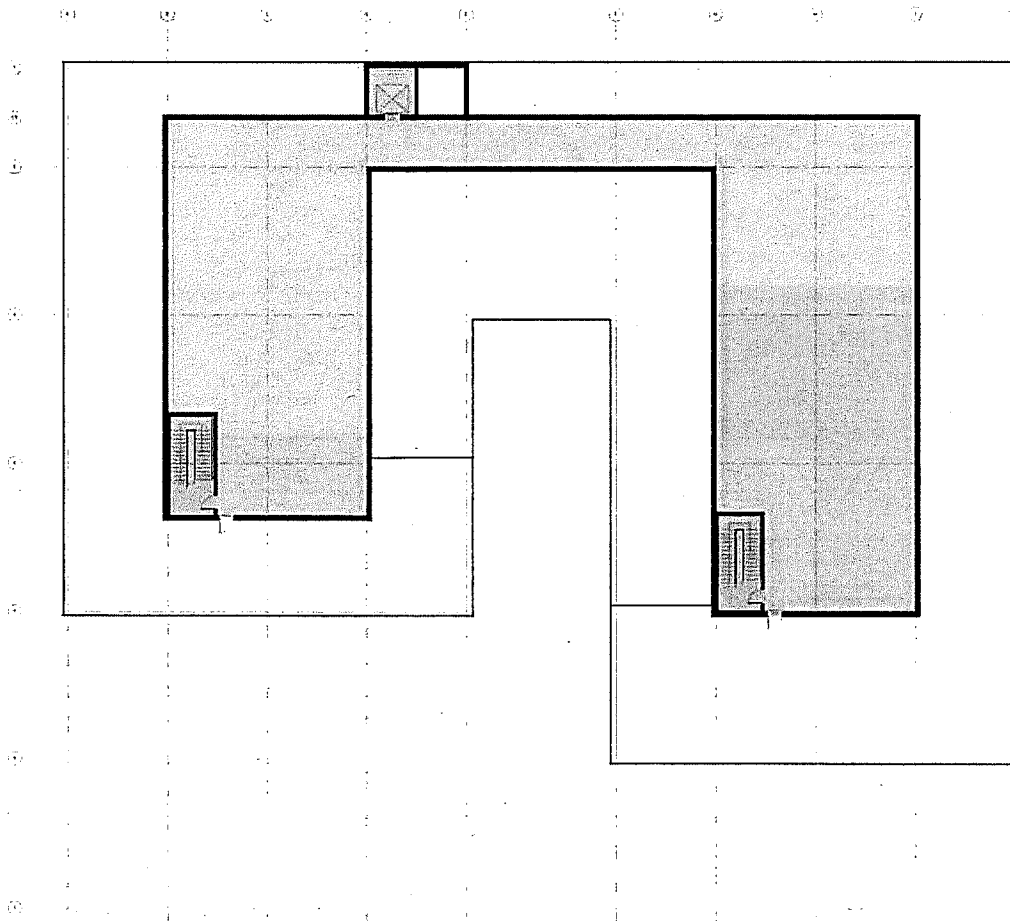
4th Floor
NOT TO SCALE


-  LAB & LAB SUPPORT
-  OFFICE
-  TRAFFIC
-  BUILDING SUPPORT
-  FUTURE EXPANSION
-  CIRCULATION
-  VERTICAL CIRCULATION








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Figure 11. Proposed FSD/TC Building Fourth-Floor Plan





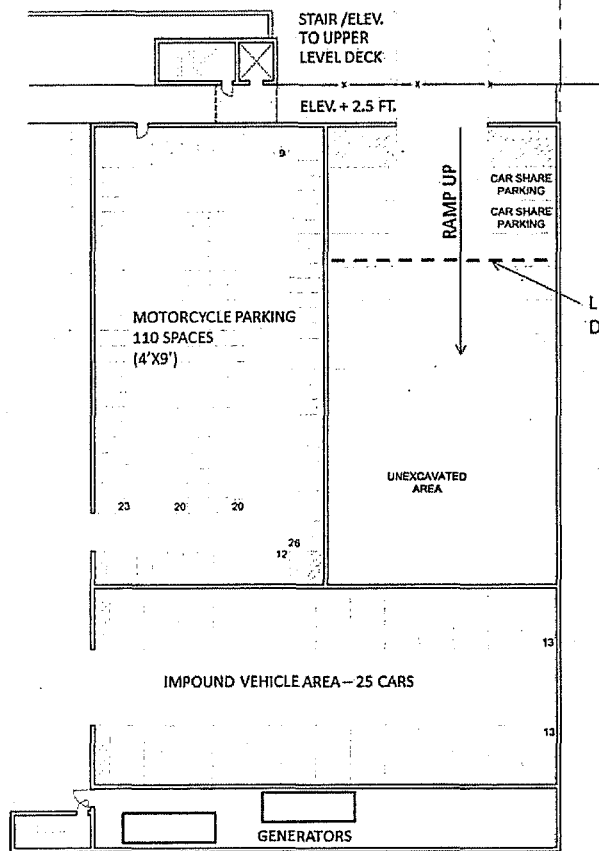

Penthouse
 NOT TO SCALE

-  LAB & LAB SUPPORT
-  OFFICE
-  TRAFFIC
-  BUILDING SUPPORT
-  FUTURE EXPANSION
-  CIRCULATION
-  VERTICAL CIRCULATION

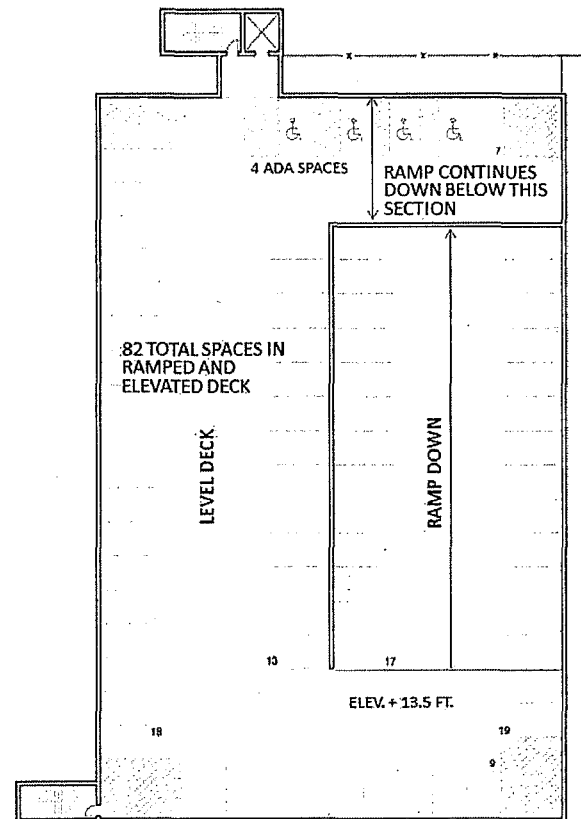
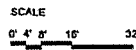
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Figure 12. Proposed FSD/TC Building Roof Plan

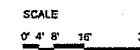




Level 1



Level 2



Parking Garage Floor Plans

07-29-13



Figure 13. Proposed Parking Garage Floor Plans

TABLE 1. PROJECT CHARACTERISTICS FOR THE NEW FORENSIC SERVICES DIVISION AND TRAFFIC COMPANY BUILDING AND PARKING GARAGE

Uses	FSD/TC Building		Parking Garage
	FSD Operation	TC Operation	
Public Services Uses			
Forensic testing laboratories and laboratory support	63,000 sf	--	--
Forensic Services Division administrative offices and support areas	27,000 sf	--	--
Traffic Company administrative offices and support areas	--	18,000 sf	--
Common areas and building support (stairs, toilets, conference rooms, mechanical and electrical facilities, housekeeping, etc.)	20,000 sf		--
Traffic Company vehicle operations (police motorcycle fleet, sworn office vehicles, and impounded cars)	--	--	47,000 sf
<i>Total</i>	<i>128,000 sf</i>		<i>47,000 sf</i>
Number of Employees	178	120	--
Building Characteristics			
Height	80 feet		34 feet
Number of stories	4		2
Number of showers	11		
Number of lockers	130		
Number of loading areas	1		
Parking spaces			
Sworn-officer personal vehicles	--	--	82
TC motorcycles	--	--	110
Impound vehicles	--	--	25
Bicycles	16 Class 1 and eight Class 2		
Car share	--	--	2

Source: Information provided by project sponsor.

The new FSD/TC building would be of steel frame construction with a foundation supported by 275 to 400 14-inch-square pre-cast and pre-stressed concrete piles approximately 90 feet deep. The parking garage would be supported by 100 to 200 piles of the same dimensions and depth. The FSD/TC building would be set back from the property line 15 feet along Toland Street, 24 feet along Evans Avenue, and 26 feet along the southern property boundary. The parking garage would be set back 46 feet from the property boundary at Evans Avenue. A low perimeter concrete site wall along the street edges would protect the FSD/TC building from vehicular crashes. The FSD/TC building façade with "street-level" presence would be screened with obscuring and resistive construction. FSD/TC building delivery and secure intake functions would be shielded from public view. Exterior building materials would consist of masonry, glass, and metal panels chosen for durability, long-term performance, and appropriateness for a modern forensic testing laboratory and office structure.

The entire site would be raised approximately three feet in elevation for flood protection and would be paved, with the exception of areas that would be landscaped as shown on Figure 5. Under the proposed project, the sidewalk along Evans Avenue adjacent to the project site would be maintained at 10 feet in width, and a 6-foot planter strip would replace the parking lane in front of the project site (with the exception of the three guest parking spaces). On Toland Street, the project would construct an 8-foot wide sidewalk (with adjacent 8-foot planter strip) where no sidewalk currently exists. Trees would be planted along the perimeter of the site and along the sidewalks of Toland Street and Evans Avenue. Permeable pavers, rain gardens, a bio-swale and a roof garden (Figure 5) would be installed to reduce storm water flow from the site in compliance with the San Francisco Public Utility Commission's (SFPUC's) *Storm Water Design Guideline*. Storm water would discharge to the SFPUC's combined sewer system.

The project would include provision for drinking and fire suppression water, power, and sanitary sewerage. The buildings would be designed in accordance with the Essential Services Buildings Seismic Safety Act to minimize fire hazards and to resist the forces of earthquakes, gravity, and wind.² The TC space would be designed for immediate occupancy and normal operational use, with specialty water, sanitary, fire protection, and emergency power systems for 96-hour self-sufficient operation. FSD components would include controlled shutdown and emergency systems adequate for preservation of evidence but not on-going operations. Two emergency power generators fueled by an underground diesel storage system would provide backup power in the event of an outage. Storage tanks for fire suppression and emergency potable water would be installed at the northwestern perimeter of the site. An 8,000-gallon sanitary storage tank (see Figure 14) would be installed below grade, external to the FSD/TC building and connected via gravity source along the FSD/TC building main sanitary discharge, with access for mechanical pumping, if needed, to satisfy essential facilities use demands during emergency conditions. The facility would be secured by fencing and monitored via closed-circuit television. Outdoor lighting would be provided for the FSD/TC building entryways and parking structure.

Operating hours for the FSD would be 6:00 a.m. to 5:30 p.m., Monday through Friday. The TC would operate three daily shifts: a day shift from 7:00 a.m. to 4:00 p.m.; swing shift from 2:00 p.m. to 11:00 p.m.; and a night shift from 9:00 p.m. to 6:00 a.m. Approximately 298 employees would work at the facility (staffing level reflects post-expansion workforce), with 120 working at the TC and 178 at the FSD. About nine of the FSD employees would be working during the evening and nighttime hours of 6:00 p.m. to 6:00 a.m. At the TC, 48 employees would work during the day shift, 36 on the swing shift, and 36 on the night shift. Three to six of these employees would be civilian staff, with the remainder being law enforcement officers.

² California Health and Safety Code (HSC), Chapter 2, Section 16000 through Section 16023.

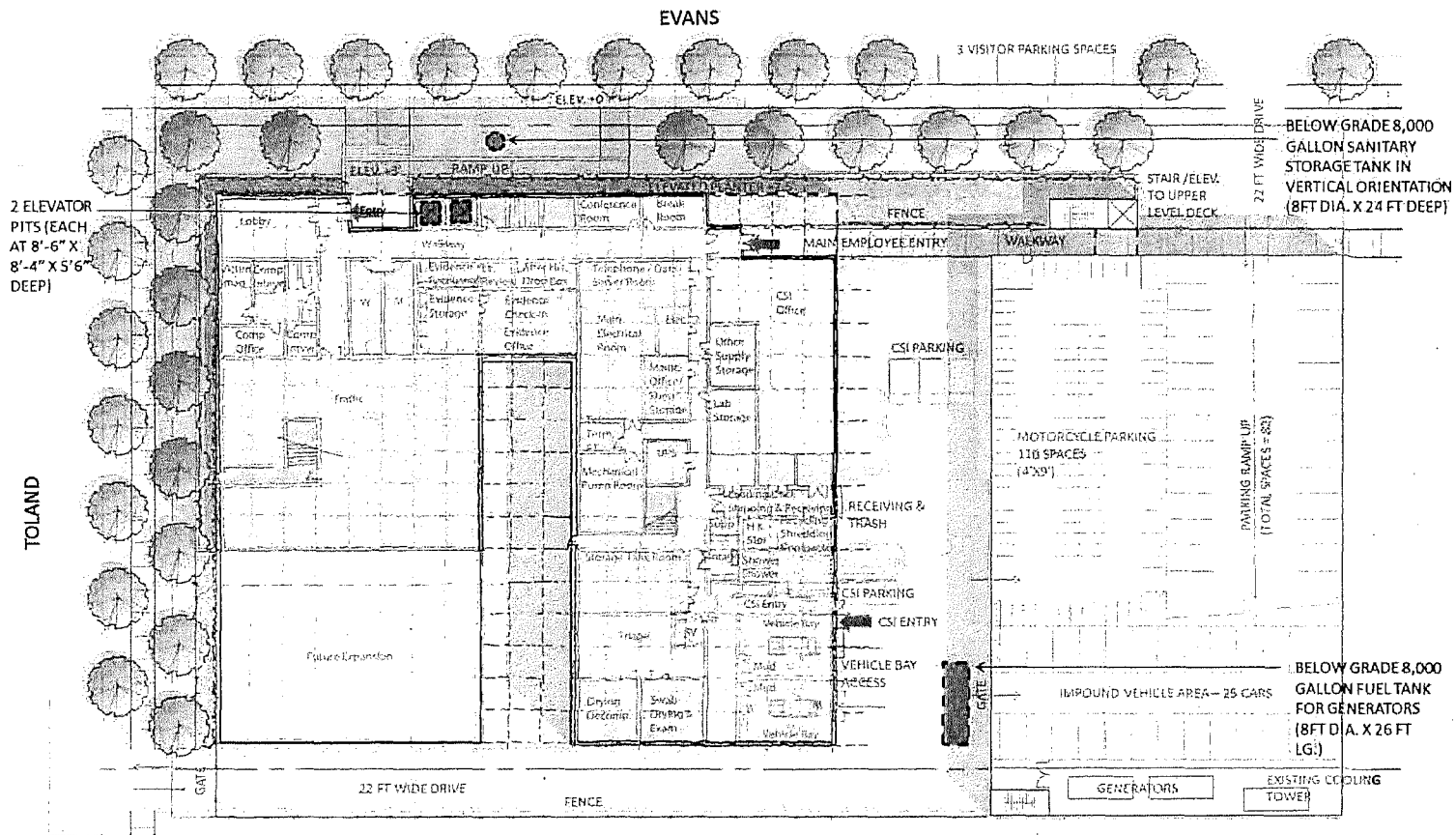
Construction of the facility is anticipated to take 30 months. Demolition of existing structures would occur during 2016 and is anticipated to require three months to complete. Limited excavation would be required for installation of subsurface structures, such as the elevator shafts, diesel fuel tanks, and a water storage tank. Excavation of 1,100 cubic yards (cy) of soil is anticipated to a depth ranging from approximately 5 to over 24 feet. The site grade would be raised by about three feet with approximately 10,000 cy of fill. Pile driving for support of the FSD/TC building and parking garage foundations would be conducted for a period of four months. The total duration of construction is estimated to be 30 months, beginning in 2016 and ending in 2018. Hours of construction are expected to be from 7:00 a.m. to 5:00 p.m. The estimated cost of the project is \$55,500,000.


Required Approvals

William Spencer Company of Brisbane, California, owns the property on which the project would be constructed. The City and County of San Francisco plans to purchase the property from the current owner. Funding for the purchase would be obtained via the Earthquake Safety and Emergency Response Bond Program.

The project would require the following approvals from the City and County of San Francisco:

- Approval for bond funding by Board of Supervisors (Approval Action);
- Approval of a Planned Unit Development by the San Francisco Planning Department (SF Planning Department);
- Approval of a Subdivision Map and Issuance of a Street Tree Permit, Grading Permit and Right-of-Way (ROW) Permits from the San Francisco Department of Public Works (SFPD);
- Issuance of a Building Permit by the Department of Building Inspection;
- Approval of a Site Mitigation Plan (SMP) by the San Francisco Department of Public Health (SFPDH); and,
- Approval of a Storm Water Control Plan (SWCP) by the SFPUC.



 **Site Plan – Subsurface Structures**
NOT TO SCALE

07-29-13



Figure 14. Proposed Site Plan - Subsurface Structures

B. PROJECT SETTING

The site of the proposed project is an approximately 2.2-acre parcel in the northern part of the Bayview neighborhood of San Francisco at 1995 Evans Avenue, on the southern corner of the intersection of Evans Avenue and Toland Street. The property is bordered by public roadways, with Toland Street on the western edge and Evans Avenue on the northern edge. The eastern property edge abuts a parcel owned and used by the California Department of Transportation (Caltrans) for vehicle storage. A 17-foot wide inactive railway spur runs along the southern site boundary. Beyond the railway spur, to the southwest, is a warehouse occupied by Ceiling Systems Supply, Inc. Evans Avenue and Toland Street are both two-way streets, with two traffic lanes in each direction on Evans Avenue and a single lane in each direction on Toland Street. Toland Street terminates at the five-way intersection of Evans Avenue and Napoleon Street, a two-way, two-lane street running approximately east-west (see Figure 1).

The topography of the vicinity of the project site is either flat or gently sloping eastward towards the Bay, and has a mix of commercial and light industrial uses dominated by one- and two-story warehouses. The nearest residences are at the Potrero Terrace and Potrero Annex public housing units 0.3 mile north of the project site. The nearest parks to the project site include Islais Creek Park and Tulare Park, which are about 0.4 mile east of the project site, and Selby & Palou Mini Park, which is approximately 0.6 mile south of the project site. Although no building in the vicinity exceeds two stories in height, many buildings include features such as high ceilings, large loading docks, and ground floor access generally not present in most offices and commercial buildings. A range of industrial construction styles typical of the latter half of the twentieth century is present, and includes reinforced concrete, steel, and wood-framed buildings clad in corrugated sheet metal, masonry, or stucco. The tallest nearby structure is the I-280 elevated freeway, located approximately 200 feet southeast, paralleling the southeastern boundary of the site. Its height at this location is approximately 60 feet above street level and well above the height of buildings in the area.

Evans Avenue is a major artery serving the area; it intersects Cesar Chavez Street approximately 1,000 feet north-northeast of the site. Exits and entrances to the U.S. 101 and I-280 freeways are about one-half mile from this junction.

New housing, large office developments, large-scale retail, and the heaviest of industrial uses, such as incinerators, are not permitted in the PDR-2 district in which the site is located. Generally, all other uses are permitted. Activities in these areas may emit noises, vibrations, odors, and other emissions. Chemical, biological, and other hazardous, explosive, or flammable materials may be stored and used in buildings in the PDR-2 use district.

The site is located in an Industrial Protection Zone (IPZ) special use district, which is intended to protect light and heavy industrial uses, and within one-quarter mile of an Existing Fringe Financial Service restricted use district, which prohibits new fringe financial services, including check cashing and payday lending. Residential, live/work, and office uses are not permitted in the IPZ. Office space accessory to an industrial use is allowed.

The area immediately outside of the PDR-2 use district in which the proposed project would be located is primarily residential to the north, west, and south. Commercial and industrial uses are to the east toward the inlet for Islais Creek and San Francisco Bay.

The project site lies within an 80-E height and bulk district that comprises several city blocks in the core of the PDR-2 district. This core is surrounded on all sides by a 65-J height and bulk district. Most (90 percent) of the residential areas beyond are in a 40-X height and bulk district, with some in 45-X, 48-X, 55-X, 65-X, 68-X, and OS (open space) height and bulk districts. Notable exceptions to this pattern are San Francisco General Hospital, located three quarters of a mile northwest of the site in a 105-E height and bulk district, and the area north of Islais Creek, about one-half mile northeast of the site, which includes some 68-X, 80-E, and 85-X height and bulk districts centered on the Third Street corridor and its intersections with 25th Street and Cesar Chavez Street.

C. COMPATIBILITY WITH ZONING, PLANS, AND POLICIES

	<i>Applicable</i>	<i>Not Applicable</i>
Discuss any variances, special authorizations, or changes proposed to the Planning Code or Zoning Map, if applicable.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss any conflicts with any adopted plans and goals of the City or Region, if applicable.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss any approvals and/or permits from City departments other than the Planning Department or the Department of Building Inspection, or from Regional, State, or Federal Agencies.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

San Francisco Planning Code

The San Francisco Planning Code (Planning Code), which incorporates the San Francisco Zoning Maps, governs permitted uses, densities, and configuration of buildings within San Francisco. Permits to construct new buildings (or to alter or demolish existing ones) may not be issued unless the proposed project either conforms to the Planning Code or is granted an exception pursuant to provisions of the Planning Code. Because the project site is greater than one-half acre in size, a PUD would be required for any exceptions to the Planning Code. The proposed project approvals would include a PUD to address the project's provision of a smaller number of off-street parking spaces than is required by the Planning Code.

Use District

The project site is in the PDR-2 use district. Planning Code Section 210.11 provides that the intent of the PDR-2 zoning district is, "... to encourage the introduction, intensification, and protection of a wide range of light and contemporary industrial activities. Thus, this zoning district prohibits new housing, large office developments, large-scale retail, and the heaviest of industrial uses, such as incinerators. Generally, all other uses are permitted." According to Planning Code Section 210.11, a wide range of light and contemporary industrial activities are permitted in the PDR-2 use district. In addition, certain non-industrial and non-residential uses can be permitted, including small-scale retail and office, entertainment, certain institutions, and similar uses that would not conflict with primary industrial uses or are compatible with the operational characteristics of businesses in the area.

The proposed use includes:

- Forensic testing laboratories and laboratory support areas for the FSD (63,000 sf in size);
- Administrative offices and support areas for the FSD (27,000 sf in size);
- Common and building support areas (e.g., stairs, toilets, conference rooms, mechanical and electrical facilities) (20,000 sf in size);
- TC operations, including accident investigations and education (18,000 sf in size); and
- Two-level parking garage for the TC police motorcycle fleet, sworn office vehicles, and impounded cars (47,000 sf).

PDR districts are intended to preserve and expand the City's existing stock of light industrial activities, which are important to the health and function of the City's economy, but cannot adequately compete against residential and office land uses in the real estate market. The San Francisco Planning Department's (SF Planning Department) Zoning Administrator determined that the FSD and TC are a "public service facility, excluding service yard" and that "operating requirements necessitate [their] location within the [PDR-2] district" as defined in Planning Code Section 227(e). A public service facility is permitted as a principle use in a PDR-2 use district.

Height and Bulk District

The project site is located in an 80-E height and bulk district, with maximum allowed building height of 80 feet (Planning Code Section 250). The proposed FSD/TC building would be 64 feet in height including a 1-foot parapet with a mechanical penthouse extending it approximately 15 feet above the roofline to a total height of 80 feet. The mechanical penthouse above 64 feet would be approximately 110 feet in length and 120 feet on the diagonal and would not exceed the maximum length (110 feet) and/or diagonal (140 feet) dimensions for the 80-E bulk district. Thus, the proposed project complies with both the height and bulk limits.

Special Use District

The project site is situated in the IPZ Special Use District, which prohibits residential and office uses, except office space accessory to an industrial use (Planning Code Section 249.22(b)). The project is also subject to Planning Code Section 230, which requires replacement of PDR space if an industrial building is demolished. Since the Zoning Administrator determined that project is a public service facility whose operating requirements necessitate location within PDR, the proposed FSD/TC building would meet Planning Code Section 230 industrial building replacement requirement.

Parking

Planning Code Section 151 provides requirements for off-street parking based on proposed uses. Per Table 151 of the Planning Code, for manufacturing and industrial uses, one off-street parking space is required for each 1,500 sf of occupied floor area; for office space accessory to the industrial space, one off-street parking space is required for each 500 sf of occupied floor area. Under a full build-out scenario, 45 off-street parking spaces are required for the laboratory functions and 96 off-street parking spaces are required for office functions. The parking garage would provide 82 spaces for employee vehicles, 20 spaces fewer than the 102 required by Planning Code Section 151. The SF Planning Department would review the proposed number and dimensions of parking spaces for conformance with the off-street parking requirements of the Planning Code through the building permit review process. A variance would be required for approval of fewer parking spaces than are required by the Planning Code. The project would provide two car-share spaces, which would meet the Planning Code requirement in Section 166. The proposed project would provide 16 Class 1 and eight Class 2 bicycle parking spaces, for a total of 24 at-grade spaces. This would exceed the Planning Code requirements for bicycle parking (Sections 155.2 and 155.3) of 15 Class 1 and eight Class 2 bicycle parking spaces. In addition to the bicycle parking spaces, the proposed project would provide 130 lockers and 11 showers. This would exceed the Planning Code requirements in Section 155.4 of 24 lockers and four showers.

Loading

Planning Code Section 152 provides loading space requirements based on proposed uses. For buildings with a gross floor area of 100,001 to 200,000 sf that are not a retail store, a wholesale use, a manufacturing use, or a use primarily engaged in the handling of goods, Planning Code Section 152 states that one off-street freight loading space is required. The proposed project would include ~~an off-street loading space that meets~~ an off-street loading space that meets the requirements of the Planning Code ~~Section 155 for size and location.~~ However, the area between the parking garage and FSD/TC building would be used for loading and would meet the demand for loading space on the project site and the Planning Code requirements for the length and width of the loading space. The SF Planning Department would review the proposed uses for conformance with the Planning Code through the building permit review process.

Plans and Policies

San Francisco Plans and Policies

San Francisco General Plan

The *San Francisco General Plan* (General Plan) provides general policies and objectives to guide land use decisions. The General Plan contains 10 elements (Commerce and Industry, Recreation and Open Space, Housing, Community Facilities, Urban Design, Environmental Protection, Transportation, Air Quality, Community Safety, and Arts) that set forth goals, policies, and objectives for the physical development of the City. The proposed project would not obviously or substantially conflict with any General Plan goals, policies, or objectives. The compatibility of the proposed project with the General Plan goals, policies, and objectives that do not relate to physical and environmental issues will be considered by decision-makers as part of their assessment whether to approve or disapprove the proposed project. Any potential conflicts identified as part of the process would not alter the physical environmental effects of the project.

Bayview Hunters Point Area Plan

The project is located in the Bayview Hunters Point Area Plan (Area Plan) and in the Oakinba Activity Node. Activity nodes are "community-identified catalyst areas in which to focus public investment."³ The Area Plan calls for maintaining industrial zones for production, distribution, and repair activities in the Oakinba subdistrict to strengthen the role of the Bayview's industrial sector in the economy of the district, the City, and the region. The industrial nature of the proposed project is consistent with the objectives of the Area Plan.

The Accountable Planning Initiative

In November 1986, the voters of San Francisco approved Proposition M, the *Accountable Planning Initiative*, which added Section 101.1 to the Planning Code to establish the following eight priority policies:

1. Preservation and enhancement of neighborhood-serving retail uses;
2. Protection of neighborhood character (see Section E.1, Land Use and Land Use Planning, Question 1c);
3. Preservation and enhancement of affordable housing(see Section E.3, Population and Housing, Question 3b, with regard to housing supply and displacement issues);
4. Discouragement of commuter automobiles (see Section E.5, Transportation and Circulation, Questions 5a, 5b, and 5f);
5. Protection of industrial and service land uses from commercial office development and enhancement of resident employment and business ownership (see Section E.1, Land Use and Land Use Planning, Question 1c);
6. Maximization of earthquake preparedness (see Section E.14, Geology and Soils, Questions 14a through 14d);
7. Landmark and historic building preservation (see Section E.4, Cultural and Paleontological Resources, Question 4a); and,
8. Protection of open space (see Section E.9, Wind and Shadow, Questions 9a and 9b; and Question 10, Recreation, Questions 10a and 10c).

³ SF Planning Department, Environmental Planning Division, *Bayview Hunters Point Area Plan* Available online at: http://www.sf-planning.org/ftp/General_Plan/Bayview_Hunters_Point.htm. Accessed on May 23, 2013.

Prior to issuing a permit for any project that requires an Initial Study under the California Environmental Quality Act (CEQA), or issuing a permit for any demolition, conversion, or change of use, and prior to taking any action that requires a finding of consistency with the General Plan, the City is required to find that the proposed project would be consistent with these priority policies. Consistency with policies applicable to the proposed project is discussed in Section E (specific subsections are noted in parentheses in the priority policies listed above).

Regional Plans and Policies

The five principal regional planning agencies and their policy documents that guide planning in the nine-county Bay Area are:

- Association of Bay Area Governments (ABAG) 2009 Projections;
- Bay Area Air Quality Management District (BAAQMD) *2010 Clean Air Plan (2010 CAP)*;
- Metropolitan Transportation Commission (MTC) *Regional Transportation Plan – Transportation 2035*;
- San Francisco Regional Water Quality Control Board (RWQCB) *San Francisco Basin Plan*; and,
- San Francisco Bay Conservation and Development Commission (BCDC) *San Francisco Bay Plan*.

The project would not obviously or substantially conflict with any adopted environmental plan or policy.

D. SUMMARY OF ENVIRONMENTAL EFFECTS

The proposed project could potentially affect the environmental factor(s) checked below. The following pages present a more detailed checklist and discussion of each environmental factor.

- | | | |
|---|--|--|
| <input type="checkbox"/> Land Use | <input checked="" type="checkbox"/> Air Quality | <input type="checkbox"/> Biological Resources |
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Wind and Shadow | <input type="checkbox"/> Hydrology and Water Quality |
| <input checked="" type="checkbox"/> Cultural and Paleo. Resources | <input type="checkbox"/> Recreation | <input type="checkbox"/> Hazards/Hazardous Materials |
| <input type="checkbox"/> Transportation and Circulation | <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mineral/Energy Resources |
| <input type="checkbox"/> Noise | <input type="checkbox"/> Public Services | <input type="checkbox"/> Agricultural and Forest Resources |
| | | <input checked="" type="checkbox"/> Mandatory Findings of Significance |

All items on the Initial Study Checklist that have been checked "Less Than Significant Impact," "No Impact," or "Not Applicable" indicate that, upon evaluation, staff has determined that the proposed project could not have a significant adverse environmental effect relating to that issue. For items that have been checked "Less Than Significant with Mitigation Incorporated," staff has determined that the proposed project would not have a significant adverse environmental effect provided that the project sponsor implements mitigation measures presented in Section F of this document. A discussion is included for most issues checked "Less Than Significant with Mitigation Incorporated," "Less Than Significant Impact," "No Impact," or "Not Applicable." For all of the items without discussion, the conclusions regarding potential significant adverse environmental effects are based upon field observation, staff experience and expertise on similar projects, and/or standard reference material available within the SF Planning Department, such as the *Transportation Impact Analysis Guidelines for Environmental Review*, or the California Natural Diversity Data Base and maps, published by the California Department of Fish and Game (CDFG). For each checklist item, the evaluation has considered the impacts of the project both individually and cumulatively.

Two approaches to a cumulative impact analysis are provided in CEQA Guidelines Section 15130(b)(1). The analysis can be based on: (a) a list of past, present, and probable future projects producing related impacts that could combine with those of a proposed project; or (b) a summary of projections contained in a general plan or related planning document. The analysis in this Initial Study employs both list-based and projections approaches, depending on which approach best suits the individual resource topic being analyzed. For instance, the aesthetics analysis considers individual projects that are anticipated in the project area that may alter the visual character and views in and surrounding the project area, while the transportation and circulation analysis relies on a citywide growth projection model that encompasses the proposed project and other nearby projects, which is the typical methodology that the SF Planning Department applies to analysis of transportation impacts.

The reasonably foreseeable probable future projects within one-quarter mile of the project site considered in the cumulative analysis, as applicable, include the following:

- Recently completed expansion of the Restaurant Depot store at 2045 and 2121 Evans Avenue, located just north of the project site on Evans Avenue;⁴

⁴ SF Planning Department, Environmental Planning Division, Case No. 2009.0651. Available for public review at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103.

- Proposed Home Depot store at 2000 Marin Street, located just north of the project site on Evans Avenue;⁵
- Approved expansion of the San Francisco Wholesale Produce Market (901 Rankin Street and 2101 Jerrold Avenue);⁶
- Proposed construction of a 25,000-sf commercial building at 928 Toland Street, one-half mile southwest of the project site;⁷ and
- Planned redevelopment (replacement of existing units and expansion) of the Potrero Terrace and Potrero Annex public housing units on the opposite side of Cesar Chavez Street to the north (700, 871, 901, and 915 Missouri Street; 1 and 65 Turner Terrace; 1, 83, and 97 Watchman Way; 1001-1029 and 1201-1275 Wisconsin Street; 901-995, 900-788, 1000-1090, 1001-1079, and 1100-1148 Connecticut Street; 1-81, 2-88, 100-174, and 101-173 Dakota Street; 900 Texas Street; 1801-1849 23rd Street; 1620-1720 and 1800-1892, 1801-1855, and 1901-1951 25th Street; and 1720-1828 26th Street).⁸

In addition to the above projects, the cumulative analysis of transportation and other quantified impacts incorporates growth forecasts that are the basis for the San Francisco County Transportation Authority citywide transportation model. These growth projections include the effects of major long-term projects such as the Candlestick Point-Hunters Point Shipyard Phase II Project, located one mile southeast of the project site.

⁵ SF Planning Department, Environmental Planning Division, Case No. 2009.0362. Available for public review at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103.

⁶ SF Planning Department, Environmental Planning Division, Case No. 2009.1153. Available for public review at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103.

⁷ SF Planning Department, Environmental Planning Division, Case No. 2011.0859. Available for public review at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103.

⁸ SF Planning Department, Environmental Planning Division, Case No. 2010.0515. Available for public review at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103.

E. EVALUATION OF ENVIRONMENTAL EFFECTS

E.1 LAND USE AND LAND USE PLANNING

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant -Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
1. LAND USE AND LAND USE PLANNING— Would the project:					
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial impact upon the existing character of the vicinity?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Impact LU-1: The proposed project would not physically divide an established community. (Less than Significant)

Land uses in the vicinity of the project site are dominated by light industrial and manufacturing, warehouse, and distribution uses. These surrounding uses would be expected to continue to operate and relate to each other as they do presently, without disruption from the proposed project. Because the proposed FSD/TC building and associated parking structure would be constructed within the existing lot configuration, the project would not physically divide or interfere with the arrangement of existing uses and activities that surround it or alter the existing street plan. The proposed project would not impede the passage of persons or vehicles. The surrounding uses and activities would remain and would interrelate with each other as they do at the present time. Therefore, impacts related to the division of an established community would be *less than significant*.

Impact LU-2: The proposed project would be consistent with applicable land use plans, policies, or regulations of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect. (Less than Significant)

Environmental plans and policies are those that directly address environmental issues and/or contain targets or standards for environmental quality, such as the BAAQMD’s 2010 CAP. As documented throughout this Initial Study, the proposed project would not conflict with applicable plans, policies, and regulations such that an adverse physical change would occur. The proposed project would conform to air quality, storm water, construction, and planning requirements discussed herein.

In addition, the proposed project would not obviously or substantially conflict with any such adopted environmental plan or policy. Therefore, the proposed project would have a *less-than-significant* impact with regard to conflicts with existing plans and zoning.

Impact LU-3: The proposed project would not have a substantial impact upon the existing character of the project vicinity. (Less than Significant)

The character of the vicinity is dominated by one- to two-story manufacturing, warehouse, and distribution buildings reaching approximately 15 to 25 feet in height. The project would introduce new uses, a forensic testing laboratory, motorcycle fleet operations, and the equivalent of office space for police officers, different from bakery and printing operations that previously occupied the site, but generally compatible with the existing land uses in the area.

The proposed four-story, 64-foot tall FSD/TC building with two additional 16-foot tall mechanical penthouses would be taller than the other buildings in the area. However, the FSD/TC building would be set back from the property line by a minimum of 15 feet and the mechanical penthouses would be set back from the building façades to visually minimize the bulk and massing of the building. Many existing buildings have a footprint as large as, or larger than, the proposed FSD/TC building, and the proposed FSD/TC building would be similar in style to buildings in the vicinity. Neither the character of the FSD/TC building nor the proposed use would have a substantial effect on the character of the area.

As the project site currently contains a defunct bakery building, the project would introduce new uses, including forensic testing laboratory space, a command and dispatch center for the TC motorcycle fleet for the SFPD. As noted in Section C, Compatibility with Zoning, Plans, and Policies, the Zoning Administrator has determined that the FSD and TC are a “public service facility, excluding service yard” and that “operating requirements necessitate [their] location within the [PDR-2] district” as defined in Planning Code Section 227(e). These uses would generally be compatible with the existing land uses in the area, which include light industrial, office, and manufacturing and warehouse space. Therefore, the change in land use at the project site would not be considered a significant impact. The impact of the proposed project on the existing character of the vicinity would be *less than significant*.

Impact C-LU-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the site vicinity, would not result in a cumulatively considerable contribution to a significant land use impact. (Less than Significant)

Together with the other nearby commercial projects, the proposed project would result in an intensification of activity in the vicinity. The overall character of the vicinity would remain primarily commercial and industrial with low-rise industrial and distribution buildings and substantial truck activity. There would be no substantial change in the character of the vicinity, nor would any planned or foreseeable projects combine to physically divide the community; therefore, cumulative land use effects would be *less than significant*. The rehabilitation and expansion of public housing on Potrero Hill (the Potrero Hill and Potrero Annex units), while a major project in its own right, would occur in a different neighborhood, on the opposite side of a major thoroughfare, and would not combine with the proposed project in any substantial way to alter neighborhood character.

For the reasons discussed above, the proposed project’s impacts related to land use, both individually and cumulatively, would be *less than significant*.

E.2 AESTHETICS

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
2. AESTHETICS—Would the project:					
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and other features of the built or natural environment which contribute to a scenic public setting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area or which would substantially impact other people or properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Analysis of impacts on visual quality or aesthetic resources is somewhat subjective. The project design is considered in relation to the surrounding visual character, heights and building types of surrounding uses, the potential for proposed structures to obstruct scenic views or vistas, and potential to create light and glare. The proposed FSD/TC building design would be considered to have significant adverse environmental effects on visual quality only if it would cause a substantial and demonstrable negative change.

Impact AE-1: The proposed project would not have a substantial adverse effect on a scenic vista. (Less than Significant)

A project would have a significant effect on scenic vistas if it would substantially degrade important public view corridors and obstruct scenic vistas from public areas viewable by a substantial number of people. View corridors are defined by physical elements such as buildings and structures that direct lines of sight and control view directions available to the public.

Scenic views and vistas are limited in the project vicinity due to surrounding urban development and intervening buildings. One- to two-story warehouse, manufacturing, and distribution buildings, with heights ranging from approximately 15 to 25 feet, largely define the scale and character of the project area. Views from public streets and sidewalks consist primarily of the surrounding warehouse and distribution buildings and wooden poles and suspended wiring for the overhead power lines. The elevated I-280 freeway features prominently in near-range views down Evans Avenue to the north and east. Distant views accessible from the surrounding streets include Potrero Hill to the north; partial views of Bernal Heights to the southwest; and San Bruno Mountain from Toland Street looking south. The I-280 freeway obstructs distant views to the east.

The proposed FSD/TC building would be positioned at the corner of Toland Street and Evans Avenue with a 15-foot setback from the property line along Toland Street and a 24-foot setback from the property line along Evans Avenue. It would be 64 feet tall and shaped, in plan view, like an inverted "U" (Figure 5).

The FSD/TC building would have two 16-foot tall mechanical penthouses set back from the building façades, one atop each leg of the “U.” The bottom of the inverted “U” would front Evans Avenue along a 212-foot façade that would be articulated with an approximately 12-foot-deep recess to accommodate the visitor entrance near the western corner (Toland Street), which would lead to a three-story lobby at the corner of Evans Avenue and Toland Street. The eastern end of this façade would step back approximately 20 feet to accommodate an employee entrance. The Toland Street façade would be 190 feet in length, and would appear as a single plane without entrances or other recesses. Per the preliminary design, the majority of the façades on Evans Avenue and Toland Street would be glazed (Figure 6).

The two-level parking structure would be located in the eastern portion of the project site. This structure would be approximately 17.5 feet in height, including a 3.5-foot screening wall around the second (top) parking level, which would not be covered. A stair and elevator tower would extend an additional 20 feet in height along approximately one-fourth of the Evans Avenue façade. The entire parking garage, except for the stair/elevator tower, would be set back about 45 feet from Evans Avenue (Figure 5).

While the height of the main FSD/TC building would be taller than other buildings in the project vicinity and the proposed project would result in a noticeable change on the project site, the project would not substantially affect views along Toland Street or Evans Avenue due to the proposed setback of the building from these streets. Views of features such as Bernal Heights and Potrero Hill looking west and northwest, respectively, from the I-280 freeway could be affected by the four-story FSD/TC building. However, given the height of the freeway—approximately 50 feet above the street grade—and the speed at which vehicles are traveling on the freeway, the proposed project would not substantially obstruct existing views of these features. Therefore, the project would not adversely affect the distant scenic views that are available from the surrounding public streets.

Because there are no existing residences in the project vicinity, there are no views from residences that would be substantially and adversely affected by the project. While the proposed FSD/TC building could be visible in longer-range views from some private residences, such as those on Potrero Hill, it would generally blend into the existing densely built urban fabric of the area, due to the distance of the site from these residences as well as other intervening features (i.e., other buildings and trees).

Views from some nearby non-residential buildings could be altered or diminished by the project. Any such change would not exceed that commonly accepted in an urban setting. While this loss or change of views might be of concern to the property owners or tenants in the nearby buildings, it would not affect a substantial number of people and would result in a *less-than-significant* impact.

Impact AE-2: The proposed project would not substantially damage any scenic resources. (No Impact)

Scenic resources are visible physical features of a landscape (i.e., land, water, vegetation, animals, structures, or other features). Scenic resources of the built environment may include City landmarks that would be identified along a tour route, including, but not limited to, Coit Tower or the Golden Gate Bridge.

No scenic resources or landmarks exist on the site. The buildings presently occupying the site do not contribute to a scenic public setting. Therefore, the project would not damage any scenic resource, and there would be *no impact*.

Impact AE-3: The proposed project would result in a change to the existing character of the project site, but this change would not degrade the visual character or quality of the site and its surroundings. (Less than Significant)

The visual character of the project site and vicinity is urban, with a diversity of building sizes, styles, and ages. The dominant scale and character of development within the project vicinity are one- to two-story warehouse, manufacturing, and distribution buildings that range between approximately 15 to 25 feet in height. While the proposed FSD/TC building would be taller than other structures in the vicinity, this would not result in a substantial degradation of existing visual character or quality of the project site or vicinity, because the existing visual character is not cohesive or particularly notable (in the way that, for example, a grouping of similarly designed buildings in a historic district might be). There are currently four structures on the project site, including a two-story former bakery building with a connecting loading dock (the main building), a one-story former lumber yard office building, a one-story storage shed, and a one-story garage. The main building occupies the portion of the project site at the corner of Toland Street and Evans Avenue and is developed up to the property line. The lumber yard office building is located along the Evans Street frontage approximately 158 feet behind the main building. The storage shed and garage are adjacent to each other along the southern property boundary, which abuts a service way, and are approximately 120 feet behind the main building. Due to their positioning on the site and their scale, the three smaller buildings are not visually prominent features. All four buildings would be demolished as part of the proposed project.

Design and aesthetics are, by definition, subjective and open to interpretation by decision-makers and members of the public. A proposed project would, therefore, normally be considered to have a significant adverse impact on visual quality under CEQA only if it would cause a substantial and demonstrable negative change. The proposed project would not cause such a change. The proposed project would change the visual character of the project site by developing it with a new FSD/TC building that would most closely resemble an office building. The height would be taller than other buildings in the area and the massing would include setbacks at the ground level and at some of the upper stories. The proposed two-story parking structure would be of similar height and massing to the other buildings in the project vicinity. Although the project would replace existing buildings with new buildings, it would not represent an incompatible or intrusive visual feature relative to the existing visual context.

The proposed project's final architectural design and articulation would be subject to review by the SF Planning Department and/or Planning Commission via the building permit review process, a process separate from the environmental review. The project's final design would be available at that time.

For these reasons, the proposed project would not be expected to result in a substantial and demonstrable negative change to the existing visual character of the project site vicinity, and the effect would be *less than significant*.

Impact AE-4: The proposed project would create a new source of light and glare, but not to an extent that would adversely affect day or nighttime views in the area or substantially impact other people or properties. (Less than Significant)

The proposed project would likely introduce new sources of outdoor lighting to the site, including lighting for the FSD/TC building entryways and the parking structure. This lighting would not exceed what is typical for existing buildings in the area. The proposed project would comply with Planning Commission Resolution 9212, which prohibits the use of mirrored or reflective glass. For these reasons, the proposed project would not generate obtrusive light or glare that would substantially affect other properties. As a result, light and glare impacts associated with the proposed project would be *less than significant*.

Impact C-AE-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the site vicinity, would not result in a cumulatively considerable contribution to a significant aesthetics impact. (Less than Significant)

Although the proposed project would change the visual character of the project site, the new buildings would not be of such a height and scale that they would be visible for long distances. Therefore, any cumulative effects would be limited to those that would include other projects relatively close to the project site, such as the recently completed expansion of the Restaurant Depot store and the proposed Home Depot store, both located just north of the project site on Evans Avenue.⁹ Although the project, together with these nearby projects, would result in a visual change, the overall character of the project site vicinity would remain primarily that of low-rise industrial and distribution buildings with large floor plates. There would be no substantial change in visual character, or in views or scenic resources, and therefore the proposed project would not contribute considerably to any cumulative adverse impact relative to aesthetics; therefore, cumulative effects would be *less than significant*.

⁹ SF Planning Department. Environmental Planning Department, Case No. 2009.0651 and Case No. 2009-0362.

E.3 POPULATION AND HOUSING

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
3. POPULATION AND HOUSING—					
Would the project:					
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Impact PH-1: The proposed project would not induce substantial population growth in San Francisco, either directly or indirectly. (Less than Significant)

In general, a project would be considered growth inducing if its implementation would result in substantial population increases and/or new development through the extension of roads or other infrastructure that might not occur if the project were not implemented. No residential units are present on the project site and none are proposed. The current zoning does not allow residential use of the site. Furthermore, the project site is currently unoccupied, with the last business having relocated in early 2013.

The project sponsor estimates that approximately 298 full-time equivalent staff would be employed at the project site. Since the project site is currently unoccupied, all of these employees would be considered new to the site; however, most of these employees would be relocating from other police department locations in San Francisco, which would result in a reduction of employees at these other police department facilities. It is likely that construction of the project would increase forensic capability of the SFPD and would lead to some increase in employment. Therefore, the proposed project’s potential to induce population growth would be *less than significant*.

Impact PH-2: The proposed project would not displace substantial numbers of housing units or create demand for additional housing, necessitating the construction of replacement housing, nor would it displace a substantial number of people necessitating the construction of replacement housing elsewhere. (Less than Significant)

As noted above, most project employees would relocate from elsewhere in San Francisco. Therefore, most of the jobs at the site would be filled by existing residents of San Francisco or the San Francisco Bay Area. Even if some new employees would need to relocate to the City or the Bay Area, the number of new employees would be very small compared to the total regional population and would not necessitate the construction of new housing in San Francisco or the general region. Therefore, the proposed project would not result in a substantial demand for new housing, and the project would have a *less-than-significant impact* with respect to housing demand.

No residential units are present on the site and the site is not zoned for residential use. Consequently, the proposed project would not displace housing units or a substantial number of people and would result in *no impact* related to displacement of housing or people.

Impact C-PH-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the site vicinity, would not result in a cumulatively considerable contribution to a significant population and housing impact. (Less than Significant)

The project would not result in any significant impact with respect to population and housing since the proposed project does not include any residential uses and would not result in demolition of existing housing or necessitate the construction of relocation housing. Planned and foreseeable future projects are industrial or commercial in nature and are not anticipated to impact population or housing in the area. Therefore these projects would not interact with the proposed project to result in cumulative adverse impacts with respect to population and housing. For these reasons, the proposed project's impacts related to population and housing, both individually and cumulatively, would be *less than significant*.

E.4 CULTURAL AND PALEONTOLOGICAL RESOURCES

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
4. CULTURAL AND PALEONTOLOGICAL RESOURCES—Would the project:					
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco Planning Code?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Impact CP-1: The proposed project would not result in a substantial adverse change in the significance of historic architectural resources. (No Impact)

Historical resources are those that meet the terms of the definitions in Section 21084.1 of the CEQA Statute and Section 15064.5 of the CEQA Guidelines. Historical resources include properties listed in, or formally determined eligible for listing in, the California Register of Historical Resources (CRHR) or listed in an adopted local historic register. The term “local historic register” or “local register of historical resources” refers to a list of resources that are officially designated or recognized as historically significant by a local government pursuant to resolution or ordinance. Historical resources also include resources identified as significant in an historical resource survey meeting certain criteria. Additionally, properties not listed but otherwise determined to be historically significant, based on substantial evidence, would also be considered historical resources.

A historic resource evaluation (HRE) was prepared for the proposed project by Carey & Company to evaluate whether the proposed project would have any adverse effect on historic resources at the project site or in the project vicinity.¹⁰ The following discussion summarizes the HRE. The proposed project includes the demolition of four buildings totaling approximately 40,500 sf, including a two-room office building constructed by the West Oregon Lumber Company in 1940; a main building constructed for a commercial bakery in 1954 and attached loading dock added in 1956; a storage building constructed in 1960; and a second storage building with loading dock constructed in 1980.

No listings for 1995 Evans Avenue were identified in the CRHR, the National Register of Historical Places (NRHP), or the San Francisco City Landmark register. The property is not within a designated historic district and was not included in past surveys, such as the 1960s Junior League Survey, SF Planning Department’s 1976 Architectural Survey, or San Francisco Architectural Heritage surveys. The Historic Status Code assigned to the property by the SF Planning Department is B-Potential Historic Resource.

¹⁰ Cary & Company, *Historic Resource Evaluation, 1995 Evans Avenue*, August 30, 2013. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

None of the buildings at 1995 Evans Avenue appears to be eligible for listing in the CRHR, either individually or as a group. The main building, although associated with Parisian Bakeries Inc. (Parisian), one of San Francisco's earliest and most prominent sourdough bakeries, is not associated with the bakery's formative years. Parisian's tenure in the main building at 1995 Evans Avenue occurred late in the bakery's history, when it was owned by a large corporation, rather than by individuals. During the first few years after moving to the subject building, the bakery does not appear to have been operating under its own name. The building also lacks distinguishing architectural character. Of the other buildings on the project site, only one is more than 50 years old. That building, dating to 1940 and constructed as the office of a lumber company, similarly lacks historic and architectural significance. No records were discovered that would indicate that the founder of Parisian had been associated with the buildings or the site, although various bakers have been linked to the bakery's history, including French immigrants Emile Pierron, John Pale, and Leon J. Hillou. These bakers do not appear to have been of renown in the city and they have no association with the buildings at 1995 Evans Avenue, as their involvement in the bakery had ended long before the bakery's move to Evans Avenue. Therefore, the property does not appear to be eligible for listing in the CRHR based on an association with the lives of persons important to local, California, or national history. No buildings on the property appear to meet any of the criteria for listing in the CRHR. As there appear to be no historic resources on the proposed project site, it has been assigned a CRHR Status Code of 6 – not eligible for listing or designation.

The property is not within a designated historic district. The demolition and construction activities would be contained to the project site and adjacent sidewalks and would not disturb any buildings or structures adjacent to or in the vicinity of the project site; consequently, no direct impact to any potentially historic resources in the vicinity would occur. Similarly, the proposed project would not alter any historic character of the immediate vicinity after project completion since this area does not include any designated historic resources. The proposed project would therefore not cause a substantial adverse change in the significance of a historical resource as defined by CEQA Guidelines Section 15064.5, and would have *no impact* to on-site historic architectural resources or any potentially historic resources in the vicinity.

Impact CP-2: The proposed project would result in damage to, or destruction of, as-yet-unknown archeological remains, should such remains exist beneath the project site. (Less than Significant with Mitigation)

When determining the potential for encountering archeological resources, relevant factors include the location, depth, and areal extent of excavation proposed, as well as any recorded information on known resources in the area. A Preliminary Archeological Review (PAR) has been prepared by the SF Planning Department's archeologist for the project and is summarized below.¹¹ The project sponsor supplied boring logs from a geotechnical investigation conducted around the project site.¹²

Excavation for the following structures to be installed beneath the site would be required: two elevator pits, each approximately 6 feet deep and 9 by 9 feet wide; a single 8,000-gallon sanitary storage tank, 24 feet deep and 8 feet in diameter; and one belowground fuel tank, 8 feet in diameter and 26 feet long.

¹¹ Allison Vanderslice, SF Planning Department, Environmental Planning Division, Preliminary Archeological Review: Checklist, dated June 7, 2013. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

¹² Geotechnical Investigation for the City & County of San Francisco Clean Water Program, Islais Creek Transport/Storage Project, San Francisco, California, October 1990. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

The FSD/TC building foundation would include between 275 and 400 14-inch, pre-cast and pre-stressed concrete piles to a depth of 90 feet below ground surface (bgs). The parking garage would include between 100 and 200 14-inch, pre-cast and pre-stressed concrete piles, also to a depth of 90 feet. With the exception of the concrete piles and the sanitary storage tank, no proposed subsurface structures would extend more than 10 feet below final grade. This final grade would be approximately three feet higher than the existing grade.

Prior to the mid-1920s, historical maps (1859, 1869, and 1905 U.S. Coast Surveys) show the project site as undeveloped marshland along the southern shoreline of the main Islais Creek channel and the northern edge of the Islais Creek Marsh. The project site was filled during the first half of the 20th century, likely between the mid-1920s to mid-1930s in association with the Islais Creek Reclamation District Project.¹³ The 2006 U.S. Geologic Survey (USGS) Geologic Map of the San Francisco Bay Area shows the project site less than 500 feet from the southern edge of a serpentine outcrop.

Based on a review of boring logs outside the project site, primarily to the north, artificial fill beneath the site reaches a depth of around 17 feet bgs. Below the fill, recent bay mud extends to approximately 35 to 50 feet bgs, and in some locations to 90 feet bgs. Sandstone is located beneath the bay mud in most of the nearby borings. The bay mud identified at the nearby project sites was characterized as Late Holocene marsh deposits in which prehistoric deposits, if present, would be located. Anthropogenic midden deposits have been found along the Islais Creek estuary. Prehistoric deposits are thought to have greater probability of occurrence along shorelines (or paleo-shorelines). The site is historically mapped near the shoreline of the former estuary; however, it is located in a marshland and at the mouth of the Islais Creek. There is low to moderate potential that prehistoric archeological deposits are present in the bay mud deposits beneath the site.

There are several prehistoric sites documented/recorded along the former Islais Creek estuary. All of these sites were shell middens or shellmounds. One of two locations where CA-SFR-15 has been identified is less than a quarter-mile to the southeast of the project site. More distant to the southwest of the project site along the southern edge of the former extent of the Islais Creek marsh is CA-SFR-17 (formerly, also recorded as CA-SFR-3, -SFR-16, -SFR-18), which is a large, only partially excavated, prehistoric midden village site in which numerous human remains have been found over the years. CA-SFR-17 is located on an upstream terrace overlooking Islais Creek and CA-SFR-15 is located along the historical southern shoreline of the marshland.

Installation of piles and excavation for installation of the sanitary storage tank would reach the area above the late bay mud deposits that may contain prehistoric deposits, and could potentially disturb cultural resources if such resources were present. Implementation of Mitigation Measure M-CP-2 below would reduce the magnitude of this impact to a *less-than-significant* level.

Mitigation Measure M-CP-2: Archeology Resources (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 from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist.

¹³ Gerald Robert Dow, Bay Fill in San Francisco: A History of Change. Unpublished Master's Thesis, California State University, San Francisco, 1973: 162-168.

The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. 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 Sect. 15064.5 (a)(c).

Consultation with Descendant Communities: On discovery of an archeological site¹⁴ associated with descendant Native Americans, the Overseas Chinese, or other descendant group an appropriate representative¹⁵ of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (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 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. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist.

¹⁴ The term "archeological site" is intended here to minimally included any archeological deposit, feature, burial, or evidence of burial.

¹⁵ An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the Department archeologist.

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:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- B) 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 (AMP) shall be implemented, this AMP shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the 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, shall 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 shall 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 Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest 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.

Impact CP-3: The proposed project would not indirectly destroy a unique paleontological resource or site or unique geologic feature. (Less than Significant)

Paleontological resources include fossilized remains or traces of animals, plants, and invertebrates, including their imprints, from a previous geological period. Collecting localities and the geologic formations containing those localities are also considered paleontological resources as they represent a limited, non-renewable resource and once destroyed, cannot be replaced.

Paleontological resources are lithologically dependent; that is, deposition and preservation of paleontological resources are related to the lithologic unit in which they occur. If the rock types representing a deposition environment conducive to deposition and preservation of fossils are not favorable, fossils will not be present. Lithological units that may be fossiliferous include sedimentary formations.

The Late Bay Mud deposits beneath the proposed site could support paleontological resources; however, it is unlikely for clayey sand and sandy clay fill materials due to their age. No unique geologic features are present on the project site.

Bay Mud deposits would be reached only during pile driving to a depth of up to 90 feet and during excavation to install the 8,000-gallon sanitary storage tank at a depth of 24 feet below final grade (21 feet below existing grade). Due to the small footprint of these features, minimal excavation would occur to a depth at which fossil-containing beds may be encountered. Therefore, any impacts on paleontological resources would be *less than significant*.

Impact CP-4: The proposed project would not disturb human remains. (Less than Significant with Mitigation)

Impacts on Native American burials are considered under Northwest Information Center (PRC) Section 15064.5(d)(1). When an Initial Study identifies the existence of, or the probable likelihood of the existence of, Native American human remains at a project site, the lead agency is required to work with the appropriate tribal entity identified by the NAHC. The CEQA lead agency may develop an agreement with the appropriate tribal entity for testing or disposing of, with appropriate dignity, the human remains and any items associated with Native American burials.

By implementing such an agreement, the project becomes exempt from the general prohibition on disinterring, disturbing, or removing human remains from any location other than a dedicated cemetery (HSC Section 7050.5) and the requirements of CEQA pertaining to Native American human remains.

The treatment of human remains and associated or unassociated funerary objects discovered during any soils-disturbing activity would comply with applicable state laws, including immediate notification of the coroner for the City and County of San Francisco upon discovery of human remains. If the coroner determines that the remains are Native American, the NAHC would be notified and would appoint a most likely descendant (PRC Section 5097.98).

To the southwest of the project site is a partially excavated prehistoric midden village (CA-SFR-17) in which numerous human remains have been found over the years. No such remains have been found in prehistoric sites closer to the site of the proposed project and there is no indication that human remains are present beneath the site; however, without additional evidence indicating the absence of remains, implementation of the proposed project would result in a significant impact related to the disturbance of human remains. The SF Planning Department Environmental Planning Division's archeologist determined that implementation of M-CP-2: Archeology Resources (Accidental Discovery), discussed above, would reduce the proposed project's impact on archeological resources, including buried human remains, to a *less-than-significant* level.¹⁶

**Impact C-CP-1: The proposed project in combination with past, present, and reasonably foreseeable future projects in the vicinity would not result in cumulative impacts to cultural resources.
(Less than Significant with Mitigation)**

No historic resources would be affected by the proposed project, nor would the project be constructed within a historic district. Cumulative impacts occur when impacts that are significant or less than significant from a proposed project combine with similar impacts from other past, present, or reasonably foreseeable future projects in a similar geographic area.

Archaeological resources are non-renewable members of a finite class. All adverse effects to archaeological resources erode a dwindling cultural/scientific resource base. Federal and state laws protect archeological resources in most cases, either through project redesign or by requiring that the scientific data present within an archeological resource be archeologically recovered. Excavation for installation of subsurface utilities would occur in terrain underlain primarily by fill materials that are not anticipated to contain cultural resources. Pile driving and excavation in a small area would reach into the late bay mud deposits that may contain prehistoric resources. As discussed above, the proposed project would have a significant impact related to archeological resources and disturbance of human remains. The project's impact, in combination with other projects in the area that would also involve ground disturbance and which could also encounter previously recorded or unrecorded archeological resources or human remains, could result in a significant cumulative impact to archeological resources. However, implementation of mitigation measure M-CP-2 would reduce the project's contribution to cumulative impacts to a *less-than-significant* level.

¹⁶ SF Planning Department, Environmental Planning Division, Preliminary Archeological Review, June 7, 2013, Case No. 2013.0342E. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

E.5 TRANSPORTATION AND CIRCULATION

<u>Topics:</u>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
5. TRANSPORTATION AND CIRCULATION— Would the project:					
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities, or cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity or alternative travel modes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The project site is not located near a public or private airport or within an airport land use plan area. Therefore, Question 5c is not applicable to the proposed project. Due to the scope and location of the proposed project, the SF Planning Department determined that a Transportation Impact Study (TIS) was required for this project. The following summarizes the findings of the TIS.¹⁷

Setting

The project site is located at the southeastern corner of Evans Avenue and Toland Street. Evans Avenue is an east-west arterial, with two travel lanes each way, extending between Cesar Chavez Street and Jennings Street. The General Plan identifies Evans Avenue as a major arterial in the Congestion Management Plan (CMP) Network from Cesar Chavez to Third Street, as a secondary arterial east of

¹⁷ LCW Consulting, 1995 Evans Avenue / San Francisco Police Department Forensic Service Division (FSD) & Traffic Company (TC) Transportation Impact Study, September 18, 2013. Available at the SF Planning Department, 1650 Mission Street, Suite 400, in Case File No. 2013.0342E

Third Street, and as part of the Metropolitan Transportation System (MTS) Network. Toland Street runs north-south with one lane in each direction, extending between Evans and Oakdale Avenues. Toland Street is not listed in the General Plan as a major arterial or part of the CMP Network, or a Transit Preferential Street, a part of the Citywide Pedestrian Network, or an MTS Network Street. Toland Street is designated as a "Significant Traffic Truck Route" in the General Plan.¹⁸

The site is currently accessible to pedestrians and automobiles via one entrance on Toland Street and two entrances on Evans Avenue, which allowed trucks to drive to the covered loading area on the southeast side of the main building when the building was in use. Pedestrian access is via the retail storefront of the main building.

Public transit stops within one-half mile of the project site include the following:

- 19 Polk motor coach route at the intersection of Evans Avenue and Napoleon Street;
- KT Ingleside-Third Street light rail vehicle line located at Third Street and Evans Avenue;
- 23 Monterey motor coach route at Jerrold Avenue and Toland Street; and
- 10 Townsend and 48 Quintara/24th Street motor coach lines at 25th and Connecticut Streets.

On-street parking on Evans Avenue and on Napoleon, Toland, and Marin Streets was surveyed to evaluate current weekday occupancy. Of approximately 450 on-street parking spaces, about 240, or 53 percent, were occupied. Higher occupancies were observed in the vicinity of the light industrial and manufacturing uses, and specifically on both sides of Napoleon Street between Jerrold and Evans Avenues, and on the west side of Toland Street between Jerrold and Evans Avenues.

Impact TR-1: The proposed project would not conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation, nor would the proposed project conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures. (Less than Significant)

Policy 10.4 of the Transportation Element of the General Plan states that the City will "consider the transportation system performance measures in all decisions for projects that affect the transportation system." To determine whether the proposed project would conflict with a transportation- or circulation-related plan, ordinance, or policy, this section analyzes the proposed project's effects on intersection operations, transit demand, impacts on pedestrian and bicycle circulation, parking, and freight loading, as well as construction impacts.

Trip Generation

Travel demand estimates were based on methodology contained in the SF Planning Department's *Transportation Impact Analysis Guidelines for Environmental Review* (SF Guidelines); however, because the SF Guidelines do not provide trip generation rates for non-standard uses with unique trip generation and travel behavior, the trip generation for the proposed project was based on the number of employees projected to be on-site at full build out and full occupancy of the proposed project. In addition, the SFPD provided information related to projected employees and visitors based on the characteristics of the existing FSD and TC facilities. According to the SFPD, based on existing travel patterns at the existing FSD facilities, employees and visitors would be expected to drive to and from the project site,

¹⁸ *San Francisco General Plan Transportation Element, Maps 6 through 9, 11, and 15.* Available online at: http://www.sf-planning.org/ftp/General_Plan/14_Transportation.htm. Accessed July 23, 2013.

and therefore, as a conservative assumption, the transportation analysis assumed that all person-trips would occur by automobile, with an average vehicle occupancy rate of one person per vehicle.¹⁹

Table 2 gives the project characteristics, provided by the Police Department, that were used in determining travel demand, and Table 3 provides the estimated weekday p.m. peak hour trip generation for the proposed project.

TABLE 2. PROPOSED PROJECT EMPLOYEE AND TRAVEL CHARACTERISTICS

Project Component/Shift	Shift Hours	Number of Employees	PM Peak Hour Activity (4:00 to 5:00 PM)
Traffic Company			
Day	7:00 a.m. to 4:00 p.m.	48	Leaving for the day
Swing	2:00 p.m. to 11:00 p.m.	36	No overlap
Night	9:00 p.m. to 6:00 a.m.	36	No overlap
Subtotal		120	
Forensic Services Division			
Shift 1	6 a.m. to 2:30 p.m.	33	No overlap
Shift 2	7 a.m. to 3:30 p.m.	92	No overlap
Shift 3	7:30 a.m. to 4:00 p.m.	33	Leaving for the day
Shift 4	8:00 a.m. to 4:30 p.m.	7	Leaving for the day
Shift 5	8:30 a.m. to 5:00 p.m.	7	No overlap
Shift 6	9:00 a.m. to 5:30 p.m.	7	No overlap
Subtotal		179	

Source: LCW Consulting, 2013; data from SFPD.

TABLE 3. PROPOSED PROJECT VEHICLE TRIP GENERATION - WEEKDAY PM HOUR

Project Component	Inbound	Outbound	Total
Traffic Company	0	48	48
Forensic Services Division Employees	0	40	40
Forensic Services Division Visitors	1	1	2
TOTAL NEW TRIPS	1	89	90

Source: LCW Consulting, 2013.

¹⁹ If the project were a typical office building, mode split would be based on SF Guidelines and would consist of approximately 71 percent driving trips, 20 percent transit trips, and 9 percent other modes (walking, biking, etc.). However, since the proposed use is specialized, mode split data was obtained from the project sponsor.

In general, the addition of project-generated traffic would result in a small increase in the average delay per vehicle at the study intersections during the p.m. peak hour (Table 4). The westbound approach at the unsignalized intersection of the I-280 southbound off-ramp/Pennsylvania Street would continue to operate at level-of-service (LOS) E conditions and the proposed project would not contribute any vehicles to this approach during the p.m. peak hour. As with existing conditions, peak-hour signal warrants would not be met at this intersection for Existing plus Project conditions. All other study intersections would continue to operate at acceptable levels (LOS D or better).

Overall, under Existing plus Project conditions, the proposed project would not contribute to existing LOS E conditions at the worst approach to the intersection of the I-280 southbound off-ramp/Pennsylvania Street, and the remaining study intersections would continue to operate at acceptable levels of LOS D or better. Therefore, the proposed project impacts on traffic operations would be *less than significant*.

Parking

Parking conditions are not static, as parking supply and demand varies from day to day, from day to night, from month to month, etc. Hence, the availability of parking spaces (or lack thereof) is not a permanent physical condition, but changes over time as people change their modes and patterns of travel. While parking conditions change over time, a substantial deficit in parking caused by a project that creates hazardous conditions or significant delays to traffic, transit, bicycles, or pedestrians could adversely affect the physical environment. Whether a deficit in parking creates such conditions will depend on the magnitude of the shortfall and the ability of drivers to change travel patterns or switch to other travel modes. If a substantial deficit in parking caused by a project creates hazardous conditions or significant delays in travel, such a condition could also result in secondary physical environmental impacts (e.g., air quality or noise impacts caused by congestion), depending on the project and its setting.

The absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, taxis, bicycles, or travel by foot) and a relatively dense pattern of urban development, induces many drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service or other modes (walking and biking), would be in keeping with the City's "Transit First" policy and numerous San Francisco General Plan polices, including those in the Transportation Element. The City's Transit First Policy, established in the City's Charter Article 8A, Section 8A.115, provide that "parking policies for areas well served by public transit shall be designed to encourage travel by public transportation and alternative transportation."

The transportation analysis accounts for potential secondary effects, such as cars circling and looking for a parking space in areas of limited parking supply, by assuming that all drivers would attempt to find parking at or near the project site and then seek parking farther away if convenient parking is unavailable. The secondary effects of drivers searching for parking is typically offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area, and thus choose to reach their destination by other modes (i.e., walking, biking, transit, taxi). If this occurs, any secondary environmental impacts that may result from a shortfall in parking in the vicinity of the proposed project would be minor, and the traffic assignments used in the transportation analysis, as well as in the associated air quality, noise, and pedestrian safety analyses, would reasonably address potential secondary effects.

TABLE 4. PM PEAK-HOUR INTERSECTION LEVELS OF SERVICE (LOS) AND AVERAGE STOPPED DELAY IN SECONDS PER VEHICLE^a

Intersection	Existing (2013)		Existing + Project		Cumulative (2035) ^b		Project Contrib ^d
	LOS ^c	Delay ^c	LOS ^c	Delay ^c	LOS ^c	Delay ^c	
1. I-280 SB off-ramp/Pennsylvania Street (AWS) ^e	E	41.5 (wb)	E	41.5 (wb)	F	>50 (sb,wb)	0.0%
2. 25 th Street/Indiana Street/I-280 NB Off-ramp (AWS) ^e	B	12.0 (eb)	B	11.9 (eb)	E F	37.0 (nb) >50 (eb,wb)	0.7% 0.0%
3. Cesar Chavez Street/Kansas Street	B	18.4	B	18.4	E	62.3	1.1%
4. Cesar Chavez Street/Evans Avenue	C	28.0	C	28.7	F	>80	1.8%
5. Cesar Chavez Street/Pennsylvania Street/I-280 NB Off-ramp	D	52.4	D	52.8	F	>80	1.0%
6. Cesar Chavez Street/Indiana Street	C	27.6	C	27.6	F	>80	1.0%
7. Cesar Chavez Street/Third Street	D	38.6	D	39.3	F	>80	1.9%
8. Evans Avenue/Third Street	C	34.2	C	34.3	F	>80	0.0%
9. Evans Ave./Toland St./Napoleon St.	D	40.7	D	41.0	F	>80	0.3%
10. Jerrold Ave./Toland St./Napoleon St. (SSSC) ^e	B	14.0 (wb)	B	14.4 (wb)	C	18.2 (wb)	–
11. Jerrold Avenue/Bayshore Blvd./ US 101 NB Off-ramp	D	43.9	D	46.6	F	>80	2.5%

^a Levels of service (LOS) were determined using the analysis methodologies presented in the 2000 *Highway Capacity Manual*.

^b Cumulative volumes were derived on the basis of the San Francisco County Transportation Authority countywide travel demand forecasting model.

^c Delay presented in seconds per vehicle. LOS and delay for signalized intersections represent conditions for the overall intersection. LOS and delay for stop-controlled unsignalized intersections represent conditions for the worst (most congested) approach, indicated in parentheses: nb = northbound, sb = southbound, eb = eastbound, wb = westbound

^d Project's percent contribution to the growth in cumulative traffic volumes at intersections projected to operate at LOS E or F. **Bold** typeface signifies a cumulatively considerable contribution to LOS F conditions (a significant impact), based on the project's contribution to the intersection's critical turning movements; that is, whether the project would add a substantial number of vehicles to these movements.

^e All intersections are signalized except those indicated AWS, which have stop signs on all approaches, and those indicated SSSC, which have a stop sign only on the minor street approach(es).

Bold typeface indicates a significant project or cumulatively impact.

Source: LCW Consulting, 2013.

The proposed project would include construction of a two-level parking garage that would contain 82 parking spaces for TC sworn-officer personal vehicles and two car-share parking spaces. In addition, the parking garage would include four ADA-accessible parking spaces and three on-street visitor parking spaces would be provided along Evans Avenue. The proposed project would not provide on-site parking for FSD personal vehicles. Vehicle access to the parking garage would be provided via a secure entrance from Evans Avenue; a walkway would connect the garage to the FSD/TC building itself. Three on-street parking spaces within a recessed bay would be provided for visitors along Evans Avenue. (The second secure access gate, from Toland Street, would be for vehicles towed into the facility's impound area, and for freight loading and FSD investigation vehicles.)

The peak employee parking demand would occur between the hours of 7:00 a.m. and 4:00 p.m., when two of the TC shifts and all six of the FSD shifts overlap, which would create a demand for a range between 206 and 263 parking spaces.²⁰ This would result in a parking shortfall of approximately 181 parking spaces. Of the peak demand for 263 spaces, the FSD would generate a peak demand for 179 spaces and the TC would generate a peak demand for 84 spaces; 99 percent of the parking shortfall of 181 spaces would be attributable to the FSD, for which no on-site parking is proposed. Additionally, the project sponsor proposes to remove 13 on-street parking spaces along the Evans Street site frontage and replace them with a planting strip adjacent to the sidewalk. The parking shortfall would need to be accommodated on-street, and as a result, the mid-day parking occupancy in the study area would increase. Based on the existing weekday on-street parking occupancy in the project vicinity of just over 50 percent, there is adequate on-street parking within a two-block walk of the project site to accommodate the unmet on-site parking demand, even under the assumption that all employees would drive to work. Based on the calculation of unmet demand, on-street occupancy in the vicinity would increase from about 53 percent to about 94 percent, which could result in some employees having to park farther from the project site and could also result in some drivers switching to transit, car-sharing, carpooling, walking, or bicycling.

In terms of the Planning Code parking requirement (Section 151), based on preliminary estimates of occupied floor area, 45 off-street parking spaces would be required for the laboratory functions and 96 off-street parking spaces would be required for office functions, for a total requirement of 141 parking spaces, or 59 more spaces than are proposed. A variance would be required to allow for less than the Code-required amount of parking. The project would provide two car-share spaces, which would meet the Planning Code requirement in Section 166.

The proposed project parking shortfall would be a less-than-significant impact as the parking shortfall would be accommodated on-street. In addition, the proposed project parking shortfall would not create hazardous conditions or significant delays affecting traffic, transit, bicycles, or pedestrians, and therefore, parking impacts would be *less than significant*. Although the project's impacts would be *less than significant*, Improvement Measure I-TR-1 below is recommended to reduce the parking shortfall and encourage the use of alternative modes of transportation.

Improvement Measure

I-TR-1: Transportation Demand Management

As an improvement measure to reduce the parking shortfall and encourage use of alternate modes, the project sponsor should develop and implement a Transportation Demand Management ("TDM") Plan designed to reduce use of single-occupant vehicles and to increase

²⁰ The calculated parking demand is based on the information provided by the project sponsor with respect to projected employee travel patterns; as noted above in the discussion of Trip Generation, this analysis assumes that all employees would drive.

the use of rideshare, transit, bicycle, and walk modes for trips to and from the Proposed Project. The TDM plan should include such measures as the following to reduce single occupancy vehicles and encourage alternate modes of travel:

- Ensure that bicycle safety strategies are developed along the Evans Avenue side of the property (e.g., avoiding conflicts with private cars accessing the parking garage on the east side of the property);
- Facilitate access to the Evans Avenue and Cesar Chavez Street bike routes through on-site signage;
- Require that the points of access to bicycle parking include signage indicating the location of these facilities;
- Facilitate access to carshare spaces (first level of the parking deck) through on-site signage;
- Require a TDM contact person who would be responsible for conducting employee surveys, coordinating carpool/ridematch services, and conducting annual TDM events;
- Provide information to employees and visitors on transit options and locations where transit passes can be purchased; and
- Require a transit pass subsidy for FSD and TC employees purchasing transit passes.

These measures would be in addition to those set of citywide commuter benefits provided to all City employees that allow them to reduce their monthly commuting expenses for transit, bicycling, vanpooling and parking.

Loading

The proposed project would generate seven delivery and service vehicle trips to the project site per day, which corresponds to a demand of less than one loading space during the peak and average hour of loading activities. The proposed project would not include one off-street loading spaces that would meet the requirements of the Planning Code for size and location. ~~Building~~ However, building deliveries would occur on-site between the FSD/TC building and the parking garage. Secure intake functions for FSD operations would occur at two vehicle bays that would be provided within the FSD/TC building. The proposed delivery and intake operations would be obscured from public view and access and would not interfere with traffic on surrounding streets. Access to the on-site loading area would be via Toland Street and would be gated and secured at all times. Trash and recycling would be stored on-site within the service area between the FSD/TC building and parking garage. Access for trash and recycling pickup would be controlled and coordinated by both the FSD and TC. Because the proposed project's loading demand would be minimal and would be accommodated within the proposed on-site loading area, the project's impacts related to loading would be *less than significant*.

Construction Activities

The total duration of construction of the proposed project is estimated to be 30 months, beginning in 2016 and ending in 2018. Construction-related activities would typically occur Monday through Friday, between 7:00 a.m. and 5:00 p.m. During the project's construction period, temporary and intermittent traffic and transit impacts may result from truck movements to and from the construction site. It is anticipated that a majority of the construction-related truck traffic would use Evans Avenue, Cesar Chavez Street, Third Street, and Bayshore Boulevard with I-280 and U.S. 101 for the South Bay and East Bay destinations. Overall, because construction activities would be temporary and limited in duration and activities are required to be conducted in accordance with City requirements, construction-related transportation of the proposed project would be *less than significant*. Implementation of Improvement Measure I-TR-2: Construction Measures, would reduce the *less-than-significant* impacts related to construction activities.

Improvement Measure

I-TR-2: Construction Measures

The Department of Public Works (SFDPW) should require the following of the construction contractor:

- 1) Construction contractors should be prohibited from scheduling any truck trips, such as concrete mixers, heavy construction equipment, and materials delivery, etc., to the construction sites during the a.m. (7:00 to 9:00 a.m.) and p.m. (4:00 to 6:00 p.m.) peak commute periods.
- 2) All construction activities should adhere to the provisions in the City's Blue Book, including those addressing sidewalk and lane closures. To minimize construction impacts on nearby businesses and residents, the SFMTA should alert motorists, bicyclists, and nearby property owners of upcoming construction through its existing website and other available means, such as distribution of flyers, emails, and portable message or informational signs. Information provided should include contact name(s) for the SFMTA project manager, public information officer, and/or the SFMTA General Enforcement Division contact number (311).
- 3) Construction contractors should encourage construction workers to use carpooling and public transit to the construction site in order to minimize parking demand.

Overall, impacts of the proposed project related to an applicable transportation or circulation system plan or policy would be less than significant.

Impact TR-2: The proposed project would not result in substantially increased hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses. (Less than Significant)

The proposed project would not include any design features that would substantially increase traffic hazards (e.g., new sharp curves or dangerous intersections), and would not include any incompatible uses, as discussed above in Topic 1, Land Use and Land Use Planning. Therefore, the project would not have adverse impacts associated with traffic hazards. On Evans Avenue, the access gate for the parking garage would be recessed about 75 feet from the curb, which would allow for off-street queuing of two vehicles while waiting for the gate to open. Therefore, it is not anticipated that there would be any queue spillback from the parking garage onto Evans Avenue, and the proposed project would not result in substantial conflicts between project-generated vehicles destined to the parking garage and traffic on Evans Avenue. On Toland Avenue, the security gate for the loading dock would be recessed about 53 feet from the curb, which would likewise be anticipated to prevent queues extending onto the street. Based on the above, transportation hazards would be *less than significant*. Implementation of Improvement Measure I-TR-3: Queue Abatement, as detailed below, would reduce the less-than-significant impact related to queuing.

Improvement Measure

I-TR-3: Queue Abatement

As an improvement measure to reduce the potential for queuing of vehicles accessing the project site, the SFPD should ensure that recurring vehicle queues do not occur on Evans Avenue or Toland Street adjacent to the site. A vehicle queue is defined as one or more vehicles (destined to the parking facility) blocking any portion of the Evans Avenue or Toland Street sidewalk or travel lanes on Evans Avenue or Toland Street travel lane for a consecutive period of three minutes or longer on a daily and/or weekly basis.

If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Planning Department should notify the SFPD in writing. Upon request, the SFPD should hire a qualified transportation consultant to evaluate the conditions at the site for no less than seven days. The consultant should prepare a monitoring report to be submitted to the Planning Department for review. If the Planning Department determines that a recurring queue does exist, the SFPD should abate the queue within 90 days from the date of the written determination.

This improvement measure would further reduce the severity of the proposed project's less-than-significant impacts related to vehicular access to the project site. Implementation of this improvement measure would not result in any secondary transportation-related or other significant impacts.

Impact TR-3: The proposed project would not result in inadequate emergency access. (Less than Significant)

Emergency vehicle access to the project site would remain substantially unchanged from existing conditions, and the proposed project would not change the adjacent travel lanes. Emergency service providers would be able to pull up to the project site from Evans Avenue or Toland Street, and would be able to enter the site via the two proposed project driveways, on Evans Avenue and on Toland Street (Figure 5). In particular, the Toland Street driveway would allow for fire apparatus to reach the rear of both the FSD/TC building and the parking garage. Therefore, the proposed project's impacts on emergency vehicle access would be *less than significant*.

Impact TR-4: The proposed project would not conflict with adopted policies, plans or programs regarding public transit, bicycle or pedestrian facilities, or otherwise decrease the performance or safety of such features. (Less than Significant)

Transit Conditions

It is anticipated that the majority of trips to and from the proposed project during the p.m. peak hour would be made by automobile, and therefore the number of transit trips generated by the proposed project would be minimal. As noted above for parking, the project would result in an on-site parking shortfall and it is assumed that some employees may switch to public transit as a result. However, even with some employees switching to transit, the increased ridership would constitute a minimal change in usage and existing transit would be able to accommodate this increase. Any transit trips to and from the project site would utilize the nearby San Francisco Municipal Railway (Muni) lines and transfer to other Muni bus and light rail lines, or to regional transit providers including Caltrain, SamTrans, AC Transit, Golden Gate Transit, and Bay Area Rapid Transit (BART). The nearby T-Third Street light rail line and the current bus routes (10 Townsend, 19 Polk, 23 Monterey, and 48 Quintara/24th Street) currently operate below Muni's 85 percent capacity utilization standard in the project vicinity and could accommodate additional passengers.²¹ In addition, because of recessed access to the proposed parking garage, it is not anticipated that there would be queuing from the parking garage onto Evans Avenue, and the proposed project would not result in conflicts between transit routes on Evans Avenue and project-generated vehicles entering the parking garage.

Because the proposed project would not substantially affect the capacity utilization of the local and regional transit lines, and would not affect the operations of the adjacent and nearby Muni bus routes, the impacts of the proposed project on transit would be *less than significant*.

²¹ Of nearby Muni lines, only the 10 Townsend currently operates in excess of Muni's 85 percent capacity utilization standard in the p.m. peak hour, but not in the project area. Moreover, this line does not directly serve the project site.

Bicycle Conditions

The proposed project would provide 16 Class 1 and eight Class 2 bicycle parking spaces at-grade, for a total of 24 at-grade spaces, between the FSD/TC building and the parking garage near the main employee entry. This would exceed the Planning Code requirements for bicycle parking (Sections 155.2 and 155.3) of 15 Class 1 and eight Class 2 bicycle parking spaces. In addition to the bicycle parking spaces, the proposed project would provide 100 lockers and six showers for the TC, and 30 lockers and five showers for the FSD. The lockers and showers would exceed the relevant Planning Code requirements in Section 155.4 of 24 lockers and four showers. The project site is within convenient bicycling distance of the Potrero Hill, Mission, Mission Bay, and South of Market areas. There are a number of designated City bicycle routes in the vicinity of the proposed project, including Route 5 on Illinois and Third Streets, Route 7 on Indiana Street, Route 25 on Bayshore Boulevard, Route 60 on Cesar Chavez Street, Route 68 on Evans Avenue, Route 170 on Oakdale Avenue, and Route 525 on Vermont, Kansas, and 23rd Streets north of Cesar Chavez Street. As indicated above, it is anticipated that the majority of the trips to and from the proposed project during the p.m. peak hour would be made by automobile, and therefore, the number of trips generated by the proposed project by bicycle would be minimal. In addition, as discussed under Transit Conditions, it is not anticipated that the proposed project would result in any queuing on Evans Avenue by vehicles waiting to enter the parking garage. Therefore, the proposed project would not generate conflicts between project-generated vehicles destined to the parking garage and bicycle travel on Evans Avenue. Based on the above, impacts related to bicyclists would be *less than significant*.

Pedestrian Conditions

The primary pedestrian entrance to the proposed project would be via a building lobby located along Evans Avenue, with pedestrian access from the parking garage via a walkway. Under the proposed project, the sidewalk along Evans Avenue adjacent to the project site would be maintained at 10 feet in width, and a 6-foot planter strip would replace the parking lane in front of the project site (with the exception of the three guest parking spaces). On Toland Street, the project would construct an 8-foot-wide sidewalk (with adjacent 8-foot planter strip) where no sidewalk currently exists. Thus, the project would meet the requirements of the *Better Streets Plan*, which specifies a minimum sidewalk width of 8 feet and a recommended width of 10 feet for industrial streets such as Evans Avenue and Toland Street.²² As discussed above, it is anticipated that the majority of trips to and from the project site during the p.m. peak hour would be made by automobile; however, there would be some pedestrian trips, including walking to and from the bus stops. These new pedestrian trips could be accommodated on the existing sidewalks and crosswalks adjacent to the project site and the new sidewalk along Toland Street, and would not substantially affect the current pedestrian conditions along Evans Avenue. As pedestrian activity on these streets adjacent to the project site is generally very low throughout the day, pedestrian conditions would continue to remain acceptable. Based on the above, project-related impacts to pedestrians would be *less than significant*.

²² San Francisco *Better Streets Plan*, online at: http://www.sf-planning.org/ftp/BetterStreets/proposals.htm#Final_Plan. Accessed on August 7, 2013.

Impact C-TR-1: The proposed project, in combination with past, present, and reasonably foreseeable future projects, would not result in a cumulatively considerable contribution to significant transportation impacts. (Less than Significant)

Traffic

The cumulative analysis is based upon output from the San Francisco County Transportation Authority citywide travel demand model, and encompasses reasonably foreseeable growth in housing and employment, as forecast by the SF Planning Department, based on regional growth projections and city-wide plans and policies. Table 4 presents the 2035 Cumulative intersection operating conditions for the weekday p.m. peak hour. Under 2035 Cumulative conditions, 10 of the 11 study intersections would operate poorly (i.e., at LOS E or LOS F) during the p.m. peak hour. Overall, the poor operating conditions at the 10 study intersections would be due to traffic volume increases associated with other developments in the project vicinity and, as shown in Table 4, traffic from the proposed project would contribute less than 5 percent (2.5 percent maximum) to any critical turning movement that affects intersection level of service, which would not be a considerable contribution. Because the project would not result in considerable contribution to the poor operating conditions, the project's cumulative traffic impacts at these intersections would be considered *less than significant*.

The construction of the proposed project may overlap with the construction of other projects listed in Section D, above, including the proposed Home Depot project at 2000 Marin Street. Construction activities associated with these projects would affect access, traffic, and pedestrians on streets used as access routes to and from the project sites (e.g., Evans Avenue, Cesar Chavez Street). Localized cumulative construction-related transportation impacts could occur as a result of cumulative projects that generate increased traffic at the same time and on the same roads as the proposed project. However, the impacts of the project and nearby construction projects would not be cumulatively considerable, as the construction would be of temporary duration, and the project sponsor and other project sponsors would coordinate with various City departments such as SFMTA and DPW through the TASC to develop coordinated plans that would address construction-related vehicle routing and pedestrian movements adjacent to the construction area for the duration of construction overlap. In addition, the construction schedules for the proposed project and the nearby Home Depot project would not likely overlap to a substantial degree shall both projects be approved, as the Home Depot project's entitlement process is expected to take substantially longer than that of the proposed project. Therefore, for the above reasons, the project, in combination with past, present and reasonably foreseeable development in San Francisco, would result in less-than-significant cumulative construction-related transportation impacts. Therefore, cumulative traffic impacts would be *less than significant*.

Transit, Pedestrians, and Bicycles

The transit analysis contained within the Transit Effectiveness Project (TEP) Draft EIR (July 2013) was used for analysis of 2035 cumulative transit impacts. The cumulative conditions "without TEP" analysis included the planned transit changes proposed as part of the Candlestick Point-Hunters Point Shipyard Phase II project, as well as additional service, corridor and capital improvement projects, as described in Section 2.3 of the TIS for the project area.²³ The SFPD FSD/TC project, however, would not contribute project-generated transit trips to the Mission corridor within the Southeast screenline (instead it would

²³ "Without TEP" represents 2035 cumulative transit conditions with the planned transit changes proposed as part of the Candlestick Point-Hunters Point Shipyard Phase II project. "With TEP" represents 2035 cumulative transit conditions with the planned transit changes proposed as part of the Candlestick Point-Hunters Point Shipyard Phase II project, as well as the proposed service improvements proposed under the TEP and the upper range of the TEP Transit Travel Time Reduction Proposals for selected Muni Rapid Network Corridors.

contribute to the Third Street corridor, which is projected to operate at less than 85 percent capacity utilization standard under 2035 cumulative conditions with or without the TEP), and therefore the proposed project would result in a less-than-significant impact on the Southeast screenline and a less-than-significant contribution to cumulative transit impacts on the Mission corridor within the Southeast screenline under cumulative conditions with the TEP. The transit analysis for the TEP also included development of regional screenlines for 2035 cumulative conditions without and with the TEP.

During the p.m. peak hour, all regional transit service providers are projected to operate under the capacity utilization standard of 100 percent. As indicated above, the project would generate limited transit trips, and therefore, would not substantially affect cumulative ridership on regional transit service; therefore, the project's cumulative impact on regional transit capacity utilization would be *less than significant*.

The project would not make cumulatively considerable contributions to pedestrian or bicycle impacts. The project would improve pedestrian circulation adjacent to the project site by constructing sidewalks where none currently exist on Toland Street, and widening sidewalks on Evans Avenue, consistent with the *Better Streets Plan*. Even with the anticipated increase in background vehicular traffic, which could increase pedestrian-vehicle conflicts, the widened sidewalks would improve pedestrian conditions by facilitating safe pedestrian circulation and crossings, by providing safe spaces for pedestrians, and by slowing traffic, and by increasing pedestrian visibility to drivers. Furthermore, the project would not significantly contribute to cumulative bicycle circulation or conditions in the area given that the majority of trips to the project site were assumed to be made by automobile.

For the above reasons, the proposed project, in combination with past, present and reasonably foreseeable development in San Francisco, would result in *less-than-significant* cumulative transit, pedestrian, and bicycle impacts.

Parking

As noted above, the project would not provide on-site parking spaces for FSD personal vehicles, and nearly the entire on-site parking shortfall would, therefore, be attributed to demand from FSD employees. The parking shortfall associated with FSD parking demand would need to be accommodated on-street, and, as a result, the midday parking occupancy in the study area would increase, and some employees may need to park further from the project site. Due to the potential increased difficulty in finding on-street parking in the study area, some drivers may park outside of the study area, switch to transit, car-sharing, carpooling, walking, or bicycling. Furthermore, the project would encourage transit use through implementation of Improvement Measure TR-1: Transportation Demand Management, which may lead to a shift from private passenger vehicles to transit or other modes of travel. The proposed project parking shortfall would not be considered substantial and no nearby projects would be anticipated to substantially increase on-street parking demand. Therefore, in combination with past, present and reasonably foreseeable development in San Francisco, the project would result in *less-than-significant* cumulative parking impacts.

E.6 NOISE

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
6. NOISE—Would the project:					
a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Be substantially affected by existing noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The project site is not within an airport land use plan area, nor is it in the vicinity of a private air strip. Therefore, Topics 6e and 6f are not applicable.

Impact NO-1: The proposed project would not result in exposure to or generation of noise levels in excess of standards established in the local general plan or noise ordinance. (Less than Significant)

The Environmental Protection Element of the General Plan includes Land Use Compatibility Guidelines for Community Noise. These guidelines, which are similar to state guidelines promulgated by the Governor’s Office of Planning and Research (OPR), indicate maximum acceptable noise levels for various newly developed land uses. The proposed uses for the proposed project most closely correspond to the “Office Building – Personal, Business, and Professional Services” land use category within the Land Use Compatibility Guidelines.²⁴

²⁴ San Francisco General Plan, Environmental Protection Element, Land Use Compatibility Chart for Community Noise. Available online at: http://www.sfplanning.org/ftp/general_plan/I6_Environmental_Protection.htm. Accessed on May 1, 2013.

For this land use category, the maximum “satisfactory, with no special insulation requirements” exterior noise levels are approximately 70 dBA (Ldn).^{25,26} Where exterior noise levels exceed 65 dBA (Ldn) for a new commercial building, it is generally recommended that a detailed analysis of noise reduction requirements be conducted prior to final review and approval of the project, and that the needed noise insulation features be include in the project design.

Existing Noise in Project Site Vicinity. Land uses in the project site vicinity generate a substantial amount of noise, as is typical in PDR districts. In addition, high traffic volumes along I-280 and heavy volumes of truck traffic on nearby streets contribute to a relatively noisy environment, according to citywide modeling of traffic noise volumes conducted by the SFDPH. Based on this model, ambient noise levels exceed 70 dBA on Evans Avenue and range from 60 to 70 dBA on Toland Street. Ambient noise levels along the I-280 segment are above 75 dBA, as shown in Table 5.

Passing trains on the elevated Caltrain tracks, approximately 350 feet east of the project site, generate additional noise. The Caltrain tracks cross beneath the I-280 freeway near the location where both pass closest to the project site.

TABLE 5. NEARBY STREET NOISE LEVELS

Street Name	Noise Levels [dBA (L _{dn})]
Evans Avenue	>70
Toland Street	65 – 70
Selby Street / I-280 Freeway	>70

Source: Citywide modeling of traffic noise volumes conducted by the SFDPH.

Project Noise Exposure. Although the exterior noise levels in the project vicinity exceed levels that are considered satisfactory for office buildings, noise-insulating features would be incorporated into the proposed project in compliance with the San Francisco Building Code. Because the project site is within 1,000 feet of the I-280 freeway and is within an area where exterior noise exceeds 65 dB, the project would be subject to Building Code Section 13C.5.507. This section requires that, for non-residential buildings within 1,000 feet of freeways or where exterior noise levels at the property line exceed 65 dB, exterior walls and roof-ceiling assemblies must have a Sound Transmission Class (STC) of at least 50, while exterior windows must have a minimum STC of 30.²⁷ Therefore, indoor noise levels would be reduced by at least 30 decibels, to approximately 45 dBA (assuming an exterior noise level of 75 dBA) which would be suitable for office use. To the extent that areas of the proposed FSD/TC building require particular controls on propagation of exterior noise to further reduce noise levels, it can reasonably be assumed that design features necessary to minimize interior noise would be incorporated into the design.

²⁵ The dBA, or A-weighted decibel, refers to a scale of noise measurement that approximates the range of sensitivity of the human ear to sounds of different frequencies. On this scale, the normal range of human hearing extends from about 0 dBA to about 140 dBA. A 10-dBA increase in the level of a continuous noise represents a perceived doubling of loudness.

²⁶ The Ldn is the Leq, or Energy Equivalent Level, of the A-weighted noise level over a 24-hour period with a 10-decibel penalty applied to noise levels between 10:00 p.m. to 7:00 a.m. Leq is the level of a steady noise which would have the same energy as the fluctuating noise level integrated over the time period of interest.

²⁷ Sound Transmission Class is a rating for building materials (door, windows, wall assemblies, etc.) that characterizes the material’s ability to block the transmission of noise. In general, a higher STC rating indicates greater noise-blocking ability. STC ratings are primarily focused on noise frequencies associated with speech; they do not necessarily account for very low frequencies.

Consequently, with Building Code compliance and implementation of any special design features are needed, potential environmental impacts associated with locating the testing laboratory, motorcycle fleet, and accessory office uses (and parking facilities) in an area that currently exceeds acceptable ambient noise levels for such uses would be *less than significant*.

Impact NO-2: Operation of the proposed project would not result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels. (Less than Significant)

Employees and laboratory equipment within the FSD/TC building could be affected by vibration from truck traffic on local streets, including Evans Avenue and Toland Street, and from Caltrain rail operations approximately 500 feet east of the proposed FSD/TC building. The parking garage, which would be as close as about 350 feet from the railroad tracks, would not be adversely affected by roadway or rail vibration. At 500 feet from the proposed FSD/TC building, the Caltrain tracks are near the distance (600 feet) at which heavy rail operations would not be expected to have an adverse effect, even on the most sensitive land uses, and distance between the Caltrain tracks and the project FSD/TC building means that train vibration would likely be no more noticeable than that from truck traffic on Evans Avenue.²⁸ Moreover, building occupants would not be considered sensitive to vibration in the way that residents would be. Some forensic testing laboratory equipment is sensitive to vibration and would require vibration dampening design features; according to the project sponsor, such features are included in the proposed project, thereby precluding any adverse impact. Consequently, effects related to vibration would be *less than significant*.

Impact NO-3: The project would not result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project. (Less than Significant)

The proposed project would involve construction of an approximately 128,000-sf FSD/TC building that would house the SFPD's FSD and TC motorcycle fleet operations. Vehicular traffic makes the greatest contribution to ambient noise levels throughout most of San Francisco. Generally, traffic must double in volume to produce a noticeable increase in the ambient noise level in the project vicinity. According to the project TIS, the proposed project would generate approximately 1,045 daily vehicle trips, with 90 of those trips occurring in the p.m. peak hour, mostly on Evans Avenue, which has substantial traffic volumes under existing condition. The increase in vehicle trips would not cause traffic volumes to double on nearby streets, and therefore would not have a noticeable effect on ambient noise levels in the project site vicinity.

The proposed small-scale laboratory and office uses would not include features (such as large air compressors, etc.) that would generate substantial noise. Additionally, noise-insulating features that would be incorporated into the proposed project through standard construction practices and that would meet the San Francisco Building Code requirements would act to diminish noise emanating from the FSD/TC building to the outside. Mechanical equipment, such as rooftop heating and ventilation units, would be a source of operational noise; however, such equipment would be subject to and comply with Section 2909 of the Noise Ordinance, which establishes a noise limit from mechanical sources. Measured at the property line, noise generated by commercial and industrial uses must be 8 dBA or less in excess of ambient noise levels; for noise on public property, including streets, the limit is 10 dBA in excess of ambient noise levels. Surrounding land uses are all commercial or light industrial, and include

²⁸ Federal Transit Administration, (FTA), Office of Planning and Environment, *Transit Noise and Vibration Impact Assessment*, May 2006. Available on the internet at: http://www.fta.dot.gov/documents/FTA_Noise_and_Vibration_Manual.pdf. Reviewed May 20, 2013.

a restaurant, valet parking service, restaurant supply company, storage facility, parcel distribution facility, building materials supplier, towing company, and the I-280 freeway and Caltrain tracks; these uses are not considered sensitive to noise and would not be adversely affected by project noise.

Therefore, operational noise from the proposed project and traffic-related noise associated with operations would not adversely affect ambient noise levels in the project vicinity and this impact would be *less than significant*.

Impact NO-3: During construction, the proposed project would not result in a substantial temporary or periodic increase in ambient noise levels and vibration in the project vicinity above levels existing without the project. (Less than Significant)

Demolition, excavation, and building construction would temporarily increase noise in the project vicinity. Construction equipment would generate noise and possibly vibration, notably from pile driving that could be considered an annoyance by occupants of nearby properties. According to the project sponsor, the construction period would last approximately 30 months. Construction noise levels would fluctuate depending on construction phase, equipment type and duration of use, distance between noise source and listener, and presence or absence of barriers. Impacts would generally be limited to demolition and the periods during which new foundations and exterior structural and façade elements would be constructed; this phase would include pile driving. Interior construction noise would be substantially reduced by exterior walls.

The project would be required to comply with the Noise Ordinance, which regulates construction noise.²⁹ This Ordinance requires that noise levels from individual construction equipment, other than impact tools, not exceed 80 dBA at a distance of 100 feet from the source. Impact tools (pile drivers, jackhammers, impact wrenches, etc.) must have both intake and exhaust muffled to the satisfaction of the SFDPW Director. Section 2908 of the Noise Ordinance prohibits construction work between the hours of 8:00 p.m. and 7:00 a.m. if noise would exceed the ambient noise level by 5 dBA at the project property line, unless the SFDPW Director or the Director of Building Inspection grants a special permit. The project would be required to comply with regulations set forth in the Noise Ordinance.

Sensitive receptors nearest to the project site are the residences along 26th Street (including the Potrero Terrace housing complex), approximately one-third mile north of the project site. These residences are located far enough away that it is unlikely they will be adversely affected by construction noise. Construction activities typically generate noise levels no greater than 90 dBA (i.e., excavation) at 50 feet from the activity, while other activities, such as concrete work, generate much less noise. Demolition and pile driving activities would result in impact-related noise that would result in short-term noise levels as high as 105 dBA. These noise levels would be reduced to 74 dBA at the nearest sensitive receptor (one-third mile), which, while noticeable, would be similar to existing traffic noise levels along this portion of the City, as indicated in Table 5.

Therefore, for nearby sensitive receptors, although construction noise could be perceptible at times, it would not be expected to exceed noise levels commonly experienced in an urban environment. The increase in noise and vibration in the project area during project construction would be considered less than significant because it would be temporary, intermittent, and restricted in occurrence and level as the contractor would be required to comply with the City's Noise Ordinance. In light of the above, the project's construction noise impacts would be considered *less than significant*.

²⁹ Article 29 of the *Police Code*, §2901 to §2926.

Impact C-NO-1: The proposed project, in combination with past, present, and reasonably foreseeable future projects, would not result in a cumulatively considerable contribution to a significant noise impact. (Less than Significant)

Construction activities in the vicinity of the project site, such as excavation, grading, or construction of other buildings in the area, would occur on a temporary and intermittent basis. Project construction-related noise would not substantially increase ambient noise levels at locations greater than a few hundred feet from the project site. The nearest other project to the site, the expansion of the Restaurant Depot store, has been completed. The only other nearby project with which construction of the proposed project could overlap is the proposed Home Depot store at 2000 Marin Street.³⁰ The two project sites are located approximately 500 feet or more from each other and both are in an area surrounded by high-volume roadways and freeways whose traffic tends to dominate the local noise environment. Moreover, the project schedules would not likely overlap to a substantial degree shall both projects be approved, as the FSD/TC project is considerably farther along in its entitlement process than is the Home Depot project. Construction noise effects associated with the proposed project thus are not anticipated to combine with those associated with other proposed and ongoing projects located in the vicinity such that a substantial temporary or periodic noise increase would be experienced by local workers. The nearest residential uses are too distant to be adversely affected by construction noise. Therefore, cumulative construction-related noise impacts would be *less than significant*.

Localized traffic noise would increase in conjunction with foreseeable residential and commercial growth in the project vicinity. However, because neither the proposed project nor the other projects in the vicinity are anticipated to result in a doubling of traffic volumes along any of the nearby major streets, the project would not contribute considerably to any cumulative traffic-related increases in ambient noise. Moreover, operations would comply with the Noise Ordinance and would therefore not be expected to substantially contribute to any cumulative increases in ambient noise levels. Therefore, the proposed project would result in *less-than-significant* cumulative noise impacts.

³⁰ Case No. 2009.0651; EIR in preparation. Project file available for review at the Planning Department, 1650 Mission Street, Suite 400.

E.7 AIR QUALITY

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
7. AIR QUALITY—Would the project:					
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The BAAQMD is the regional agency with jurisdiction over the San Francisco Bay Area Air Basin (SFBAAB), which includes nine counties: San Francisco, Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Napa Counties and portions of Sonoma and Solano Counties. The BAAQMD is responsible for attaining and maintaining air quality in the SFBAAB in conformance with federal and state air quality standards, established by the federal Clean Air Act (CAA) and the California Clean Air Act (CCAA), respectively. Specifically, the BAAQMD has the responsibility to monitor ambient air pollutant levels throughout the SFBAAB and to develop and implement strategies to attain the applicable federal and state standards. The CAA and the CCAA require plans to be developed for areas that do not meet air quality standards, generally. The most recent air quality plan, the 2010 CAP, was adopted by the BAAQMD on September 15, 2010. The 2010 CAP updates the Bay Area 2005 Ozone Strategy in accordance with the requirements of the CCAA to implement all feasible measures to reduce ozone; provide a control strategy to reduce ozone, particulate matter (PM), air toxics, and greenhouse gases in a single, integrated plan; and establish emission control measures to be adopted or implemented. The 2010 CAP contains the following primary goals:

- Attain air quality standards;
- Reduce population exposure and protect public health in the San Francisco Bay Area; and
- Reduce greenhouse gas emissions and protect the climate.

The 2010 CAP represents the most current applicable air quality plan for the SFBAAB. Consistency with this plan is the basis for determining whether the proposed project would conflict with or obstruct implementation of an applicable air quality plan.

Criteria Air Pollutants

In accordance with state and federal CAAs, air pollutant standards are identified for the following six criteria air pollutants: ozone, carbon monoxide (CO), PM, nitrogen dioxide (NO₂), sulfur dioxide (SO₂), and lead. These air pollutants are termed criteria air pollutants because they are regulated by developing specific public health- and welfare-based criteria as the basis for setting permissible levels. In general, the SFBAAB experiences low concentrations of most pollutants when compared to federal or state standards. The SFBAAB is designated as either in attainment or unclassified for most criteria pollutants with the exception of ozone, PM_{2.5}, and PM₁₀, for which it is designated as in non-attainment for either the state or federal standards.³¹ By its very nature, regional air pollution is largely a cumulative impact in that no single project is sufficient in size to, by itself, to result in non-attainment of air quality standards. Instead, a project's individual emissions contribute to existing cumulative air quality impacts. If a project's contribution to cumulative air quality impacts is considerable, the project's impact on air quality would be considered significant.³²

Land use projects may contribute to regional criteria air pollutants during construction and operational phases.

Table 6 provides significance thresholds for determining air quality impacts. Projects that would result in emissions of criteria air pollutants below these significance thresholds would not violate an air quality standard, contribute substantially to an air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants within the SFBAAB.

TABLE 6. CRITERIA AIR POLLUTANT SIGNIFICANCE THRESHOLDS

Pollutant	Construction Thresholds	Operational Thresholds	
	Average Daily Emissions (lbs./day)	Average Daily Emissions (lbs./day)	Annual Average Emissions (tons/year)
ROG	54	54	10
NO _x	54	54	10
PM ₁₀	82 (exhaust)	82	15
PM _{2.5}	54 (exhaust)	54	10
Fugitive Dust	Construction Dust Ordinance or other Best Management Practices (BMPs)	Not Applicable	

Note: PM₁₀ is often termed "coarse" particulate matter and is made of particulates that are 10 microns in diameter or smaller. PM_{2.5}, termed "fine" particulate matter, is composed of particles that are 2.5 microns or less in diameter.

Ozone Precursors. The SFBAAB is currently in non-attainment for ozone and PM (specifically, PM₁₀ and PM_{2.5}). Ozone is a secondary air pollutant produced in the atmosphere through a complex series of photochemical reactions involving reactive organic gases (ROG) and oxides of nitrogen (NO_x). State and federal clean air acts contain limits on emissions of these criteria pollutants from stationary sources. By meeting these limits, it is anticipated that emissions from new stationary sources do not contribute to an air quality violation or result in a considerable net increase of criteria air pollutants in the air basin.

³¹"Attainment" status refers to those regions that are meeting federal and/or state standards for a specified criteria pollutant. "Non-attainment" refers to regions that do not meet federal and/or state standards for a specified criteria pollutant. "Unclassified" refers to regions where there is not enough data to determine the region's attainment status.

³² BAAQMD, CEQA Air Quality Guidelines, May 2011, page 2-1.

Stationary sources of air pollution are subject to a New Source Review (NSR) under the federal CAA and BAAQMD, Regulation 2, Rule 2, which requires any new source that emits criteria air pollutants above a specified emissions limit to offset those emissions. For ozone precursors ROG and NO_x, the offset emissions level is an annual average of 10 tons per year (or 54 pounds [lbs.] per day).³³ Although the offset requirements apply to new or modified stationary sources, the above thresholds can be applied to construction and operational phases of land use projects since the increases in vehicle trips, architectural coating, and construction activities associated with these projects result in ROG and NO_x emissions. Projects that result in emissions below these thresholds would not be considered to contribute to an existing or projected air quality violation or result in a considerable net increase in ROG and NO_x emissions. Due to the temporary nature of construction activities, only the average daily thresholds are applicable to construction phase emissions.

Particulate Matter (PM₁₀ and PM_{2.5}). The BAAQMD has not established an offset limit for PM_{2.5}. However, the federal emissions limit for new stationary sources in nonattainment areas is an appropriate significance threshold since these limits represent levels at which a source is not expected to have an impact on air quality.³⁴ For PM_{2.5} and PM₁₀, the emissions limit under the NSR is 15 tons per year (82 lbs. per day) and 10 tons per year (54 lbs. per day), respectively. Land development projects typically result in PM emissions as a result of increases in vehicle trips, space heating and natural gas combustion, landscape maintenance, and construction activities. Therefore, the above thresholds can be applied to the construction and operational phases of a land use project. Again, because construction activities are temporary in nature, only the average daily thresholds are applicable to construction-phase emissions.

Fugitive Dust. Fugitive dust emissions are typically generated during construction phases. Studies have shown that the application of best management practices (BMPs) at construction sites significantly control fugitive dust.³⁵ Individual measures have been shown to reduce fugitive dust by anywhere from 30 to 90 percent.³⁶ The BAAQMD has identified a number of BMPs to control fugitive dust emissions from construction activities.³⁷ The City's Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) requires a number of measures to control fugitive dust to ensure that construction projects do not result in visible dust. Employing BMPs in compliance with Ordinance 176-08 is an effective strategy for controlling construction-related fugitive dust.

Local Risks and Hazards

In addition to criteria air pollutants, individual projects may emit toxic air contaminants (TACs), a diverse group of air pollutants that are capable of causing chronic (i.e., of long-term duration) and acute (i.e., severe but short-term) adverse effects to human health, including carcinogenic effects. A TAC is defined in California HSC Section 39655 as an air pollutant which may cause or contribute to an increase in mortality or serious illness, or which may pose a present or potential hazard to human health. Human health effects of TACs include birth defects, neurological damage, cancer, and death. There are hundreds of different types of TACs with varying degrees of toxicity. Individual TACs vary greatly in the health risk they present; at a given level of exposure, one TAC may pose a hazard that is many times greater than another.

³³ BAAQMD, Revised Draft Options and Justification Report, CEQA Thresholds of Significance, October 2009, page 17.

³⁴ BAAQMD, Revised Draft Options and Justification Report, CEQA Thresholds of Significance, October 2009, page 16.

³⁵ Western Regional Air Partnership. 2006. WRAP Fugitive Dust Handbook. September 7, 2006. This document is available online at http://www.wrapair.org/forums/dejff/dh/content/FDHandbook_Rev_06.pdf, accessed February 16, 2012.

³⁶ BAAQMD, Revised Draft Options and Justification Report, CEQA, Thresholds of Significance, October 2009, page 27.

³⁷ BAAQMD, CEQA Air Quality Guidelines, May 2011.

Unlike criteria air pollutants, ambient air quality standards have not been developed for TACs; however, these pollutants are regulated by the BAAQMD using a risk-based approach. This approach uses a health risk assessment to determine which sources and pollutants to control as well as the degree of control. A health risk assessment (HRA) is an analysis in which human health exposure to toxic substances is estimated, and considered together with information regarding the toxic potency of the substances, to provide quantitative estimates of health risks.³⁸

Vehicle tailpipe emissions contain numerous TACs, including benzene, 1,3-butadiene, formaldehyde, acetaldehyde, acrolein, naphthalene, and diesel exhaust in a complex mixture of particles and gases, with collective and individual toxicological characteristics.³⁹ While each constituent pollutant in engine exhaust may have a unique toxicological profile, health effects have been associated with proximity, or exposure, to vehicle-related pollutants collectively as a mixture.⁴⁰ Exposures to PM_{2.5} are strongly associated with mortality, respiratory diseases, and lung development in children, and other endpoints such as hospitalization for cardiopulmonary disease.⁴¹ In addition to PM_{2.5}, diesel particulate matter (DPM) is also of concern. The California Air Resources Board (CARB) identified DPM as a TAC in 1998, primarily based on evidence demonstrating cancer effects in humans.⁴² Mobile sources such as trucks and buses are among the primary sources of diesel emissions, and concentrations of DPM are higher near heavily traveled roadways. The estimated cancer risk from exposure to diesel exhaust is much higher than the risk associated with any other TAC routinely measured in the region.

Air pollution does not affect every individual in the population in the same way, and some groups are more sensitive to adverse health effects than others. Land uses such as residences, schools, children's day care centers, hospitals, and nursing and convalescent homes are considered to be the most sensitive to poor air quality as the population groups associated with these uses have increased susceptibility to respiratory distress or, as in the case of residential receptors, their exposure time is greater than for other land uses. Exposure assessment guidance typically assumes that residences would be exposed to air pollution 24 hours per day, 350 days per year, for 70 years. Therefore, assessments of air pollutant exposure to residents typically result in the greatest adverse health outcomes of all population.

In an effort to identify areas of San Francisco most adversely affected by sources of TACs, the City partnered with BAAQMD to inventory and assess air pollution and exposures from mobile, stationary, and area sources within San Francisco. Areas with poor air quality, termed "air pollution hot spots," were identified based on two health-protective criteria: (1) excess cancer risk from the contribution of emissions from all modeled sources greater than 100 per one million population, and/or (2) cumulative PM_{2.5} concentrations greater than 10 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$).

³⁸ In general, a HRA is required if the BAAQMD concludes that projected emissions of a specific air toxic compound from a proposed new or modified source suggest a potential public health risk. The applicant is then subject to a HRA for the source in question. Such an assessment generally evaluates chronic, long-term effects, estimating the increased risk of cancer as a result of exposure to one or more TACs.

³⁹ SFDPH, *Assessment and Mitigation of Air Pollutant Health Effects from Intra-Urban Roadways: Guidance for Land Use Planning and Environmental Review*, May 2008.

⁴⁰ Delfino RJ, 2002, "Epidemiologic evidence for asthma and exposure to air toxics: linkages between occupational, indoor, and community air pollution research," *Environmental Health Perspectives*, 110(S4):573-589.

⁴¹ SFDPH, *Assessment and Mitigation of Air Pollutant Health Effects from Intra-Urban Roadways: Guidance for Land Use Planning and Environmental Review*, May 2008.

⁴² CARB, Fact Sheet, "The Toxic Air Contaminant Identification Process: Toxic Air Contaminant Emissions from Diesel-fueled Engines," October 1998.

Excess Cancer Risk. The above 100 per one million persons (100 excess cancer risk) criteria is based on United State Environmental Protection Agency (USEPA) guidance for conducting air toxic analyses and making risk management decisions at the facility and community-scale level.⁴³ As described by the BAAQMD, the USEPA considers a cancer risk of 100 per million to be within the “acceptable” range of cancer risk. Furthermore, in the 1989 preamble to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) rulemaking for benzene, the USEPA states that it “...strives to provide maximum feasible protection against risks to health from hazardous air pollutants by (1) protecting the greatest number of persons possible to an individual lifetime risk level no higher than approximately one in one million and (2) limiting to no higher than approximately one in ten thousand [100 in one million] the estimated risk that a person living near a plant would have if he or she were exposed to the maximum pollutant concentrations for 70 years.”⁴⁴ The 100 per one million excess cancer case is also consistent with the ambient cancer risk in the most pristine portions of the Bay Area based on BAAQMD regional modeling.⁴⁵

Fine Particulate Matter. In April 2011, the USEPA published *Policy Assessment for the Particulate Matter Review of the National Ambient Air Quality Standards* (Particulate Matter Policy Assessment). In this document, USEPA staff concludes that the current federal annual PM_{2.5} standard of 15 µg/m³ shall be revised to a level within the range of 13 to 11 µg/m³, with evidence strongly supporting a standard within the range of 12 to 11 µg/m³. Air pollution “hot spots” for San Francisco are based on the health protective PM_{2.5} standard of 11 µg/m³, as supported by the USEPA’s Particulate Matter Policy Assessment, although lowered to 10 µg/m³ to account for error bounds in emissions modeling programs.

A portion of the proposed project (Block 5231/Block 4) is located in an air pollution hot spot. Land use projects within these air pollution hot spots require special consideration to determine whether the project’s activities would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality.

Construction Impacts

Project-related air quality impacts fall into two categories: (1) short-term impacts due to construction and (2) long-term impacts due to project operations.

Impact AQ-1: The proposed project’s construction activities would generate fugitive dust and criteria air pollutants, but would not violate an air quality standard, contribute substantially to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. (Less than Significant)

Construction activities (short-term) typically result in emissions of fugitive dust, criteria air pollutants, and DPM. Emissions of criteria pollutants and DPM are primarily a result of the combustion of fuel from on-road and off-road vehicles and equipment. However, ROG_s are also emitted from activities that involve painting or other types of architectural coatings or asphalt paving activities. The proposed project includes demolition of the existing four buildings totaling approximately 40,500 sf in floor area and construction of an approximately 128,000 sf building, four stories and approximately 64 feet in height, which would house the FSD and TC. During the project’s approximately 30-month construction period, construction activities would have the potential to result in fugitive dust emissions, criteria air pollutants, and DPM.

⁴³ BAAQMD, *Revised Draft Options and Justification Report*, of Significance, October 2009, page 67.

⁴⁴ 54 Federal Register 38044, September 14, 1989.

⁴⁵ BAAQMD, *Revised Draft Options and Justification Report*, CEQA Thresholds of Significance, October 2009, page 67.

Fugitive Dust: Project-related demolition, excavation, grading, and other construction activities may cause wind-blown dust that could contribute particulate matter into the local atmosphere. Although there are federal standards for air pollutants and implementation of state and regional air quality control plans, air pollutants continue to have impacts on human health throughout the country. California has found that PM exposure can cause health effects at lower levels than national standards. The current health burden of PM demands that, where possible, public agencies take feasible and available actions to reduce sources of PM exposure. According to CARB, reducing ambient PM from 1998-2000 levels to natural background concentrations in San Francisco would prevent over 200 premature deaths.

Dust can be an irritant causing watering eyes or irritation to the lungs, nose, and throat. Demolition, excavation, grading, and other construction activities can cause wind-blown dust to add to PM in the local atmosphere. Depending on exposure, adverse health effects can occur due to this PM in general and also due to specific contaminants such as lead or asbestos that may be constituents of soil.

In response, the San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes (referred hereto as Ordinance 176-08).⁴⁶ This Ordinance is an effective strategy for controlling and reducing the quantity of dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and onsite workers, minimize public nuisance complaints, and avoid orders to stop work by the Department of Building Inspection (DBI).

Ordinance 176-08 requires that all site preparation work, demolition, or other construction activities within San Francisco that has the potential to create dust or to expose or disturb more than 10 cy or 500 sf of soil comply with specified dust control measures, whether or not the activity requires a permit from the DBI. The DBI Director may waive this requirement for activities on sites less than one half-acre in size that are unlikely to result in any visible wind-blown dust.

In compliance with Ordinance 176-08, the project sponsor and the contractor responsible for construction activities at the project site would be required to use the following practices to control construction dust on the site or other practices that result in equivalent dust control which are acceptable to the Director. Dust suppression activities may include:

- Water all active construction areas sufficiently to prevent dust from becoming airborne; increased water frequency may be necessary whenever wind speeds exceed 15 miles per hour (mph);
- Reclaimed water must be used if required by Article 21, Section 1100 *et seq.* of the SFDPW; if not required, reclaimed water shall be used whenever possible;
- Contractors shall provide as much water as necessary to control dust without creating run-off in any area of land clearing, and/or earth movement;
- During excavation and dirt-moving activities, contractors shall wet sweep or vacuum streets, sidewalks, paths, and intersections where work is in progress at the end of the workday;
- Inactive stockpiles (where no disturbance occurs for more than seven days) greater than 10 cy or 500 sf of excavated materials backfill material, import material, gravel, sand, road base, and soil shall be covered with a 10 mil (0.01 inch) polyethylene plastic (or equivalent) tarp, braced down, or other equivalent soil stabilization techniques used.

⁴⁶ San Francisco's Construction Dust Control Ordinance effective July 30, 2008.

For projects over one half-acre in size, such as the proposed project, Ordinance 176-08 requires that the project sponsor submit a Dust Control Plan (DCP) for approval by the SFDPH. The DBI will not issue a building permit without written notification from the SFDPH that the applicant has a site-specific DCP, unless the Director waives the requirement. Interior-only tenant improvement projects that are over one-half acre in size that will not produce exterior visible dust are exempt from the site-specific DCP requirement.

The site-specific DCP would require the project sponsor to:

- Submit a map to the SFDPH Director showing all sensitive receptors within 1,000 feet of the site;
- Wet down areas of soil at least three times per day;
- Provide an analysis of wind direction and install upwind and downwind particulate dust monitors;
- Record particulate monitoring results;
- Hire an independent, third-party to conduct inspections and keep a record of inspections;
- Establish shut-down conditions based on wind, soil migration, etc.;
- Establish a hotline for surrounding community members who may be potentially affected by project-related dust;
- Limit the area subject to construction activities at any one time;
- Install dust curtains and windbreaks on the property lines, as necessary;
- Limit the amount of soil in hauling trucks to the size of the truck bed and securing with a tarpaulin;
- Enforce a 15 mph speed limit for vehicles entering and exiting construction areas at the site;
- Sweep affected streets with water sweepers at the end of each day;
- Install and utilize wheel washers to clean truck tires;
- Terminate construction activities when winds exceed 25 mph;
- Apply soil stabilizers to inactive areas; and
- Sweep off adjacent streets to reduce particulate emissions.

The project sponsor would be required to designate an individual to monitor compliance with the dust control requirements of the DCP. Compliance with these regulations and procedures set forth by the San Francisco Building Code (SFBC) would ensure that potential dust-related air quality impacts would be reduced to a level of insignificance.

Criteria Air Pollutants

As discussed above, construction activities would result in emissions of criteria air pollutants from the use of off- and on-road vehicles and equipment. To assist lead agencies in determining whether short-term construction-related air pollutant emissions require further analysis as to whether a project may exceed the criteria air pollutant significance thresholds shown in Table 5, the BAAQMD developed screening guidelines.⁴⁷ If a proposed project meets the screening criteria, then construction of the proposed project would result in less-than-significant criteria air pollutant impacts. A project that exceeds the screening criteria may require a detailed air quality assessment to determine if criteria air pollutant emissions would exceed significance thresholds. The BAAQMD CEQA Guidelines note that screening

⁴⁷ BAAQMD, *CEQA Air Quality Guidelines* (CEQA Guidelines), May 2011.

levels are generally representative of new development on greenfield sites without any form of mitigation measures taken into consideration.⁴⁸ In addition, the screening criteria do not account for project design features, attributes, or local development requirements that could also result in lower emissions. For projects that are mixed-use, infill, and/or near transit service and local services, emissions would be expected to be less than the greenfield-type project that the screening criteria are based upon.

The proposed project includes demolition of the existing four buildings totaling approximately 40,500 sf in floor area and construction of an approximately 128,000-sf building, four stories and approximately 64 feet in height, which would house the FSD and TC. The proposed project would be below the criteria air pollutant screening sizes for government office buildings, which is 277,000 sf, as identified in the BAAQMD CEQA Guidelines. Thus, quantification of construction-related criteria air pollutant emissions is not required, and the proposed project's construction activities would not exceed any of the significance thresholds for criteria air pollutants, and would result in a *less-than-significant* construction criteria air pollutant impact.

Impact AQ-2: The proposed project's construction activities would generate toxic air contaminants, including diesel particulate matter, but would not expose sensitive receptors to substantial pollutant concentrations. (Less than Significant with Mitigation)

Off-road equipment (which includes construction-related equipment) is a large contributor to DPM emissions in California and was once estimated to be the second largest source of ambient DPM emissions in California. However, since 2007, CARB has found emissions to be substantially lower than previously expected.⁴⁹ Newer and more refined emission inventories have substantially lowered the DPM emission estimates from off-road equipment such that this equipment is now considered the sixth largest source of DPM emissions in California.⁵⁰ This reduction in emissions is due, in part, to effects of the economic recession and refined emissions estimation methodologies. For example, revised PM emission estimates for the year 2010, in which DPM is a major component of total PM, have decreased by 83 percent from previous estimates for the SFBAAB.⁵¹ Approximately half of the reduction can be attributed to the economic recession and half can be attributed to updated assumptions independent of the economic recession (e.g., updated methodologies used to better assess construction emissions).⁵²

Additionally, a number of federal and state regulations are requiring cleaner off-road equipment. Specifically, both California and the USEPA have set emissions standards for new off-road equipment engines, ranging from Tier 1 to Tier 4 levels. Tier 1 emission standards were phased in between 1996 and 2000 and Tier 4 Interim and Final emission standards for all new engines are being phased in between 2008 and 2015. To meet the Tier 4 emission standards, engine manufacturers will be required to produce new engines with advanced emission-control technologies. Although the full benefits of these regulations will not be realized for several years, the USEPA estimates that by implementing the federal Tier 4

⁴⁸ A greenfield site refers to agricultural, forest land, or an undeveloped site earmarked for commercial, residential, or industrial projects.

⁴⁹ CARB, *Staff Report: Initial Statement of Reasons for Proposed Rulemaking, Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets and the Off-Road Large Spark-Ignition Fleet Requirements*, p.1 and p. 13 (Figure 4), October 2010.

⁵⁰ CARB, *Ibid.*

⁵¹ CARB, "In-Use Off-Road Equipment, 2011 Inventory Model," Query accessed online, April 2, 2012, http://www.arb.ca.gov/msei/categories.htm#inuse_or_category.

⁵² CARB, *Staff Report: Initial Statement of Reasons for Proposed Rulemaking, Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets and the Off-Road Large Spark-Ignition Fleet Requirements*, October 2010.

standards, NO_x and PM emissions will be reduced by more than 90 percent.⁵³ Furthermore, California regulations limit maximum idling times to five minutes, which further reduces public exposure to DPM emissions.⁵⁴

In addition, construction activities do not lend themselves to analysis of long-term health risks because of their temporary and variable nature. As explained in the BAAQMD CEQA Guidelines:

Due to the variable nature of construction activity, the generation of TAC emissions in most cases would be temporary, especially considering the short amount of time such equipment is typically within an influential distance that would result in the exposure of sensitive receptors to substantial concentrations. Concentrations of mobile-source diesel PM emissions are typically reduced by 70 percent at a distance of approximately 500 feet. In addition, current models and methodologies for conducting health risk assessments are associated with longer-term exposure periods of 9, 40, and 70 years, which do not correlate well with the temporary and highly variable nature of construction activities. This results in difficulties with producing accurate estimates of health risk.⁵⁵

Therefore, project-level analyses of construction activities have a tendency to produce over-estimated assessments of long-term health risks. However, within air pollution hot spots, as discussed above, additional construction activity may adversely affect populations that are already at a higher risk for adverse long-term health risks from existing sources of air pollution.

The proposed project would require construction activities for the approximate 30-month construction phase. Project construction activities would result in short-term emissions of DPM and other toxic air contaminants that would add emissions to areas already adversely affected by poor air quality. This would result in a *significant* air quality impact to sensitive land uses. Implementation of the following emissions-reducing mitigation measure would reduce this impact to a *less-than-significant* level.

Mitigation Measure

Mitigation Measure M-AQ-2: Construction Emissions Minimization

Construction Emissions Minimization Plan. Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (EMP) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The EMP shall detail project compliance with the following requirements:

1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:
 - a) Where access to alternative sources of power are available, portable diesel engines shall be prohibited;
 - b) All off-road equipment shall have:
 - Engines that meet or exceed either United States Environmental Protection Agency (USEPA) or California Air Resources Board (CARB) Tier 2 off-road emissions standards; and

⁵³ USEPA, *Clean Air Nonroad Diesel Rule: Fact Sheet*, May 2004.

⁵⁴ California Code of Regulations (CCR), Title 13, Division 3, § 2485.

⁵⁵ BAAQMD, *CEQA Air Quality Guidelines*, May 2012, page 8-6.

- Engines that are retrofitted with a CARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).⁵⁶

c) Exceptions:

- Exceptions to A(1)(a) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the project sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.
- Exceptions to A(1)(b)(ii) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with an ARB Level 3 VDECS is: (1) technically not feasible; (2) would not produce desired emissions reductions due to expected operating modes; (3) installing the control device would create a safety hazard or impaired visibility for the operator; or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).
- If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules in Table 7.

TABLE 7. OFF-ROAD EQUIPMENT COMPLIANCE STEP-DOWN SCHEDULE

Compliance Alternative	Engine Emission Standard	Emissions Control
1	Tier 2	ARB Level 2 VDECS
2	Tier 2	ARB Level 1 VDECS
3	Tier 2	Alternative Fuel *

*Alternative fuels are not VDECS

HOW TO USE THIS TABLE:

If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Shall the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Shall the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.

- The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than *two minutes*, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the *two minute* idling limit.
- The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.

⁵⁶ Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement, therefore a VDECS would not be required.

4. The EMP shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation.

For VDECS installed: technology type, serial number, make, model, manufacturer, CARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used

5. The EMP shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the EMP and a way to request a copy of the Plan. The project sponsor shall provide copies of the EMP to members of the public as requested.

Reporting. Monthly reports shall be submitted to the ERO indicating the construction phase and off-road equipment used during each phase including information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include actual amounts of alternative fuel used.

Within six months of completion of construction activities, the project sponsor shall submit a final report summarizing construction activities to the ERO. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.

Certification Statement and On-site Requirements. Prior to the commencement of construction activities, the project sponsor must certify: (1) compliance with the EMP, and (2) that all applicable requirements of the EMP have been incorporated into contract specifications.

While the emissions reductions from limiting idling, educating workers and the public, and properly maintaining equipment is difficult to quantify, other measures, specifically the requirement for equipment with Tier 2 engines and Level 3 VDECSs, can reduce construction emissions by 89 to 94 percent as compared to equipment with engines meeting no emission standards and without VDECS. Emissions reductions from the combination of Tier 2 equipment with Level 3 VDECS is almost equivalent to requiring only equipment with Tier 4 Final engines, which is not yet available for engine sizes subject to the mitigation. Therefore, compliance with Mitigation Measure M-AQ-2 would result in construction emission impacts to nearby sensitive receptors at a *less-than-significant* level.

Impact AQ-3: During project operations, the proposed project would result in emissions of criteria air pollutants, but not at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. (Less than Significant)

As discussed in Impact AQ-1, the BAAQMD's CEQA Guidelines developed screening criteria to determine whether a project requires an analysis of project-generated criteria air pollutants. If all the screening criteria are met by a proposed project, the lead agency or applicant does not need to perform a detailed air quality assessment.

Operational emissions from project traffic and from operation of the proposed building were calculated using the CalEEMod model, and are presented in Table 8. As shown in this table, emission increases attributable to the proposed project would be substantially below the applicable significance thresholds. Therefore, the proposed project's effects of regional criteria pollutant emissions would be *less than significant*.

TABLE 8. SAN FRANCISCO FORENSIC SERVICES DIVISION PROJECT ESTIMATED DAILY REGIONAL EMISSIONS (2016)

	Daily Projected Emissions (Pounds per Day) ^{a,b}			
	ROG	NO _x	PM ₁₀	PM _{2.5}
Area-Source Emissions	3.78	<1	<1	<1
Mobile-Source (Vehicle) Emissions	10.27	8.75	6.18	<1
TOTAL	14.05	9.45	6.23	0.51
<i>Significance Threshold</i>	<i>54</i>	<i>54</i>	<i>82</i>	<i>54</i>
Significant?	No	No	No	No
	Annual Projected Emissions (Tons per Year) ^{a,b}			
	ROG	NO _x	PM ₁₀	PM _{2.5}
Area-Source Emissions	0.69	0.13	<0.1	<0.1
Mobile-Source (Vehicle) Emissions	1.69	1.51	0.91	<0.1
TOTAL	2.38	1.64	0.92	0.09
<i>Significance Threshold</i>	<i>10</i>	<i>10</i>	<i>15</i>	<i>10</i>
Significant?	No	No	No	No

NOTES:

^a Emission factors were generated by the CalEEMod (v. 2011.1.1) model for San Francisco County, and assume a default vehicle mix. All daily estimates are for worst case winter conditions. Traffic generated emissions based on trip generation from the project transportation study.

^b Columns may not total due to rounding.

SOURCE: Environmental Science Associates, 2013.

Operational point source emissions from the forensic testing laboratory would be subject to BAAQMD permit regulations. The existing Forensic Services Division laboratory does not handle a sufficient volume of materials such that it requires a BAAQMD permit. If the new facility were to emit toxic air contaminants in volumes that exceed any of the "trigger levels" in Regulation 2, Rule 5, New Source Review of Toxic Air Contaminants, of BAAQMD's Rules and Regulations, then BAAQMD would conduct a site-specific health risk assessment (HRA) prior to granting a permit. Assuming that none of the trigger levels is exceeded, emissions of toxic air contaminants would not pose a significant risk to the public. It is anticipated that the facility would be exempt from permitting requirements due to the bench scale intensity of operations which result in low emission levels. If one or more trigger levels were exceeded, BAAQMD would perform a HRA and, if warranted, would require installation of appropriate control technology on laboratory exhaust to ensure that no significant health risk is posed to the public. Through compliance with BAAQMD rules and regulations, the impact of operational emission from the testing laboratory would be *less than significant*.

Impact AQ-4: During project operations, the proposed project would generate toxic air contaminants, including diesel particulate matter, but would not expose sensitive receptors to substantial air pollutant concentrations. (Less than Significant with Mitigation)

Vehicle Trips. Individual projects result in emissions of toxic air contaminants primarily as a result of an increase in vehicle trips. The BAAQMD considers roads with less than 10,000 vehicles per day “*minor, low-impact*” sources that do not pose a significant health impact even in combination with other nearby sources and recommends that these sources be excluded from the environmental analysis. The proposed project’s 1,027 daily vehicle trips would be well below this level; therefore, an assessment of project-generated TACs resulting from vehicle trips is not required. Thus, the proposed project would not generate a substantial amount of TAC emissions that could affect nearby sensitive receptors.

On-Site Diesel Generators. The proposed project would include two backup emergency generators. Emergency generators are regulated by the BAAQMD through its NSR (Regulation 2, Rule 5) permitting process. The project applicant would be required to obtain applicable permits to operate an emergency generator from the BAAQMD. Although emergency generators are intended only to be used in periods of power outages, monthly testing of the generator would be required. The BAAQMD typically limits testing to no more than 50 hours per year. Additionally, as part of the permitting process, the BAAQMD limits the excess cancer risk from any facility to no more than 10 per one million population and requires any source that would result in an excess cancer risk greater than one per one million population to install Best Available Control Technology for Toxics (TBACT). However, because the project site is located in an area that already experiences poor air quality, the proposed emergency back-up generator has the potential to expose sensitive receptors to substantial concentrations of diesel emissions, a known TAC, resulting in a *significant* air quality impact. Implementation of the following mitigation measure would reduce this impact to a *less-than-significant* level.

Mitigation Measure

M-AQ-4: Best Available Control Technology (BACT) for Diesel Generators

All diesel generators shall have engines that: (1) meet Tier 4 Final or Tier 4 Interim emission standards, or (2) meet Tier 2 emission standards and are equipped with CARB Level 3 VDECS.

Implementation of M-AQ-4 would reduce emissions by 89 to 94 percent compared to equipment with engines that do not meet any emission standards and without VDECS. Therefore, although the proposed project would add a new source of TACs within an area that already experiences poor air quality, implementation of M-AQ-4 would reduce this impact to a *less-than-significant* level.

The proposed project would not include the development of any sensitive land uses for purposes of air quality evaluation (i.e., residential, daycare, hospital, etc.). BAAQMD has modeled and assessed air pollutant impacts from mobile, stationary, and area sources within the City. This assessment has resulted in the identification of air pollutant “hot spots”. The proposed project does not propose any sensitive land uses and would result in a *less-than-significant* impact with respect to exposing sensitive receptors to substantial levels of air pollution.

Impact AQ-5 : The proposed project would not conflict with, or obstruct implementation of, the 2010 Clean Air Plan. (Less than Significant)

The most recently adopted air quality plan for the SFBAAB is the *2010 Clean Air Plan*. The *2010 Clean Air Plan* is a road map that demonstrates how the San Francisco Bay Area will achieve compliance with the state ozone standards as expeditiously as practicable and how the region will reduce the transport of ozone and ozone precursors to neighboring air basins. In determining consistency with the *2010 Clean Air Plan* (CAP), this analysis considers whether the project would: (1) support the primary goals of the CAP, (2) include applicable control measures from the CAP, and (3) avoid disrupting or hindering implementation of control measures identified in the CAP.

To meet the primary goals, the CAP recommends specific control measures and actions. These control measures are grouped into various categories and include stationary and area source measures, mobile source measures, transportation control measures, land use measures, and energy and climate measures. The CAP recognizes that to a great extent, community design dictates individual travel mode, and that a key long-term control strategy to reduce emissions of criteria pollutants, air toxics, and greenhouse gases from motor vehicles is to channel future Bay Area growth into vibrant urban communities where goods and services are close at hand, and people have a range of viable transportation options. To this end, the *2010 Clean Air Plan* includes 55 control measures aimed at reducing air pollution in the SFBAAB.

The measures most applicable to the proposed project are transportation control measures and energy and climate control measures. The proposed project would be consistent with energy and climate control measures as discussed in Section E.8, Greenhouse Gas Emissions, which demonstrates that the proposed project would comply with the applicable provisions of the City's Greenhouse Gas Reduction Strategy.

The compact development of the proposed project and availability of transportation options ensure that employees could bicycle, walk, and ride transit to and from the project site instead of taking trips via private automobile; the lack of on-site parking could provide further incentives for FSD employees to use commute alternatives. Combined with the fact that the project is primarily a relocation within San Francisco of existing activities, these features ensure that the project would avoid substantial growth in automobile trips and vehicle miles traveled. The proposed project would be generally consistent with the *San Francisco General Plan*, as discussed in Section C, Compatibility with Zoning, Plans, and Policies. Transportation control measures that are identified in the *2010 Clean Air Plan* are implemented by the *San Francisco General Plan* and the Planning Code, through the City's Transit First Policy, bicycle parking requirements, and transit impact development fees applicable to the proposed project. By complying with these applicable requirements, the project would include relevant transportation control measures specified by the *2010 Clean Air Plan*.

Examples of a project that could cause the disruption or delay of *Clean Air Plan* control measures are projects that would preclude the extension of a transit line or bike path, or projects that propose excessive parking beyond parking requirements. The proposed project would not preclude the extension of a transit line or a bike path or any other transit improvement, and thus would avoid disrupting or hindering implementation of control measures identified in the CAP.

For the reasons described above, the proposed project would not interfere with implementation of the *2010 Clean Air Plan*, and because the proposed project would be consistent with the applicable air quality plan that demonstrates how the region will improve ambient air quality and achieve the state and federal ambient air quality standards, this impact would be *less than significant*.

Impact AQ-6: The proposed project would not create objectionable odors that would affect a substantial number of people. (Less than Significant)

Typical odor sources of concern include wastewater treatment plants, sanitary landfills, transfer stations, composting facilities, petroleum refineries, asphalt batch plants, chemical manufacturing facilities, fiberglass manufacturing facilities, auto body shops, rendering plants, and coffee roasting facilities. During construction, diesel exhaust from construction equipment would generate some odors. However, construction-related odors would be temporary and would not persist upon project completion. Additionally, the proposed project would develop a forensic laboratory and support space, with rooftop ventilation equipment of any laboratory exhaust, and would therefore not create a significant source of new odors. Therefore, odor impacts would be *less than significant*.

Impact C-AQ-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the project area would contribute to cumulative air quality impacts. (Less than Significant with Mitigation)

As discussed above, regional air pollution is by its very nature largely a cumulative impact. Emissions from past, present, and future projects contribute to the region's adverse air quality on a cumulative basis. No single project by itself would be sufficient in size to result in regional nonattainment of ambient air quality standards. Instead, a project's individual emissions contribute to existing cumulative adverse air quality impacts.⁵⁷ The project-level thresholds for criteria air pollutants are based on levels by which new sources are not anticipated to contribute to an air quality violation or result in a considerable net increase in criteria air pollutants. Therefore, because the proposed project's construction (Impact AQ-1) and operational (Impact AQ-3) emissions would not exceed the project-level thresholds for criteria air pollutants, the proposed project would not be considered to result in a cumulatively considerable contribution to regional air quality impacts.

As discussed above, the project site is located in an area that already experiences poor air quality. The project would add new sources of TACs (e.g., new vehicle trips and/or stationary sources) within an area already adversely affected by air quality, resulting in a considerable contribution to cumulative health risk impacts on sensitive receptors. This would be a significant cumulative impact. Implementation of Mitigation Measure M-AQ-2: Construction Emissions Minimization, which could reduce construction period emissions by as much as 94 percent, and Mitigation Measure M-AQ-4a: Best Available Control Technology (BACT) for Diesel Generators, which requires best available control technology to limit emissions from the project's emergency back-up generator, would reduce this impact to a less-than-significant level.

⁵⁷ BAAQMD, CEQA Air Quality Guidelines, May 2011, page 2-1.

E.8 GREENHOUSE GAS EMISSIONS

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
8. GREENHOUSE GAS EMISSIONS— Would the project:					
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Environmental Setting

Gases that trap heat in the atmosphere are referred to as greenhouse gases (GHGs) because they capture heat radiated from the sun as it is reflected back into the atmosphere, much like a greenhouse does. The accumulation of GHGs has been implicated as the driving force for global climate change. The primary GHGs are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone, and water vapor.

Individual projects emit GHGs during demolition, construction, and operational phases. While the presence of the primary GHGs in the atmosphere is naturally occurring, CO₂, CH₄, and N₂O are largely emitted from human activities, accelerating the rate at which these compounds occur within earth's atmosphere. Emissions of CO₂ are largely byproducts of fossil fuel combustion, whereas methane results from off-gassing associated with agricultural activities and landfills. Black carbon has recently emerged as a major contributor to global climate change, possibly second only to CO₂. Black carbon results from incomplete combustion of fossil fuels, biofuels, and biomass.⁵⁸ N₂O is emitted from agricultural activities, fossil fuel combustion, wastewater management, and industrial processes, such as the production of nitric acid, which is used to make synthetic commercial fertilizer.⁵⁹ Other GHGs generated in industrial processes include hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Greenhouse gases are typically reported in "carbon dioxide-equivalent" measures (CO₂E).⁶⁰

There is international scientific consensus that human-caused increases in GHGs have contributed and will continue to contribute to global warming. Many impacts resulting from climate change, including increased fires, floods, severe storms and heat waves, occur already and will only become more frequent and more costly.⁶¹ Secondary effects of climate change are likely to include a global rise in sea levels; impacts to agriculture, the state's electricity system, and native freshwater fish ecosystems; an increase in the vulnerability of levees in the Sacramento-San Joaquin Delta; changes in disease vectors; and changes in habitat and biodiversity.^{62,63}

⁵⁸ Center for Climate and Energy Solutions. *What is Black Carbon?*, April 2010. Available online at: <http://www.c2es.org/docUploads/what-is-black-carbon.pdf>. Accessed May 16, 2013.

⁵⁹ *Overview of Greenhouse Gases, Climate Change*. Online at: <http://epa.gov/climatechange/ghgemissions/gases/n2o.html>. Accessed May 21, 2013.

⁶⁰ Because of the differential heat absorption potential of various GHGs, GHG emissions are frequently measured in "carbon dioxide-equivalents," a weighted average based on each gas's heat absorption (or "global warming") potential.

⁶¹ California Climate Change Portal. Available online at: <http://www.climatechange.ca.gov>. Accessed May 16, 2013.

⁶² *Ibid.*

⁶³ California Energy Commission. California Climate Change Center. *Our Changing Climate 2012*. Available online at: <http://www.energy.ca.gov/2012publications/CEC-500-2012-007/CEC-500-2012-007.pdf>. Accessed August 2, 2013.

CARB estimated that in 2010, California produced approximately 451 million gross metric tons of CO₂E (MMTCo₂E) emissions.⁶⁴ CARB determined that transportation is the source of 38 percent of the State's GHG emissions, followed by electricity generation (both in-state and out-of-state) at 21 percent and industrial sources at 19 percent. Commercial and residential fuel use (primarily for heating) accounted for approximately 10 percent of CO₂E emissions.⁶⁵ In the Bay Area, the transportation (on-road motor vehicles, off-highway mobile sources, and aircraft) and the industrial and commercial sector were the two largest sources of GHG emissions, each accounting for approximately 36 percent of the Bay Area's 95.8 MMTCo₂E emitted in 2007.⁶⁶ Electricity generation accounts for approximately 16 percent of the Bay Area's GHG emissions, followed by residential fuel usage (e.g., home water heaters, furnaces, etc.) at 7 percent, off-road equipment at 3 percent, and agriculture at 1 percent.⁶⁷

Regulatory Setting

In 2005, in recognition of California's vulnerability to the effects of climate change, former Governor Arnold Schwarzenegger established Executive Order S-3-05, which set forth a series of target dates by which statewide emissions of GHGs would be progressively reduced:

- By 2010: reduce GHG emissions to 2000 levels (approximately 457 MMTCo₂E);
- By 2020: reduce emissions to 1990 levels (estimated at 427 MMTCo₂E); and
- By 2050: reduce state-wide GHG emissions to 80 percent below 1990 levels (about 85 MMTCo₂E).

In response, in 2006, the California legislature passed Assembly Bill No. 32 (AB 32; California HSC Division 25.5, Section 38500, et seq.) also known as the Global Warming Solutions Act. AB 32 requires CARB to design and implement emission limits, regulations, and other measures to reduce GHG emissions to 1990 levels by the year 2020.⁶⁸

Pursuant to AB 32, CARB adopted the Climate Change Scoping Plan (Scoping Plan) in December 2008, as the state's overarching plan for addressing climate change. The Scoping Plan outlines measures to meet the required GHG reductions by 2020 and sets out an implementation timeline for GHG reduction strategies. In order to meet the goals of AB 32, California must reduce its GHG emissions by 30 percent below projected 2020 business as usual emissions levels, or about 15 percent from 2008 levels.⁶⁹ The Scoping Plan estimates a reduction of 174 million MMTCo₂E (about 191 million U.S. tons) from the transportation, energy, agriculture, forestry, and high global warming potential sectors, as summarized in Table 9.⁷⁰

⁶⁴ CARB. *California Greenhouse Gas Inventory for 2000-2010— by Category as Defined in the Scoping Plan*. Available online at: http://www.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_scopingplan_00-10_2013-02-19.pdf. Accessed May 16, 2013.

⁶⁵ Ibid.

⁶⁶ BAAQMD, *Source Inventory of Bay Area Greenhouse Gas Emissions: Base Year 2007*, updated February 2010. Available online at: http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/Emission%20Inventory/regionalinventory2007_2_10.ashx. Accessed August 2, 2013.

⁶⁷ Ibid.

⁶⁸ Governor's Office of Planning and Research. *Technical Advisory- CEQA and Climate Change: Addressing Climate Change through California Environmental Quality Act (CEQA) Review*, June 19, 2008. Available online at: <http://opr.ca.gov/docs/june08-ceqa.pdf>. Accessed August 2, 2013.

⁶⁹ CARB. *California's Climate Plan: Fact Sheet*. Available online at: http://www.arb.ca.gov/cc/cleanenergy/clean_fs2.pdf. Accessed May 16, 2013.

⁷⁰ CARB. *Assembly Bill 32: Global Warming Solutions Act*. Available online at: <http://www.arb.ca.gov/cc/ab32/ab32.html>. Accessed May 16, 2013.

TABLE 9. GREENHOUSE GAS REDUCTIONS BY SECTOR FROM THE AB32 SCOPING PLAN

Sector	GHG Reductions (MMTCO ₂ E)
Transportation Sector	62.3
Electricity and Natural Gas	49.7
Industry	1.4
Landfill Methane Control Measure (Discrete Early Action)	1
Forestry	5
High Global Warming Potential GHGs	20.2
Additional Reductions Needed to Achieve the GHG Cap	34.4
Total	174
Other Sectors/Recommended Measures	
Government Operations	1-2
Agriculture - Methane Capture at Large Dairies	1
Water	4.8
Green Buildings	26
High Recycling/ Zero Waste	
• Commercial Recycling	
• Composting	
• Anaerobic Digestion	9
• Extended Producer Responsibility	
• Environmentally Preferable Purchasing	
Total	41.8 - 42.8

The AB 32 Scoping Plan recommendations are intended to curb projected business-as-usual growth in GHG emissions and reduce those emissions to 1990 levels. Meeting the reduction goals of the Scoping Plan would result in an overall annual net decrease in GHGs relative to current levels, accounting for projected increases in emissions resulting from anticipated growth.

The Scoping Plan also incorporates requirements of Senate Bill 375 (SB 375) to implement carbon emission reductions by aligning local land use and transportation planning to further achieve the state’s GHG reduction goals. SB 375 requires Metropolitan Planning Organizations to incorporate a “sustainable communities strategy” in regional transportation plans (RTPs) to achieve GHG emission reduction targets set by CARB. The Bay Area MTC’s 2013 RTP, *Draft Plan Bay Area, Strategy for a Sustainable Region*, will be the first plan subject to SB 375.⁷¹

In conformance with AB 32, CARB has identified a GHG reduction target of 15 percent from current levels for local governments, noting that successful implementation of the Scoping Plan relies on local governments’ land use planning and urban growth decisions because local governments have the primary authority to plan, zone, approve, and permit land development to accommodate population growth and the changing needs of their jurisdictions.⁷² The BAAQMD conducted an analysis of the actions outlined in the Scoping Plan and determined that in order for the Bay Area to meet the GHG reduction goals, the region would need to achieve an additional 2.3 percent reduction in GHG emissions from the land use sector.⁷³

⁷¹ABAG and MTC, *Draft Bay Area Plan, Strategy for a Sustainable Region*. March 2013. Available online at: <http://onebayarea.org/regional-initiatives/plan-bay-area/draft-plan-bay-area.html>. Accessed May 16, 2013.

⁷² CARB. *Climate Change Scoping Plan*, December 2008.

⁷³ BAAQMD. California Environmental Quality Act, *Proposed Thresholds of Significance*, December 7, 2009. Available online at: <http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/Proposed%20Thresholds%20ofSignificance%20%207%2009.ashx>. Accessed May 16, 2013

Senate Bill 97 (SB 97) required the OPR to amend the state CEQA guidelines to address the feasible mitigation of GHG emissions or the effects of GHGs. In response, OPR amended the CEQA Guidelines to provide guidance for analyzing GHG emissions. Among other changes to the CEQA Guidelines, the amendments added a new section to the CEQA Checklist (CEQA Guidelines, Appendix G) to address questions regarding the project's potential to emit GHGs.

The BAAQMD is the primary agency responsible for air quality in the nine-county San Francisco Bay Area air basin. The BAAQMD recommends that local agencies adopt a Greenhouse Gas Reduction Strategy consistent with the goals of AB 32 and that significance of GHG emissions from a project be based on the degree to which that project complies with a Greenhouse Gas Reduction Strategy.⁷⁴ As described below, this recommendation is consistent with the approach to analyzing GHG emissions outlined in the CEQA Guidelines.

At a local level, the City of San Francisco has developed a number of plans and programs to reduce the City's contribution to global climate change. San Francisco's 2008 Greenhouse Gas Reduction ordinance requires that by 2008, the city determine its GHG emissions for the year 1990, the baseline level with reference to which target reductions are set; by 2017, reduce GHG emissions by 25 percent below 1990 levels; by 2025, reduce GHG emissions by 40 percent below 1990 levels; and finally by 2050, reduce GHG emissions by 80 percent below 1990 levels. San Francisco's *Strategies to Address Greenhouse Gas Emissions* (Greenhouse Gas Reduction Strategy) documents the city's actions to pursue cleaner energy, energy conservation, alternative transportation, and solid waste reduction.⁷⁵ As identified in the Greenhouse Gas Reduction Strategy, the City has implemented a number of mandatory requirements and incentives that have measurably reduced GHG emissions including, but not limited to, increasing the energy efficiency of new and existing buildings, installation of solar panels on building roofs, implementation of a green building strategy, adoption of a zero waste strategy, a construction and demolition debris recovery ordinance, a solar energy generation subsidy, incorporation of alternative fuel vehicles in the city's transportation fleet (including buses), and a mandatory recycling and composting ordinance. The strategy also identifies 42 specific regulations for new development that would reduce a project's GHG emissions.

San Francisco's policies and programs have resulted in a reduction in GHG emissions below 1990 levels of approximately 6.15 MMTCO₂E.⁷⁶ A recent third-party verification of the city's 2010 community-wide and municipal emissions inventory confirmed that San Francisco reduced its GHG emissions to 5.26 MMTCO₂E, representing a 14.5 percent reduction in GHG emissions below 1990 levels, which exceeds the statewide AB 32 GHG reduction goals.^{77,78}

⁷⁴ BAAQMD. *California Environmental Quality Act Air Quality Guidelines*, May 2012. Available online at:

http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/BAAQMD%20CEQA%20Guidelines_Final_May%202012.ashx?la=en. Accessed May 16, 2013.

⁷⁴ BAAQMD. *California Environmental Quality Act Air Quality Guidelines*, May 2012. Available online at:

http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/BAAQMD%20CEQA%20Guidelines_Final_May%202012.ashx?la=en. Accessed May 16, 2013.

⁷⁵ SF Planning Department. *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available online at:

http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf. Accessed May 21, 2013.

⁷⁶ Ibid.

⁷⁷ ICF International. "Technical Review of the 2010 Community-wide GHG Inventory for City and County of San Francisco." Memorandum from ICF International to San Francisco Department of the Environment, April 10, 2012.; and "Technical Review of San Francisco's 2010 Municipal GHG Inventory." Memorandum from ICF International to San Francisco Department of the Environment, May 8, 2012.

⁷⁸ ICF International. "Technical Review of San Francisco's 2010 Municipal GHG Inventory." Memorandum from ICF International to San Francisco Department of the Environment, May 8, 2012.

Approach to Analysis

In compliance with SB 97, OPR amended the CEQA Guidelines to address the feasible mitigation of GHG emissions or the effects of GHGs. Among other changes to the CEQA Guidelines to comply with SB 97, OPR added a new section to the CEQA Checklist (CEQA Guidelines, Appendix G) to address questions regarding the project's potential to emit GHGs. The potential for a project to result in significant GHG emissions that contribute to the cumulative effects of global climate change is determined by an assessment of the project's compliance with local and state plans, policies and regulations adopted for the purpose of reducing the cumulative effects of climate change. GHG emissions are analyzed in the context of their contribution to the cumulative effects of climate change because a single land use project could not generate enough GHG emissions to noticeably change the global average temperature. Sections 15064.4 and 15183.5 of the CEQA Guidelines address the analysis and determination of significant impacts from a proposed project's GHG emissions.

Section 15183.5 of the CEQA Guidelines allows public agencies to analyze and mitigate GHG emissions as part of a larger plan for the reduction of greenhouse gases and describes the required contents of such a plan. As discussed above, San Francisco has prepared its own Greenhouse Gas Reduction Strategy and reduced community-wide GHG emissions to below 1990 levels, meeting GHG reduction goals outlined in AB 32. The city is also well on its way to meeting the long-term GHG reduction goal of reducing emissions 80 percent below 1990 levels by 2050. Chapter 1 of the Greenhouse Gas Reduction Strategy describes how the strategy meets the requirements of CEQA Guidelines Section 15183.5.⁷⁹ The BAAQMD has reviewed San Francisco's Greenhouse Gas Reduction Strategy, concluding that "[a]ggressive GHG reduction targets and comprehensive strategies like San Francisco's help the Bay Area move toward reaching the state's AB 32 goals, and also serve as a model from which other communities can learn."⁸⁰

Factors to be considered in making a significance determination in accordance with Section 15064.4(b), include: 1) the extent to which GHG emissions would increase or decrease as a result of the proposed project; 2) whether or not a proposed project exceeds a threshold that the lead agency determines applies to the project; and finally 3) demonstrating compliance with plans and regulations adopted for the purpose of reducing or mitigating GHG emissions.

The GHG analysis provided below includes a qualitative assessment of GHG emissions that would result from a proposed project, including emissions from an increase in vehicle trips, natural gas combustion, and/or electricity use among other things. Consistent with the CEQA Guidelines and BAAQMD recommendations for analyzing GHG emissions, the significance of GHG emissions generated during project construction and operation is based on whether the project complies with the city's Greenhouse Gas Reduction Strategy, and associated policies, programs and regulations, including the 42 specific regulations that address the reduction of GHG emissions. Projects that comply with the Greenhouse Gas Reduction Strategy would not result in a substantial increase in GHGs, since the city has shown that overall community-wide GHGs have decreased and the city has met AB 32 GHG reduction targets. Consequently, such projects would not be considered to result in a significant cumulative impact due to GHG emissions. Individual project compliance with the city's Greenhouse Gas Reduction Strategy is demonstrated by completion of the Compliance Checklist for Greenhouse Gas Analysis.

⁷⁹ SF Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available online at: http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf. Accessed May 21, 2013.

⁸⁰ BAAQMD. *Letter from J. Roggenkamp, BAAQMD, to B. Wycko*, San Francisco Planning Department, October 28, 2010.

In summary, the two applicable greenhouse gas reduction plans, the AB 32 Scoping Plan and the Greenhouse Gas Reduction Strategy, are intended to reduce GHG emissions below current levels. Given that the city's local greenhouse gas reduction targets are more aggressive than the state's 2020 GHG reduction targets and consistent with the long-term 2050 reduction targets, the city's Greenhouse Gas Reduction Strategy is consistent with the goals of AB 32. Therefore, proposed projects that are consistent with the Greenhouse Gas Reduction Strategy would be consistent with the goals of AB 32, would not conflict with either plan, and would therefore not exceed San Francisco's applicable GHG threshold of significance. Furthermore, a locally compliant project would not result in a substantial increase in GHGs.

The following analysis of the proposed project's impact on climate change focuses on the project's contribution to cumulatively significant GHG emissions. Given the analysis in a cumulative context, project-specific impact statements are not included.

Impact C-GG-1: The proposed project would generate greenhouse gas emissions, but not at levels that would result in a significant impact on the environment. (Less than Significant)

The most common GHGs resulting from human activity associated with land use decisions are CO₂, black carbon, CH₄, and N₂O. Individual projects contribute to the cumulative effects of climate change by directly or indirectly emitting GHGs during construction and operational phases. Direct operational emissions include GHG emissions from new vehicle trips and area sources (natural gas combustion). Indirect emissions include emissions from electricity providers, energy required to pump, treat, and convey water, and emissions associated with landfill operations.

The proposed project would increase the activity onsite by constructing and operating a laboratory and motorcycle police facility, with associated increases in employment on and visitors to the site. Therefore, the proposed project would contribute to annual long-term increases in GHGs as a result of increased vehicle trips (mobile sources) and commercial operations that result in an increase in energy use, water use, wastewater treatment, and solid waste disposal. Construction activities would also result in temporary increases in GHG emissions.

As discussed above, projects that are consistent with San Francisco's Greenhouse Gas Reduction Strategy would result in a less-than-significant GHG impact. As shown in **Table 10**, the proposed project would comply with applicable policies, programs, and ordinances implementing the Greenhouse Gas Reduction Strategy.

In addition to complying with the city's regulations, the 2008 Green Building Ordinance requires that all city departments prepare an annual department-specific climate action plan. The SF Police Department's plan focuses on energy efficiency and conservation, 100 percent waste recycling and composting, green building, water use reduction, and commuter programs such as the Commuter Benefits Program, the City Bicycle Fleet, Ridesharing Matching Assistance, and the Emergency Ride Home Program.⁸¹ Depending on a proposed project's size, use, and location, a variety of controls are in place to ensure that a proposed project would not impair the state's ability to meet statewide GHG reduction targets outlined in AB 32, or impact the city's ability to meet San Francisco's local GHG reduction targets. Given that: (1) San Francisco has implemented regulations to reduce GHG emissions specific to new construction and renovations of private developments and municipal projects; (2) San Francisco's sustainable policies have resulted in the measured reduction of annual GHG emissions; (3) San Francisco has met and exceeds AB 32 GHG reduction goals for the year 2020 and is on track towards meeting long-term GHG reduction goals;

⁸¹ San Francisco Police Department. *Climate Action Plan*, March 2012.

(4) current and probable future state and local GHG reduction measures will continue to reduce a project's contribution to climate change; and (5) San Francisco's Strategies to Address Greenhouse Gas Emissions meet the CEQA and BAAQMD requirements for a Greenhouse Gas Reduction Strategy, projects that are consistent with San Francisco's regulations would not contribute significantly to global climate change. The proposed project would be required to comply with the requirements listed above, and was determined to be consistent with San Francisco's Strategies to Address Greenhouse Gas Emissions. Therefore, the proposed project would result in a *less-than-significant* impact with respect to GHG emissions. No mitigation measures are necessary.

Impact C-GG-2: The proposed project would not conflict with any policy, plan, or regulation adopted for the purpose of reducing greenhouse gas emissions. (Less than Significant)

San Francisco's *Compliance Checklist for Greenhouse Analysis* (Compliance Checklist; see Table 10) is used to demonstrate compliance of the proposed project with San Francisco's Greenhouse Gas Reduction Strategy.⁸² Direct operational GHG emissions associated with the project would include new vehicle trips and area sources (natural gas combustion). Indirect emissions include emissions from electricity providers, energy required to pump, treat, and convey water, and emissions associated with landfill operations. Analysis provided in Table 10 includes a qualitative assessment of GHG emissions that would result from the proposed project, including emissions from an increase in vehicle trips, natural gas combustion, and/or electricity use among other activities.

The proposed project would contribute to annual long-term increases in GHGs as a result of increased vehicle trips (mobile sources) and energy use, water use, wastewater treatment, and solid waste disposal associated with building operations. Construction and demolition activities would also result in temporary increases in GHG emissions. However, as shown in Table 10, the proposed project would comply with applicable policies, programs, and ordinances implementing the Greenhouse Gas Reduction Strategy, and therefore would result in a *less-than-significant* impact with respect to GHG emissions.

⁸² SF Planning Department. *Compliance Checklist for Greenhouse Gas Analysis: Table 2. Municipal Projects*, 1995 Evans Avenue, March 19, 2013. This document is available for review as part of Case File No. 2013.0342E at the SF Planning Department, 1650 Mission Street, Suite 400, San Francisco, California, 94103. Information from this document is provided in Table 10.

TABLE 10. GREENHOUSE GAS REDUCTION STRATEGIES APPLICABLE TO THE PROPOSED PROJECT

Regulation	Requirements	Project Compliance	Discussion
Transportation Sector			
Commuter Benefits Ordinance (San Francisco Environment Code, Section 421)	All employers of 20 or more employees must provide at least one of the following benefit programs: (1) A Pre-Tax Election consistent with 26 U.S.C. §132(f), allowing employees to elect to exclude from taxable wages and compensation, employee commuting costs incurred for transit passes or vanpool charges; or (2) Employer Paid Benefit whereby the employer supplies a transit pass for the public transit system requested by each Covered Employee or reimbursement for equivalent vanpool charges at least equal in value to the purchase price of the appropriate benefit; or (3) Employer Provided Transit furnished by the employer at no cost to the employee in a vanpool or bus, or similar multi-passenger vehicle operated by or for the employer.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Emergency Ride Home Program	All City employees are automatically eligible for the emergency ride home program.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. The occupants of this facility will all be city employees therefore are automatically eligible for this program.
Healthy Air and Clean Transportation Ordinance, Section 403 (San Francisco Environment Code, Chapter 4, Section 403)	Requires all City officers, boards, commissions and department heads responsible for departments that require transportation to fulfill their official duties to reduce the Municipal Fleet by implementing Transit First policies by: (A) maximizing the use of public transit, including taxis, vanpools, and car-sharing; (B) facilitating travel by bicycle, or on foot; and (C) minimizing use of single-occupancy motor vehicles, for travel required in the performance of public duties.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Healthy Air and Clean Transportation Ordinance (San Francisco Environment Code, Chapter 4)	Requires the reduction of the number of passenger vehicles and light-duty trucks in the Municipal Fleet. In addition, requires new purchases or leases of passenger vehicles and light-duty trucks to be the cleanest and most efficient vehicles available on the market. There are also requirements for medium and heavy duty vehicles and for phasing out highly polluting vehicles (diesel MUNI buses).	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. SFPD submitted plan for compliance with the Healthy Air and Clean Transportation Ordinance for 2013. Police department emergency vehicles are exempt. By 2017, the SFPD fleet will be in compliance.
Biodiesel for Municipal Fleets (Executive Directive 06-02)	Requires all diesel using City Departments to begin using biodiesel (B20). Sets goals for all diesel equipment to be run on biodiesel by 2007 and goals for increasing biodiesel blends to B100).	<input type="checkbox"/> Project Complies <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	No diesel fleet equipment used.
Clean Construction Ordinance (San Francisco Administrative Code, Section 6.25)	Effective March 2009, all contracts for large (20+ day) City projects are required to: • Fuel diesel vehicles with B20 biodiesel, and • Use construction equipment that meets USEPA Tier 2 standards or best available control technologies for equipment over 25 hp.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Construction will last 720 + days.

Regulation	Requirements	Project Compliance	Discussion
<p>Bicycle Parking in City-Owned and Leased Buildings (SF Planning Code, Section 155.1)</p>	<p><u>Class 1 and 2 Bicycle Parking Spaces</u></p> <p><i>Class 1 Requirements:</i></p> <p>(A) Provide two spaces in buildings with 1 to 20 employees.</p> <p>(B) Provide four spaces in buildings with 21 to 50 employees.</p> <p>(C) In buildings with 51 to 300 employees, provide bicycle parking equal to at least 5% of employees at that building, but no fewer than 5 bicycle spaces.</p> <p>(D) In buildings with more than 300 employees, provide bicycle parking equal to at least 3% of employees at that building, but no fewer than 16 bicycle spaces.</p> <p>In addition to the Class 1 bicycle parking spaces, provide Class 2 bicycle parking.</p> <p><i>Class 2 Requirements:</i></p> <p>(A) Provide at least 2 bicycle parking spaces in buildings with 1 to 40 employees.</p> <p>(B) Provide at least 4 bicycle parking spaces in buildings with 41 to 50 employees.</p> <p>(C) Provide at least 6 bicycle parking spaces in buildings with 51 to 100 employees.</p> <p>(D) In buildings with more than 100 employees, at least 8 bicycle parking spaces shall be provided. Wherever a responsible City official is required to provide 8 or more Class 2 bicycle parking spaces, at least 50% of those spaces shall be covered.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
<p>Bicycle Parking in Parking Garages (SF Planning Code, Section 155.2)</p>	<p>(A) Every garage will supply a minimum of 6 bicycle parking spaces.</p> <p>(B) Garages with between 120 and 500 automobile spaces shall provide 1 bicycle space for every 20 automobile spaces.</p> <p>(C) Garages with more than 500 automobile spaces shall provide 25 spaces plus 1 additional space for every 40 automobile spaces over 500 spaces, up to a maximum of 50 bicycle parking spaces.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
<p>Transportation Management Programs (SF Planning Code, Section 163)</p>	<p>Requires new buildings or additions over a specified size (buildings >25,000 square feet or 100,000 square feet depending on the use and zoning district) within certain zoning districts (including downtown and mixed-use districts in the City's Eastern Neighborhoods and South of Market) to implement a Transportation Management Program and provide on-site transportation management brokerage services for the life of the building.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p>

Regulation	Requirements	Project Compliance	Discussion
Energy Efficiency Sector			
Green Building Requirements for City Buildings: Indoor Water Use Reduction (San Francisco Environment Code, Chapter 7)	The LEED Project Administrator shall submit documentation verifying a minimum 30% reduction in the use of indoor potable water, as calculated to meet and achieve LEED credit WE3.2.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this City ordinance. Item to be further addressed within the design documents.
Resource Efficiency and Green Building Ordinance (San Francisco Environment Code, Chapter 7)	<p>All new construction must achieve at a minimum the LEED® Gold standard. City leaseholds are subject to all of the requirements of the Commercial Water Conservation Ordinance of Chapter 13A of the SFBC, including provisions requiring the replacement of non-compliant water closets and urinals on or before January 1, 2017.</p> <ol style="list-style-type: none"> 1. All water closets (toilets) with a rated flush volume exceeding 1.6 gallons per flush and urinals with a rated flush volume exceeding 1.0 gallon per flush must be replaced with high-efficiency water closets that use no more than 1.28 gallons per flush and high efficiency urinals that use no more than 0.5 gallons per flush, respectively. 2. Showerheads must use no more than 1.5 gallons per minute. In addition, all showerheads in the facility having a maximum flow rate exceeding 2.5 gallons per minute must be replaced with showerheads that use no more than 1.5 gallons per minute. 3. All faucets and faucet aerators in the facility with a maximum flow rate exceeding 2.2 gallons per minute are replaced with fixtures having a maximum flow rate not to exceed 0.5 gallons per minute per appropriate site conditions. 	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Green Building Requirements for City Buildings: Energy Efficient Lighting Retrofit Requirements (San Francisco Environment Code, Chapter 7)	<p>These requirements (or those in the CCR Title 24, Part 6, or subsequent State standards, whichever are more stringent) shall apply in all cases except those in which a City department is not responsible for maintenance of light fixtures or exit signs.</p> <p><u>Exit Signs</u> – At the time of installation or replacement of broken or non-functional exit signs, all exit signs shall be replaced with light-emitting diode (LED)-type signs. Edge-lit compact fluorescent signs may be used as replacements for existing edge-lit incandescent exit signs.</p> <p><u>Fluorescent Fixtures -Mercury Content</u> – The mercury content of each 4-foot or 8-foot fluorescent lamp ("tube" or "bulb") installed in a luminaire shall not exceed 5 mg for each 4-foot fluorescent lamp, or 10 mg for each 8-foot fluorescent lamp.</p> <p><u>Fluorescent Fixtures-Energy Efficiency</u> – The lamp and ballast system in each luminaire that utilizes one or more 4-foot or 8-foot linear fluorescent lamps to provide illumination in a City-Owned Facility must meet the specified requirements.</p> <p><u>Exterior Light Fixtures</u> – At the time of installation or replacement of broken or non-functional exterior light fixtures, a photocell or automatic timer shall be installed to prevent lights from operating during daylight hours.</p>	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.

Regulation	Requirements	Project Compliance	Discussion
Green Building Requirements for City Buildings: Energy Performance (San Francisco Environment Code, Chapter 7)	Using an Alternative Calculation Method (ACM) approved by the California Energy Commission, the LEED Project Administrator shall calculate the project's energy use, and compare it to the standard or "budget" building to achieve LEED credit EA 1 by either: (A) A 15% compliance margin over Title 24, Part 6, 2008 California Energy Standards; or, (B) Document compliance with Title 24, Part 6, 2008 California Energy Standards, including submittal of all standard documentation, and additionally demonstrate that the project achieves a 15% or greater compliance margin over the ASHRAE 90.1 2007 energy cost baseline using the published LEED 2009 rules.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Green Building Requirements for City Buildings: Renewable Energy (San Francisco Environment Code, Chapter 7)	The LEED Project Administrator shall confer with SFPUC on renewable energy opportunities for municipal construction projects. The LEED Project Administrator shall submit documentation verifying that either: (A) At least 1% of the building's energy costs are offset by on-site renewable energy generation, achieving LEED credit A 2, including any combination of: photovoltaic, solar thermal, wind, biofuel-based electrical systems, geothermal heating, geothermal electric, wave, tidal, or low impact hydroelectric systems, or as specified in Section 25741 of the California Public Resources Code; or, (B) In addition to meeting LEED prerequisite EA 1 Energy performance requirement, achieve an additional 10 percent compliance margin over Title 24, Part 6, 2008 California Energy Standards, for a total compliance margin of at least 25%.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Green Building Requirements for City Buildings: Commissioning (San Francisco Environment Code, Chapter 7)	The LEED Project Administrator shall submit documentation verifying that the facility has been or will meet the criteria necessary to achieve LEED credit EA 3.0 (Enhanced Commissioning) in addition to LEED prerequisite EA1 (Fundamental Commissioning of Building Energy Systems.)	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Waste Reduction Sector			
Resource Efficiency and Green Building Ordinance (San Francisco Environment Code, Chapter 7)	The ordinance requires all demolition (and new construction) projects to prepare a Construction and Demolition Debris Management Plan designed to recycle construction and demolition materials to the maximum extent feasible, with a goal of 75% diversion. The ordinance specifies requires for all city buildings to provide adequate recycling space.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.
Resource Conservation Ordinance (San Francisco Environment Code, Chapter 5)	This ordinance establishes a goal for each City department to: (i) maximize purchases of recycled products, and (ii) divert from disposal as much solid waste as possible so that the City can meet the state-mandated 50% diversion requirement. Each City department shall prepare a Waste Assessment. The ordinance also requires the Department of the Environment to prepare a Resource Conservation Plan that facilitates waste reduction and recycling. The ordinance requires janitorial contracts to consolidate recyclable materials for pick up. Lastly, the ordinance specifies purchasing requirements for paper products.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	The proposed project is a municipal project that will be required to comply with this city ordinance. Item to be further addressed within the design documents.

Regulation	Requirements	Project Compliance	Discussion
Green Building Requirements for City Buildings: Recycling (San Francisco Environment Code, Chapter 7)	All City departments are required to recycle used fluorescent and other mercury containing lamps, batteries, and universal waste as defined by CCR Section 66261.9.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
Mandatory Recycling and Composting Ordinance (San Francisco Environment Code, Chapter 19)	The mandatory recycling and composting ordinance requires all persons in San Francisco to separate their refuse into recyclables, compostables, and trash, and place each type of refuse in a separate container designated for disposal of that type of refuse.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
Construction Recycled Content Ordinance (San Francisco Administrative Code, Section 6.4)	Ordinance requires the use of recycled content material in public works projects to the maximum extent feasible and gives preference to local manufacturers and industry.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
Environment/Conservation Sector			
Street Tree Planting Requirements for New Construction (SF Planning Code Section 138.1)	SF Planning Code Section 138.1 requires new construction, significant alterations or relocation of buildings within many of San Francisco's zoning districts to plant one 24-inch box tree for every 20 feet along the property street frontage	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
Green Building Requirements for City Buildings: Enhanced Refrigerant Management (San Francisco Environment Code, Chapter 7)	The LEED Project Administrator shall submit documentation verifying that the project will reduce ozone depletion, while minimizing direct contribution to climate change, achieving LEED credit EA 4.	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
Green Building Requirements for City Buildings: Low Emitting Materials (San Francisco Environment Code, Chapter 7)	<p>The LEED Project Administrator shall submit documentation verifying that the project is using low-emitting materials, subject to onsite verification, achieving LEED credits EQ 4.1, EQ 4.2, EQ 4.3, and EQ 4.4 wherever applicable:</p> <p>(A) Adhesives, sealants and sealant primers shall achieve LEED credit EQ 4.1. including compliance with South Coast Air Quality Management District (SCAQMD) Rule 1168.</p> <p>(B) Interior paints and coatings applied on-site shall achieve LEED credit EQ 4.2. including:</p> <p>(i) Architectural paints and coatings shall meet the VOC content limits of Green Seal Standard GS-11.</p> <p>(ii) Anti-corrosive and anti-rust paints applied to interior ferrous metal substrates shall not exceed the VOC content limit of Green Seal Standard GC-03 of 250 g/L.</p> <p>(iii) Clear wood finishes, floor coatings, stains, primers, and shellacs applied to interior elements shall not exceed SCAQMD Rule 1113 VOC content limits.</p> <p>(C) Flooring systems shall achieve LEED credit EQ 4.3 Option 1. including:</p> <p>(i) Interior carpet shall meet the testing and product requirements of the Carpet and Rug Institute Green Label Plus program.</p> <p>(ii) Interior carpet cushioning shall meet the requirements of the carpet and Rug Institute Green Label Program.</p>	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>

Regulation	Requirements	Project Compliance	Discussion
	<p>(iii) Hard surface flooring, including linoleum, laminate flooring, wood flooring, ceramic flooring, rubber flooring, and wall base shall be certified as compliant with the Floor Score standard, provided; however, that 100% reused or 100% post-consumer recycled hard surface flooring may be exempted from this LEED credit EQ 4.3 requirement. Projects exercising this exemption for hard surface flooring shall otherwise be eligible for LEED credit EQ 4.3.</p> <p>(D) Interior composite wood and agrifiber products shall achieve LEED credit EQ 4.4 by containing no added urea formaldehyde resins. Interior and exterior hardwood plywood, particleboard, and medium density fiberboard composite wood products shall additionally meet CARB's Air Toxics Control Measure for Composite Wood (17 CCR 93120 et seq.), by or before the dates specified in those sections.</p> <p>(E) Project sponsors are encouraged to achieve LEED Pilot Credit 2: Persistent Bioaccumulative Toxic Chemicals Source Reduction: Dioxins and Halogenated Organic Compounds. This standard is consistent with Environment Code Chapter 5: Non-PVC Plastics.</p>		
<p>Stormwater Management Ordinance and Construction Pollution Prevention (San Francisco Environment Code, Chapter 7)</p>	<p>For City sponsored projects, the LEED Project Administrator shall submit documentation verifying that a construction project that is located outside the City and County of San Francisco achieves the LEEDSS6.2 credit.</p> <p>Construction projects located within the City and County of San Francisco shall implement the applicable storm water management controls adopted by the San Francisco Public Utilities Commission (SFPUC).</p> <p>All construction projects shall develop and implement construction activity pollution prevention and stormwater management controls adopted by the SFPUC, and achieve LEED prerequisite SSP1 or similar criteria adopted by the SFPUC, as applicable.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
<p>Environmentally Preferable Purchasing Ordinance (Formerly Precautionary Purchasing Ordinance)</p>	<p>Requires City Departments to purchase products on the Approved Green Products List, maintained by the Department of the Environment. The items in the Approved Green Products List has been tested by San Francisco City Depts. and meet standards that are more rigorous than ecolabels in protecting our health and environment.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be addressed within the design documents where possible and still meet the requirements of this project type.</p>
<p>Tropical Hardwood and Virgin Redwood Ban (San Francisco Environment Code, Chapter 8)</p>	<p>The ordinance prohibits City departments from procuring, or engaging in contracts that would use the ordinance-listed tropical hardwoods and virgin redwood.</p>	<p><input checked="" type="checkbox"/> Project Complies</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>
<p>Wood Burning Fireplace Ordinance (SFBC, Chapter 31, Section 3102.8)</p>	<p>Bans the installation of wood burning fire places except for the following:</p> <ul style="list-style-type: none"> • Pellet-fueled wood heater • EPA approved wood heater • Wood heater approved by the Northern Sonoma Air Pollution Control District 	<p><input type="checkbox"/> Project Complies</p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Project Does Not Comply</p>	<p>No wood burning fire places included in design.</p>

Regulation	Requirements	Project Compliance	Discussion
Regulation of Diesel Backup Generators (San Francisco Health Code, Article 30)	<p>Requires:</p> <p>All diesel generators to be registered with the Department of Public Health.</p> <p>All new diesel generators must be equipped with the best available air emissions control technology.</p>	<input checked="" type="checkbox"/> Project Complies <input type="checkbox"/> Not Applicable <input type="checkbox"/> Project Does Not Comply	<p>The proposed project is a municipal project that will be required to comply with this city ordinance.</p> <p>Item to be further addressed within the design documents.</p>

E.9 WIND AND SHADOW

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
9. WIND AND SHADOW—Would the project:					
a) Alter wind in a manner that substantially affects public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Impact WS-1: The proposed project would not alter wind in a manner that substantially affects public areas. (Less than Significant)

This discussion summarizes the result of the *Wind Technical Memorandum* prepared for the proposed project by ESA.⁸³ Wind impacts are generally caused by large building masses extending substantially above their surroundings, and by buildings oriented such that a large wall catches a prevailing wind, particularly if such a wall includes little or no articulation. Average wind speeds in San Francisco are the highest in the summer and lowest in winter; however, the strongest peak winds occur in winter. Throughout the year, the highest wind speeds occur in mid-afternoon and the lowest in the early morning. Westerly to northwesterly winds are the most frequent and strongest winds regardless of season. Of the primary wind directions, four have the greatest frequency of occurrence and also make up the majority of the strong winds that occur; these include the northwest, west-northwest, west, and west-southwest.

Per Section 148 of the Planning Code, the proposed project would have a significant wind impact if it would cause the 36 mph wind hazard criterion to be exceeded for more than one hour per year. Also, per Section 148, a project that would cause exceedances of the pedestrian comfort criterion, of 11 mph, but not the wind hazard criterion, would not be considered to have a significant impact under CEQA.⁸⁴

Most buildings in the project vicinity are two stories or less in height. The elevated segment of the I-280 freeway that runs along the eastern side of the project block is approximately 50 feet in height. The project site currently contains four buildings ranging from 15 to 24 feet in height, surrounded by paved areas. These would be replaced with two new structures: an approximately 64-foot-tall FSD/TC building with two 16-foot mechanical penthouses totaling 128,000 sf, and a 47,000-sf two-level parking garage adjacent to the building (Figure 5).

The proposed FSD/TC building would be one of the tallest structures in the project area at four stories and 80 feet in height. However, the proposed structures would not be tall and wide enough to intercept and redirect downward to the ground level the volume of wind that would be necessary to substantially increase ground-level wind speeds. Although project design is yet to be finalized, the proposed fenestration and setbacks of the mechanical penthouses would reduce winds redirected toward the ground level, as would other FSD/TC building features that would break up solid façades. The proposed landscaping and trees on the street (Figure 5), once mature, would also reduce ground-level wind speeds on adjacent sidewalks. Based on these combined effects, any change in wind speeds that would result from the proposed project is not anticipated to cause a wind hazard at any location.

⁸³ ESA, *Wind Technical Memorandum*, 1995 Evans Street, September 30, 2013.

⁸⁴ The hazard and comfort criteria are derived from SF Planning Code §148, which applies to the City’s downtown area, and are used by extension in CEQA analysis citywide.

Because the proposed project would be less than 60 feet taller than nearby buildings and the taller of the two proposed buildings would be no more than approximately 80 feet above grade, the project would not be expected to create ground-level winds that could be hazardous to pedestrians. For this reason, any changes in wind speeds due to the project would be considered to be *less than significant*.

Impact WS-2: The proposed project would not create new shadows in a manner that substantially affects outdoor recreation facilities or other public areas. (Less than Significant)

Planning Code Section 295, which was adopted in response to Proposition K (passed November 1984), mandates that new structures above 40 feet in height that would cast additional shadows on properties under the jurisdiction of, or designated to be acquired by, the San Francisco Recreation and Parks Department (SFRPD) can only be approved by the SF Planning Commission (based on recommendation from the Recreation and Parks Commission) if the shadow is determined to be insignificant or not adverse to the use of the park. The height of the proposed FSD/TC building would be 64 feet, with an additional 16 feet to the top of the two mechanical penthouses, for a total height of about 80 feet. To assess the extent of new shadow, a shadow fan analysis⁸⁵ was performed by SF Planning Department staff that indicates the proposed project could not affect any parks subject to Section 295 of the Planning Code.

The nearest parks to the project site include Islais Creek Park and Tulare Park, which are about 0.4 mile east of the project site, and Selby & Palou Mini Park, which is approximately 0.6 mile south of the project site. In addition, an open space has recently been constructed by Muni at the west end of the Islais Creek basin (just across the Caltrain tracks and freeway from the project site) as part of its new Islais Creek Motor Coach Facility, some 850 feet northeast of the project site. The maximum extent of shadow that would be cast by the proposed project during the hours subject to Planning Code Section 295 is approximately 520 feet.⁸⁶ Islais Creek Park, Tulare Park, Selby & Palou Mini Park, and the new Muni-built open space along Islais Creek are all located sufficiently far enough from the project site that any new shadow resulting from the proposed project would not reach those open spaces. Therefore, the project would result in *less-than-significant* shadow impacts.

Impact C-WS-1: The proposed project, in combination with other past, present, and reasonably foreseeable projects, would not result in significant wind and shadow impacts. (Less than Significant)

Based on the discussion above, the proposed project, along with other potential and future development in the vicinity, would not result in a significant wind or shadow impact in the project vicinity. Thus, the proposed project, in combination with cumulative projects considered in this analysis, would not be expected to contribute considerably to adverse wind or shadow effects under cumulative conditions, and cumulative wind or shadow impacts would be *less than significant*.

⁸⁵ SF Planning Department, Shadow Fan Analysis, April 8, 2013. Available at the Planning Department, 1650 Mission Street, Suite 400, in Case File No. 2013.0342E.

⁸⁶ Planning Code Section 295 governs shadow during the period between one hour after sunrise and one hour before sunset. At other hours, shadows are very long and move very quickly; the length of shadow from even a relatively short building closer to a park will often obscure shadow from a much taller building that is more distant. The length of maximum shadow is based on the angle of the sun at one hour after sunrise and before sunset on the winter solstice, when shadows are longest.

E.10 RECREATION

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
10. RECREATION—Would the project:					
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Physically degrade existing recreational resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The proposed project would have significant impacts under CEQA if it were to increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated; if it were to include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment; or if it were to physically degrade existing recreational resources.

The proposed 128,000-sf FSD/TC building would accommodate a total of approximately 298 employees across varying shifts. As noted in Section E.3, Population and Housing, most of the staff would relocate from other existing police department locations to the project site, minimizing the number of new employees hired by the SFPD. Moreover, new employees who may be hired to work at the new facility would not necessarily be new residents of San Francisco.

The employees of the proposed project would be served by the SFRPD, which administers more than 220 parks, playgrounds, and open spaces throughout the city, as well as recreational facilities including recreation centers, swimming pools, golf courses, athletic fields, tennis courts, and basketball courts. The project site is in a primarily industrial area containing few public parks. The 2009 *Draft Recreation and Open Space Element Update* of the General Plan identified high-need areas, which are given highest priority for the construction of new parks and recreation improvements. The project site is in an area that has been identified as a lesser need area. It is noted that there are no residential uses near the project site.

Impact RE-1: The proposed project would not result in a substantial increase in the use of existing neighborhood parks or other recreational facilities, or physically degrade existing recreational resources. (Less than Significant)

The nearest open spaces to the project site include Islais Creek Park and Tulare Park, on either side of Third Street at Islais Creek (about 0.4 miles east of the project site), and Selby & Palou Mini Park, which is about 0.6 miles south of the project site. The nearest larger parks are James Rolph Playground and Potrero del Sol Park, at Potrero Avenue and Cesar Chavez Street. The proposed project would include public service uses and would result in an increase in the number of employees in the area. As opposed to residential populations, which rely heavily on nearby recreational facilities, employee populations tend to make substantially less use of nearby park and recreational facilities, because most employees arrive at work from their homes and leave the area immediately after work. Therefore, it is not anticipated that the proposed project would result in a substantial increase in the use of the nearby parks such that substantial deterioration could occur. Consequently, impacts on recreational facilities related to the proposed project would be *less than significant*.

Impact RE-2: The proposed project would not require the construction of recreational facilities that may have a significant effect on the environment. (Less than Significant)

The proposed project would result in a negligible increase in the demand for existing recreational facilities and parks in the project vicinity as a result of the increased number of employees working at the project site. The proposed project would not necessitate the construction of new recreational facilities or the expansion of existing facilities. No recreational facilities are proposed as part of the project. Therefore, implementation of the project would have a *less-than-significant* impact related to construction of new recreational resources.

Impact C-RE-1: The proposed project, in combination with past, present, and reasonably foreseeable future project, would not considerably contribute to recreational impacts in the project site vicinity. (Less than Significant)

The use of recreational facilities in the vicinity of the project site is not expected to noticeably increase as a result of the proposed project. As discussed above, the proposed project includes public service uses only and would negligibly increase the demand for recreational resources. The area surrounding the project site is almost entirely warehouse, manufacturing, and distribution uses and most other projects that have been proposed in the area are consistent with these types of uses. Like the proposed project, other future development would involve new employee, but not residential, populations and would have a negligible effect on the area's recreational resources. Therefore, the cumulative impact of the proposed project on recreational resources would be *less than significant*.

E.11 UTILITIES AND PUBLIC SERVICES

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
11. UTILITIES AND SERVICE SYSTEMS—					
Would the project:					
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The project site is within an urban area that is served by existing utility service systems, including water, wastewater and storm water collection and treatment, and solid waste collection and disposal. A new daytime and some nighttime employee population would be added to the proposed site that would increase the demand for utilities and service systems on site, but not in excess of amounts expected and provided for in the project area.

Impact UT-1: The proposed project would not significantly exceed wastewater treatment requirements of the RWQCB or affect wastewater collection and treatment facilities and would not require or result in the construction of new storm water drainage facilities or expansion of existing facilities. (Less than Significant)

The project site is served by San Francisco's combined sewer system, which handles both sewage and storm water runoff. The Southeast Water Pollution Control Plant (SE Plant) provides wastewater and storm water treatment and management for the east side of the City, including the project site. No new sewer or storm water facilities or construction would be needed to serve the proposed project.

The proposed project includes the construction of a below grade sanitary waste storage tank with an approximate 8,000-gallon capacity that would be used for storage of sanitary waste during emergency conditions. This tank would only be used in case of a power failure, and would have access for mechanical pumping, if needed, to satisfy essential facilities use demands during emergency conditions.

Because its use would be limited to emergency conditions, and because it could be pumped out manually if necessary, the sanitary waste storage tank would not adversely affect the combined sewer system.

Discharges from the proposed project would meet the wastewater pre-treatment requirements of the SFPUC, as required by the San Francisco Industrial Waste Ordinance in order to meet RWQCB requirements.⁸⁷ This would include any necessary pre-treatment of hazardous materials disposed at the laboratory. The proposed project would incrementally increase the demand for wastewater and storm water treatment services, but not in excess of amounts expected and provided for in the project area.

The project site is currently covered with impervious surfaces and the proposed project would not create any additional impervious surfaces, resulting in little effect on the total storm water volume discharged through the combined sewer system. The additional landscaping proposed would, in fact, reduce the amount of impervious area at the project site. While the proposed project would result in an incremental increase of sewage flows, collection and treatment capacity of the sewer system in the City would not be exceeded. In light of the above, construction of new wastewater or storm water treatment facilities, or the expansion of existing facilities, would not result from the proposed project. The project design would meet the San Francisco 2010 Stormwater Design Guidelines which would reduce the total storm water runoff volume and peak storm water runoff rate through the use of low impact design approaches and BMPs including landscape planters and green roofs.

The proposed project would not result in a substantial increase in the demand for wastewater treatment and would result in a *less-than-significant* impact on wastewater collection and treatment facilities.

Impact UT-2: The proposed project would not require expansion or construction of new water supply or treatment facilities. (Less than Significant)

The added public service uses resulting from the proposed project would increase the demand for water on the site, but not in excess of amounts expected and provided for in the project area. Although it is likely that the demand for water in San Francisco would incrementally increase with the proposed project, the estimated increase in demand could be accommodated within anticipated water use and supply for San Francisco pursuant to the SFPUC's 2010 Urban Water Management Plan (2010 UWMP) and the update to the 2010 UWMP, the 2013 Water Availability Study.⁸⁸

The project site is located within a designated recycled water use area, as defined in Sections 390-91 and 393-94 of the Recycled Water Ordinance, and the proposed project would involve the construction of new building area totaling more than 40,000 sf; thus, the project would be required to install a recycled water system. Water-conserving measures, such as low-flush toilets and urinals, required by the San Francisco Green Building Ordinance, would be incorporated into the design of the proposed project.

⁸⁷ City and County of San Francisco, Ordinance No. 19-92, San Francisco Municipal Code (Public Works), Part II, Chapter X, Article 4.1 (amended), January 13, 1992. Planning Code Section 295 governs shadow during the period between one hour after sunrise and one hour before sunset. At other hours, shadows are very long and move very quickly; the length of shadow from even a relatively short building closer to a park will often obscure shadow from a much taller building that is more distant. The length of maximum shadow is based on the angle of the sun at one hour after sunrise and before sunset on the winter solstice, when shadows are longest.

⁸⁸ SFPUC, 2010 Urban Water Management Plan, which includes county-wide demand projections through the year 2035, and compares water supply and demand; accessed May 7, 2013; and 2013 Water Availability Study, which updates the 2010 UWMP based on the latest regional growth projections included in Plan Bay Area. Available online at: <http://www.sfwater.org/Modules/ShowDocument.aspx?documentID=1055> and <http://www.sfwaters.org/modules/showdocument.aspx?documentid=3589>, respectively.

Since the water demand of the proposed project could be accommodated by the existing and planned supply anticipated under the SFPUC's 2010 UWMP and the 2013 update thereto, the proposed project would result in *less-than-significant* impacts to the water service.

Impact UT-3: The proposed project would be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs. (Less than Significant)

Recology (formerly Norcal Waste Systems, Inc.) provides solid waste collection, recycling, and disposal services for residential and commercial garbage and recycling in San Francisco through its subsidiaries San Francisco Recycling and Disposal, Inc. (SF Recycling), Golden Gate Disposal and Recycling, and Sunset Scavenger.

San Francisco uses a three-cart collection program: residents and businesses sort solid waste into recyclables, compostable items such as food scraps and yard trimmings, and garbage. All materials are taken to the San Francisco Solid Waste Transfer and Recycling Center, located at 501 Tunnel Avenue in southeast San Francisco. There, the three waste streams are sorted and bundled for transport to the composting and recycling facilities and landfill. San Francisco has created a large-scale urban program for collection of compostable materials. Food scraps and other compostable material collected from residences, restaurants, and other businesses are sent to Recology's Jepson-Prairie composting facility located in Solano County. Food scraps, plant trimmings, soiled paper, and other compostables are turned into a nutrient-rich soil amendment, or compost. Recyclable materials are sent to Recycle Central, located at Pier 96 on San Francisco's southern waterfront, where they are separated into commodities and sold to manufacturers that turn the materials into new products. Waste that is not composted or recycled is taken to the Altamont Landfill, which is located east of Livermore in Alameda County.

The Altamont Landfill is a regional landfill that handles residential, commercial, and construction waste. It has a permitted maximum disposal of about 11,500 tons per day and received about 1.29 million tons of waste in 2007 (the most recent year reported by the State). In 2007, the waste contributed by San Francisco (approximately 628,914 tons) represented approximately 49 percent of the total volume of waste received at this facility. The remaining permitted capacity of the landfill is about 45.7 million cubic yards. With this capacity, the landfill can operate until 2025.⁸⁹

In 1988, San Francisco contracted for the disposal of 15 million tons of solid waste at the Altamont Landfill. Through August 1, 2009, the City has used approximately 12.5 million tons of this contract capacity. The City projects that the remaining contract capacity will be reached no sooner than August 2014. On September 10, 2009, the City and County of San Francisco announced it could award its landfill disposal contract to SF Recycling, a subsidiary of Recology. Under this contract, SF Recycling would ship solid waste from San Francisco by truck and rail to Recology's Ostrom Road Landfill in Yuba County. The landfill is open to commercial waste haulers and can accept up to 3,000 tons of municipal solid waste per day. The site has an expected closure date of 2066 with a total design capacity of over 41 million cy.⁹⁰

⁸⁹ California Department of Resources Recycling and Recovery (CalRecycle), *Facility/Site Summary Details: Altamont Landfill & Resource Recovery (01-AA-0009)*. Available online at <http://www.calrecycle.ca.gov/SWFacilities/Directory/01-AA-0009/Detail/>, Accessed August 2, 2013.

⁹⁰ Recology web site at <http://www.recologystromroad.com/>, accessed August 2, 2013.

The Board of Supervisors could ratify a new agreement prior to entitlement of the proposed project that could provide approximately 5 million tons of capacity, which would represent 20 or more years of use beginning in 2014. The City's contract with the Altamont Landfill expires in 2015.⁹¹

As discussed in Section E.16, Hazards and Hazardous Materials, the proposed project would involve the use of small quantities of hazardous materials such as chemical sterilents, acids and bases, solvent preservatives and cleaners, compressed gases, and blood and bodily fluids from crime scene investigations. Proper facilities are provided for the safe disposal of biological and chemical hazardous wastes. These provisions include collection containers in individual laboratories and centralized collection locations in the FSD/TC building where materials can be containerized and prepared for transportation for off-site treatment and disposal (see Section E.16, Hazards and Hazardous Materials). Hazardous waste, including hospital, commercial, and household hazardous waste, is handled separately from other solid waste. Recology operates a facility at the San Francisco Dump (Transfer Station) for people to safely dispose of the hazardous waste generated from their homes or businesses.⁹²

Given this and the long-term capacity available at the applicable landfills, the solid waste generated by project construction and operation would not result in a landfill exceeding its permitted capacity, and the project would result in *less-than-significant* impacts with respect to solid waste.

Impact UT-4: The construction and operation of the proposed project would follow all applicable statutes and regulations related to solid waste. (Less than Significant)

The California Integrated Waste Management Act of 1989 (AB 939) requires municipalities to adopt an Integrated Waste Management Plan (IWMP) to establish objectives, policies, and programs relative to waste disposal, management, source reduction, and recycling. Reports filed by the San Francisco Department of the Environment show that the City generated approximately 870,000 tons of waste material in 2000. By 2010, that figured decreased to approximately 455,000 tons. Waste diverted from landfills is defined as recycled or composted. San Francisco has a goal of 75 percent landfill diversion by 2010, and 100 percent by 2020.⁹³ As of 2012, 80 percent of San Francisco's solid waste was being diverted from landfills, having met the 2010 diversion target.⁹⁴

Ordinance No. 27-06, San Francisco's Construction and Demolition Debris Recovery Program, requires a minimum of 65 percent of all construction and demolition debris to be recycled and diverted from landfills. Additionally, Ordinance 100-09, which requires everyone in San Francisco to separate their refuse into recyclables, compostables, and trash would apply to the project. With waste diversion and expansions that have occurred at the Altamont Landfill, there is adequate capacity to accommodate San Francisco's solid waste. Waste disposal for the proposed project would comply with both the construction and demolition debris diversion rate and the requirements of Ordinance 100-09

⁹¹ San Francisco is currently participating as a responsible agency in the environmental review process that Yuba County has begun for the Recology Ostrom Road Green Rail and Permit Amendment Project (Project) and to conduct CEQA review of San Francisco's proposal to enter into one or more new agreements with Recology for disposal and transportation of San Francisco's solid waste. On March 28, 2013, Yuba County and San Francisco entered into a Cooperative Agreement to designate Yuba County as the lead agency for the proposed project and to outline their cooperative efforts concerning environmental review of the proposed project.

⁹² Recology, web page, "The San Francisco Dump (Transfer Station)," available at <http://sunsetsavenger.com/sfDump.htm>, Accessed August 2, 2013.

⁹³ City and County of SFPDH, Environmental Health Section. Available on the internet at www.sustainablef.org/indicators/view/4. Accessed on May 7, 2013.

⁹⁴ <http://www.sfenvironment.org/news/press-release/mayor-lee-announces-san-francisco-reaches-80-percent-landfill-waste-diversion-leads-all-cities-in-north-america>.

(San Francisco's Mandatory Recycling and Composting Ordinance), which require all persons in San Francisco to separate recyclables, compostables, and landfilled trash and participate in recycling and composting programs.

The examination of evidence requires handling of biological and chemical hazardous materials. Accordingly, the proposed project would include appropriate facilities for the safe disposal of biological and chemical hazardous materials. These provisions include collection containers in individual laboratories and centralized collection locations in the FSD/TC building where materials can be containerized and prepared for transportation for off-site treatment and disposal.

Therefore, solid waste generated from the project's construction and operation would not substantially affect the projected life of the landfill, and *less-than-significant* impacts related to solid waste would occur.

Impact C-UT-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the site vicinity, would not result in a cumulatively considerable contribution to a significant utilities or service systems impact. (Less than Significant)

Cumulative development in the project site vicinity would incrementally increase demand on citywide utilities and service systems, but not beyond levels anticipated and planned for by public service providers. Given that the City's existing service management plans address anticipated growth in the region, the proposed project would not be expected to have a considerable effect on utility service provision or facilities under cumulative conditions, and cumulative effects would be *less than significant*.

E.12 PUBLIC SERVICES

<u>Topics:</u>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
12. PUBLIC SERVICES—Would the project:					
a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The buildings would be designated as Essential Facilities,⁹⁵ which are required to be designed and constructed to minimize fire hazards and to resist the forces of earthquakes, gravity, and winds. TC components would meet requirements for immediate occupancy and normal operational use in an emergency scenario and would incrementally improve emergency service in the project vicinity during or immediately follow an earthquake or large fire.

Impact PS-1: The proposed project would not increase the demand for police service, and would not result in substantial adverse impacts associated with the provision of such services. (Less than Significant)

The project site currently receives police protection services from the SFPD Bayview Station at 201 Williams Street, approximately 1.2 miles southeast of the project site. The proposed project would involve construction of a facility to house special units of the SFPD. The proposed project is being constructed in order to allow the police department to maintain adequate service standards and would not increase demand for police protection services. Therefore, the proposed project would result in *less-than-significant* impacts related to police protection services.

Impact PS-2: The proposed project would incrementally increase demand for fire protection services, but would not result in substantial adverse impacts associated with the provision of such service. (Less than Significant)

The nearest fire station, San Francisco Fire Department (SFFD) Station Number 9, is located at 2245 Jerrold Avenue, approximately 0.3 miles from the project site. Station Number 25 is also located near the site at 3305 Third Street, approximately one-half mile from the project site. The proposed project includes provision of back-up power, fire suppression, and sanitary sewerage for emergency operations. By increasing occupancy on site, the proposed project could increase the number of calls for fire protection services; however, the increase would be incremental and not likely be substantial in light of the existing demand and capacity for fire suppression and emergency medical services in the City. While the proposed project would include small quantities of flammable materials (i.e., diesel fuel and some laboratory chemicals), the proposed project would include fire suppression features and would comply with California HSC Chapter 6.95 to ensure proper installation and maintenance of the diesel storage tank (see Section E.16, Hazards and Hazardous Materials). Thus, fire hazards related to these flammable materials would not be substantial. Therefore, this impact would be *less than significant*.

⁹⁵ Essential Services Buildings Seismic Safety Act of 1986, California HSC, Chapter 2, Section 16000 through Section 16022.

Impact PS-3: The proposed project would not result in an impact on existing school facilities. (No impact)

The proposed project would involve the construction of a building for the SFPD FSD and TC, which would include no residential dwelling units. A large percentage of staff that would be employed at the proposed site would be relocating from other SFPD locations. A small fraction of the workforce would be newly hired to work at the proposed site, and a small fraction of this workforce could be new residents of San Francisco with school age children. As a result, it is anticipated that the number of new students resulting from the proposed project would be minimal. Therefore, the proposed project would result in *no impact* related to the construction of new school facilities.

Impact PS-4: The proposed project would not increase demand for government services, and there would be no impact on government facilities. (No impact)

Because the proposed project does not involve residential uses, and would result in few, if any, new employees not currently residing in San Francisco, it would not result in substantial increased demand for other governmental facilities such as libraries, community centers, or other public facilities (parks are discussed in Section E.10, Recreation). Overall, the proposed project would have *no impact* on governmental services.

Impact C-PS-1: The proposed project, combined with past, present, and reasonably foreseeable future projects in the vicinity, would not have a substantial cumulative impact to public services. (Less than Significant)

The proposed project is not expected to significantly increase demand for public services, beyond levels anticipated and planned for by public service providers. Cumulative development in the project area would incrementally increase demand for public services, but not beyond levels anticipated and planned for by public service providers. Thus, project-related impacts to public services would not be cumulatively considerable, and cumulative impacts would be *less-than-significant*.

E.13 BIOLOGICAL RESOURCES

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
13. BIOLOGICAL RESOURCES—Would the project:					
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed project is located in a developed area that is completely covered by impervious surfaces; the only vegetation near the property boundaries consists of a few street trees along Evans Avenue. The project area does not include riparian or wetland habitat or other sensitive natural communities as defined by the CDFG and the United States Fish and Wildlife Service (USFWS); therefore, Question 13.b is not applicable to the proposed project. In addition, the project area does not contain any wetlands as defined by Section 404 of the CWA; therefore Question 13.c is not applicable to the proposed project. Moreover, the proposed project does not fall within any local, regional, or state habitat conservation plans; therefore, Question 13.f is not applicable to the proposed project.

Impact BI-1: The proposed project would not have a substantial adverse impact on special status species, would not interfere substantially with the movement of native resident or migratory fish or wildlife, and would not conflict with policies or ordinances regarding biological resources. (Less than Significant)

The project site is entirely covered with impervious surfaces and does not provide habitat for any rare or endangered plant or animal species. Thus, the proposed project would not affect or substantially diminish plant or animal habitats. The proposed project would not interfere with any resident or migratory species, nor affect any rare, threatened, or endangered species. The proposed project would not interfere with species movement or migratory corridors because it would replace existing development with new buildings on a site that does not provide wildlife habitat, wildlife movement corridors, or nursery sites, and therefore would not meaningfully affect species movement.

Nesting birds, their nests and eggs are fully protected by CDFG Code Sections 3503 and 3503.5, and the federal Migratory Bird Treaty Act (MBTA). Migrating birds pass through San Francisco and may nest in the trees adjacent to the project site. Nesting birds and their nests and eggs are fully protected by the California Fish and Game Code (Sections 3503, 3503.5) and the MBTA. The MBTA protects over 800 species, including geese, ducks, shorebirds, raptors, songbirds, and many relatively common species. Destruction or disturbance of a nest would be a violation of these regulations and is considered a potentially significant impact, in that the potential exists that special-status bird species (although not observed at the site) could be affected. Compliance with the MBTA would ensure that impacts to resident and migratory birds would be *less than significant*. Therefore, the proposed project would have a *less-than-significant* impact on nesting birds.

Planning Code Section 139, Standards for Bird-Safe Buildings, focuses on buildings, both public and private, that create location-related hazards and building feature-related hazards. Location-related hazards apply to buildings in or within 300 feet of and having a direct line of sight to, an Urban Bird Refuge, such as "open spaces two acres and larger dominated by vegetation, including vegetated landscaping, forest, meadows, grassland, or wetlands, or open water." Because the project site is more than 600 feet from the nearest Urban Bird Refuge (Islais Creek), location-related hazards would not apply. Section 139 applies similar standards to certain building features citywide, including "free-standing glass walls, wind barriers, skywalks, balconies, and greenhouses on rooftops that have unbroken glazed segments 24 sf and larger in size." The proposed project would not include these features, and therefore would not conflict with Section 139.

The San Francisco Board of Supervisors adopted legislation that amended the City's Urban Forestry Ordinance to require a permit from the SFPDW to remove any protected trees.⁹⁶ Protected trees include landmark, significant, or street trees located on private or public property anywhere within the territorial limits of the City and County of San Francisco. There are currently eight trees located on sidewalks adjacent to the project site, all along the Evans Avenue frontage.⁹⁷ These trees, which are not considered protected trees according to SFPDW Code Section 801 et. seq., would be preserved as part of the proposed project. In addition, the project sponsor would plant 24 new street trees along the Evans Avenue and Toland Street façades to comply with Planning Code Section 143, which requires that one 24-inch box tree be planted every 20 feet of property frontage along each street, with any remaining fraction of 10 feet or more of frontage requiring an additional tree. The new trees would be planted in

⁹⁶ SFPDW Code, Article 16, §800 to §814.

⁹⁷ John Matthies, SFPDW, *Required Checklist for Tree Planting and Protection, 1995 Evans Avenue*, March 20, 2013. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

conformance with the City's recently adopted *Better Streets Plan*, including conformance with the street tree goals for a particular street type.⁹⁸

Because the proposed project would have no adverse impact on special status species or interfere with fish or wildlife movement, and because the project would be consistent with relevant biological resources policies and ordinances, its impact would be *less than significant*.

Impact C-BI-1: The proposed project, in combination with other past, present or reasonably foreseeable projects, would not result in impacts to biological resources. (Less than Significant)

As discussed above, the project site does not contain biological resources, and the project vicinity has few street trees which do not provide a habitat for endangered or threatened plant or animal species. Therefore, the project would not impact such species. As a result, the proposed project would not have the potential to contribute to cumulative impacts on biological resources and would have a *less-than-significant* cumulative impact on biological resources.

⁹⁸ Planning Code, Article 1.2, Section 138.1.

E.14 GEOLOGY AND SOILS

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
14. GEOLOGY AND SOILS—Would the project:					
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:					
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change substantially the topography or any unique geologic or physical features of the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The proposed project would be connected to the existing sewer system and would not require use of septic systems. Therefore, Question 14e is not applicable to the proposed project.

Existing Site Conditions. Based on a review of historical bay shoreline maps, the project site is located on former tideland that was filled sometime between 1915 and 1950. Directly beneath the fill is a portion of the former tidal portion of the Islais Creek channel and adjacent tidal marshes.⁹⁹

The subsurface at the site consists of artificial fill material underlain by Young Bay Mud. The fill material consists of sandy silt and silty sand, sand, and fine- to medium-size gravel to a depth of about 8 feet bgs. The Young Bay Mud consists of silty clay with organic material (peat) present beneath the fill material.

⁹⁹ Ramirez-Herrera, M.T., Sowers, J.M., and Richard, C.M., 2006, *Creek & Watershed Map of San Francisco*: Oakland Museum of California, Oakland, CA 1:25,800 scale.

Based on groundwater monitoring activities conducted at the site, depth to groundwater ranges between approximately 4.5 to 9 feet bgs. Groundwater flow direction is predominantly toward the east. Islais Creek, which extends toward the San Francisco Bay, is located approximately 500 feet to the northeast of the site.¹⁰⁰

Impact GE-1: The proposed project would not result in exposure of people and structures to potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, expansive soils, seismic ground-shaking, liquefaction, lateral spreading, or landslides. (Less than Significant)

The project site is not in an Alquist-Priolo Special Studies Zone, and no known or potentially active fault exists on the site.¹⁰¹ The project site is not located in the immediate vicinity of any active earthquake fault based on MAP 01 in the Community Safety Element of the General Plan, which shows the location of earthquake faults in the Bay Area.¹⁰² The project site is located approximately 6.5 miles northeast of the San Andreas Fault and 12.5 miles southwest of the Hayward Fault.

The project site is located in a seismic category "C" area; hence, it is expected that the site will be subjected to at least one moderate to severe earthquake.¹⁰³ Maps 02 and 03 in the Community Safety Element of the General Plan show the intensity of ground-shaking in San Francisco from two of the most probable earthquakes, one of magnitude 7.2 on the San Andreas Fault and one of magnitude 6.5 on the northern segment of the Hayward Fault. Based on the Modified Mercalli Intensity (MMI) scale, these maps show that the subject property is located in an area subject to "Violent" ground shaking from a 7.2 magnitude earthquake along the San Andreas Fault and "Very Strong" ground shaking from a 6.5 magnitude earthquake along the Hayward Fault.

The project site is located in a Seismic Hazards Zone, which is historically or potentially subject to liquefaction, as delineated by the California Division of Mines and Geology (CDMG).¹⁰⁴ Based upon the USGS Seismic Map and relatively shallow water table, liquefaction of the foundation soils could occur during major seismic events.¹⁰⁵

The project site is situated on flat terrain and not in an area considered susceptible to landslides according to Map 04 in the Community Safety Element of the General Plan. In addition, the site is not in an area subject to tsunami or potential inundation due to reservoir failure based on Maps 05 and 06 in the Community Safety Element of the General Plan.

¹⁰⁰ AEW Engineering, Inc., 2013, *Phase I Environmental Site Assessment Report*, 1995 Evans Avenue, San Francisco, California, Prepared for ARUP and SFPDW, June 2013. This document is available for public review as part of Case No. 2013.0342E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

¹⁰¹ California Department of Conservation. *Alquist-Priolo Earthquake Fault Zone Maps*. Available online at: http://www.quake.ca.gov/gmaps/aplap_maps.htm. Accessed April 19, 2013.

¹⁰² SF Planning Department. *San Francisco General Plan, Community Safety Element*, October 2012. Available online at: http://www.sf-planning.org/ftp/General_Plan/Community_Safety_Element_2012.pdf. Accessed April 19, 2013.

¹⁰³ Borcherdt, Gibbs, and Lajoie 1975. *Maps showing maximum earthquake intensity predicted in the southern San Francisco Bay region, California, for large earthquakes on the San Andreas and Hayward Faults*. 1975.

¹⁰⁴ California Department of Conservation. *Seismic Hazard Zones, City and County of San Francisco*, November 17, 2000. Available online at: http://gmv.consrv.ca.gov/shmp/download/pdffo2n_sf.pdf. Accessed April 19, 2013.

¹⁰⁵ P. Whitehead and Associates Consulting Engineers. *Geotechnical Report, 928 Toland Street, Block 5597A Lot 001, San Francisco, CA., P. Whitehead & Associates Report 2012 - 31*, October 15, 2012. This document is available for public review as part of Case No. 2011.0859E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

Construction of the proposed project would include excavation for some elements of the proposed 83-foot tall, four-story, 128,000-sf FSD/TC building. The FSD/TC building foundation would be supported on 14-inch square pre-cast and pre-stressed concrete piles up to 90 feet deep. The FSD/TC building would require 275 to 400 piles; the parking garage would require 100 to 200 piles.

For any development proposal in an area with liquefaction potential, the DBI will require the project sponsor to prepare a geotechnical report pursuant to the State Seismic Hazards Mapping Act in support of the building permit application. The report would assess the nature and severity of the hazard(s) on the site and recommend project design and construction features to reduce the hazards(s). To ensure compliance with all San Francisco Building Code provisions regarding structural safety, when DBI reviews the geotechnical report and building plans for a proposed project, it will determine engineering and design features necessary to reduce potential damage to structures from ground-shaking and liquefaction. Consequently, potential damage to structures from geologic hazards on the project site would be mitigated through the DBI requirement that appropriate engineering and design features be incorporated into the project that are consistent with the findings from the geotechnical report pursuant to DBI's implementation of the Building Code. Any changes incorporated into the foundation design required to meet the Building Code standards that are identified as a result of the DBI review process would constitute minor modification of the project and would not require additional environmental analysis. In light of the above, impacts related to seismic or geologic hazards would be *less than significant*.

Impact GE-2: The proposed project would not result in substantial loss of topsoil or erosion. (Less than Significant)

In general, project-related construction activities could create conditions where soils are more susceptible to erosion. Without proper soil stabilization controls, construction activities such as excavation, backfilling, and grading could increase the potential for exposed soils to be eroded by wind or storm water runoff, resulting in long-term soil loss. Project construction activities could also result in the loss of topsoil—a fertile soil horizon that typically contains a seed base if there is a well-developed topsoil horizon and it is mixed with other soil horizons or otherwise lost during excavation and backfilling.

The project site is paved and soils beneath the pavement are composed of varied compacted filled material; hence, no loss of topsoil would result from the proposed project. Soil erosion could occur during construction when subsurface material would be removed to install subsurface utilities and the site grade would be raised by 3 feet with approximately 10,000 cy of fill. As the acreage of disturbed area (2.2 acres) would exceed the one-acre threshold for a National Pollutant Discharge Elimination System (NPDES) General Construction Permit, the project sponsor and its contractor would be required to implement BMPs to prevent soil erosion. With implementation of BMPs during construction, potential impacts related to soil erosion would be *less than significant*.

Impact GE-3: The proposed project would be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, but would not result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse. (Less than Significant)

As stated above, the project site is situated on flat terrain and not in an area considered susceptible to landslides according to Map 04 in the Community Safety Element of the General Plan. The project site is located in a Seismic Hazards Zone, which is historically or potentially subject to liquefaction. Based upon the USGS Seismic Map and relatively shallow water table, liquefaction of the foundation soils could occur

during major seismic events.¹⁰⁶ Liquefaction-related phenomena can include lateral spreading, ground oscillation, loss of bearing strength, vertical settlement from densification (subsidence), buoyancy effects, sand boils, and flow failures, all of which could cause damage to the proposed structures. Design and construction of the structures would incorporate appropriate engineering practices to ensure seismic stability, as required by the SFBC, Chapter 16, Structural Design, and Chapter 18, Soils and Foundations. Sections 1607 through 1614 contain the formulae, tables, and graphs by which the project engineer would develop the structural specifications for building design and which would be used by DBI to verify the applicability of SFBC's specifications. Sections 1804 through 1812 contain similar information for the design and verification of adequate soils and foundation support for individual elements of the project. Section 1802 requires the use of this information in the seismic analyses prepared for the site-specific investigations that must be prepared in connection with the permits for individual elements of the project.

Compliance with site-specific requirements established by state and local codes and enforced by DBI would serve to avoid significant liquefaction hazards. Structural design would incorporate recommendations of the site-specific geotechnical investigations and include measures such as construction of deep foundations, which transfer loads to competent strata beneath the zone susceptible to liquefaction, for critical utilities and shallow foundations or structural mat foundations to distribute concentrated load to prevent damage to structures. If appropriate, unstable soil would be replaced with engineering-compacted fill. All plans would be prepared in compliance with the requirements of the SFBC, the Seismic Hazards Mapping Act, and requirements contained in California Geological Survey (CGS) Special Publication 117A—Guidelines for Evaluating and Mitigating Seismic Hazards in California and approved by DBI. DBI would review and approve a site-specific, design-level geotechnical investigation prepared by a California Certified Engineering Geologist or California Registered Geotechnical Engineer. Although the proposed project would be located on geologic unit or soil that is unstable, it would be constructed in such a manner as to result in a *less-than-significant* impact.

Impact GE-4: The proposed project is potentially located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, but would not create substantial risks to life or property. (Less than Significant)

Soils at the project site are predominantly Urban Land and Urban Land Orthents, reclaimed complex, 0 to 2 percent slopes.¹⁰⁷ These soils are highly variable, and could contain clays with various levels of risk for expansion.¹⁰⁸ Significant impacts related to expansive soils would be avoided through implementation of standard engineering and geotechnical practices for the identification and remediation of expansive soils, as required by SFBC, Chapter 18, Soils and Foundations. Soil-stability specifications, including the appropriate foundation designs for structures on expansive soils, would conform to the requirements of SFBC Section 1803 through 1812, which contain applicable formulae, tables, and graphs. Appropriate support and protection procedures would be designed and implemented to maintain the stability of soils adjacent to newly graded or re-graded access roads, work areas, and structures during and after construction, and to minimize potential for damage to structures and facilities at the site.

¹⁰⁶ Whitehead and Associates Consulting Engineers. *Geotechnical Report, 928 Toland Street, Block 5597A Lot 001, San Francisco, CA., P. Whitehead & Associates Report 2012 – 31*, October 15, 2012. This document is available for public review as part of Case No. 2011.0859E at 1650 Mission Street, Suite 400, San Francisco, CA 94103.

¹⁰⁷ USDA Natural Resources Conservation Service Web Soil Survey, <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>, Accessed May 18, 2013.

¹⁰⁸ USDA Soil Conservation Service (renamed Natural Resources Conservation Service), 1991, Soil Survey of San Mateo County, Eastern Part, and San Francisco County, California.

Recommendations of a site-specific geotechnical investigation would be incorporated in the structural designs and approved by DBI. All engineering practices and analyses of structural design would be consistent with the SFBC to ensure soils stability, including reduction of potential soil expansion hazards. With implementation of the engineering and geotechnical requirements, impacts related to expansive soils would be reduced to *less than significant*.

Impact GE-5: The proposed project would not substantially change the topography or any unique geologic or physical features of the site. (Less than Significant)

The site is flat with no unique geologic or physical features. To reduce flood hazards, the elevation of the project site would be increased by approximately three feet. The change in elevation of the project site is not substantial when compared to the overall site acreage. Consequently, impacts from changes in topography would be *less than significant*.

Impact C-GE: The proposed project would not make a considerable contribution to any cumulative significant effects related to geology or soils. (Less than Significant)

The proposed project would not result in a large amount of excavation, and there are no other foreseeable projects in the project vicinity that would combine with the proposed project's impacts in a considerable manner so as to result in a significant adverse effect. Thus, the proposed project's impacts related to geology and soils, both individually and cumulatively, would be *less than significant*.

E.15 HYDROLOGY AND WATER QUALITY

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
15. HYDROLOGY AND WATER QUALITY—					
Would the project:					
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion of siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Impact HY-1: The proposed project would not violate water quality standards or otherwise substantially degrade water quality. (Less than Significant)

The proposed project would not substantially degrade water quality or contaminate a public water supply. As discussed in Section F.11, Utilities and Service Systems, all wastewater from the proposed project and storm water runoff from the project site would flow into the City's combined sewer system to be treated by the standards contained in the NPDES permit for the SFPUC's SE Plant prior to discharge into San Francisco Bay. Additionally, during wet weather events, combined sanitary and storm water flows from the project area would be treated at the North Point Wet Weather Facility. Treatment would be provided pursuant to the effluent discharge standards in the NPDES Permit for the facility. The proposed project includes the construction of a below grade sanitary waste storage tank with an approximate 8,000-gallon capacity level that will be used for storage of sanitary waste during emergency conditions which may potentially affect the combined sewer system (see Impacts UT-1 and C-UT-1 under Section E.11 Utilities and Public Services).

The proposed project would be required to meet the standards for storm water management identified in the San Francisco Stormwater Management Ordinance (SFSMO) and the SFPUC storm water management requirements per the San Francisco 2010 Stormwater Design Guidelines (SDGs). The project sponsor would be required to submit for SFPUC's approval a Stormwater Control Plan (SCP) that complies with the SDGs using a variety of BMPs. Because the project would disturb over 5,000 sf of ground surface that would discharge to the combined sewer system, the BMPs must meet SFPUC performance requirements and reduce the total storm water runoff volume and peak runoff rate from the project site. Implementation of the SCP would ensure that the project meets performance measures set by the SFPUC related to storm water runoff rate and volume. The proposed project includes a combination of BMPs, including permeable pavers, rain gardens, a bio swale, and a roof garden.

During site preparation, excavation, and construction of the foundation and building shell, the potential exists for erosion and transportation of soil particles, sediment, and other pollutants in surface run-off into San Francisco Bay. As discussed above, storm water runoff from project construction would drain to the combined sewer and storm water system and be treated at the SE Plant. Pursuant to Chapter 13C (Green Building) and Chapter 33 (Excavation and Grading) of the SFBC, the project sponsor would be required to implement BMPs that include erosion and sediment control measures to reduce potential erosion impacts.

About 10,000 cy of fill would be imported to the project site to elevate the existing grade by about 3 feet. To avoid the possibility that fill could contain contaminants that would be leached by infiltrating surface water, all imported fill would be tested prior to transport to the project site to ensure it is clean.

Therefore, the proposed project would not substantially degrade water quality nor would water quality standards and waste discharge requirements be violated. Thus, the project would have a *less-than-significant* impact on water quality resources.

Impact HY-2: The proposed project would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level. (Less than Significant)

Groundwater is not currently used as a drinking water supply in the City and County of San Francisco. The project site is entirely covered with impervious surfaces and thus does not allow groundwater infiltration under existing conditions. As discussed in Section E.14, Geology and Soils, groundwater was observed in borings drilled near the project site at depths ranging from 4.5 to 9 feet bgs.

Groundwater levels vary with time and rainfall conditions; however, based on these observations, dewatering may be required during project construction. Any groundwater pumped and discharged during construction of the proposed project is subject to the requirements of the City's Sewer Use Ordinance (Ordinance Number 19-92, amended 116-97), supplemented by the SFPD's Order No. 158170, requiring a permit from the SFPUC's Wastewater Enterprise Collection System Division. A permit may be issued only if an effective pre-treatment system is maintained and operated. Each permit for such discharge shall contain specified water quality standards and may require the project sponsor to install and maintain meters to measure the discharge volume to the combined sewer system. These measures would ensure protection of water quality during construction of the proposed project. The project would convert the site's impervious surface area into a partially pervious surface, which would result in a small increase in the area available for potential groundwater recharge. Therefore, groundwater resources would not be substantially affected, and the proposed project would not substantially interfere with groundwater flow. Thus, the proposed project would have a *less-than-significant* impact on groundwater.

Impact HY-3: The proposed project would not result in altered drainage patterns that would cause substantial erosion or flooding or contribute runoff water that would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff. (Less than Significant)

The project site is currently covered with impervious surfaces. Construction of the proposed project would decrease impervious surface coverage on the site, increasing infiltration and groundwater recharge. In addition, the proposed storm water drainage system involves vegetated swales, a roof garden, and landscaping designed to comply with the SFSMO requirement that existing volume and rate of storm water runoff at the project site be maintained or reduced by retaining runoff on-site, promoting storm water reuse, and limiting site discharges that enter the combined sewer collection system. Because storm water flows from the proposed project could be accommodated by the existing combined sewer system, and there would be no expected increase in storm water flows, impacts from surface water runoff would be *less than significant*.

Impact HY-4: The proposed project would not expose people, housing, or structures to substantial risk of loss due to flooding. (Less than Significant)

Development in the City and County of San Francisco must account for flooding potential. Flood risk assessment and some flood protection projects are conducted by federal agencies including the Federal Emergency Management Agency (FEMA) and U.S. Army Corps of Engineers (Corps). Flood management agencies and cities implement the National Flood Insurance Program (NFIP) under the jurisdiction of FEMA and its Flood Insurance Administration. FEMA is preparing Flood Insurance Rate Maps (FIRMs) for San Francisco for the first time. FIRMs identify areas that are subject to inundation during a flood having a one-percent chance of occurrence in a given year (also known as a "base flood" or "100-year flood"). FEMA refers to the flood plain that is at risk from a flood of this magnitude as a special flood hazard area (SFHA).

In 2007, FEMA issued preliminary FIRMs for review and comment by the City, and anticipates publishing revised preliminary FIRMs after completing a more detailed analysis of flood hazards associated with San Francisco Bay as requested by the Port of San Francisco and City staff. As proposed, the FIRMs would designate portions of waterfront piers, Mission Bay, Bayview Hunters Point, Hunters Point Shipyard, Candlestick Point, and Treasure Island as Zone A (areas subject to inundation by tidal surge) or Zone V (areas of coastal flooding subject to wave hazards).¹⁰⁹ The project site is not located within Zone A, Zone V, or a SFHA identified on the Interim Floodplain Map.¹¹⁰

The project site is located within an area identified by the SFPUC as prone to flooding due to combined sewer backups or flooding, which can affect locations, such as certain areas south of Market Street, developed at elevations below the water level in the combined sewer lines.¹¹¹ Through the building permit review process for the proposed project, the SFPUC would require that the ground level of the proposed FSD/TC building be located at or above the official grade of the street to minimize the potential of a sewer backup during storm events, as well as to minimize the potential for street storm flow to enter the property. In addition, if plumbing fixtures below the elevation of the side sewer vent cover are to be utilized for this project, a backflow device would be required to be installed on such plumbing fixtures in accordance with the San Francisco Plumbing Code. To reduce flood hazards, the elevation of the proposed project site would be increased by approximately three feet to elevate the FSD/TC building above the observed level of ponds that currently form at and near the project site during storm events that combine heavy rain and high tide.

In light of the above, the proposed project would result in *less-than-significant* impacts related to exposing people, housing, or structures to a substantial risk of loss due to flooding.

Impact HY-5: The proposed project would not expose people or structures to a significant risk of loss, injury, or death involving inundation by seiche, tsunami, or mudflow. (No Impact)

The project site is not located within a tsunami hazard zone; therefore, no significant tsunami hazards exist at the site.^{112,113} A seiche is an oscillation of a water body, such as a bay, that may cause local flooding. A seiche could occur on the San Francisco Bay due to seismic or atmospheric activity. However, based on historical record, seiches are rare and there is no significant seiche hazard expected at the project site. There is no mudslide hazard at the project site as the site and local vicinity are generally flat and fully developed with no erosion-prone slopes. Thus, the proposed project would result in *no impact* due to seiche, tsunami, or mudflow hazards.

¹⁰⁹ City and County of San Francisco, Office of the City Administrator, San Francisco Floodplain Management Program Fact Sheet, January 25, 2001 (revised January 5, 2011), Available online at: <http://sfgsa.org/Modules/ShowDocument.aspx?documentid=7520>. Accessed May 17, 2013.

¹¹⁰ FEMA, Preliminary Flood Insurance Rate Map, City and County of San Francisco, California, Panel 235 of 260, Map Number 06075C0235A, September 21, 2007, Available online at: <http://sfgsa.org/Modules/ShowImage.aspx?imageid=2680>. Accessed May 17, 2013.

¹¹¹ SF Planning Department, Review of Projects in Identified Areas Prone to Flooding, April 1, 2007 (Updated October 2009). Available online at: http://www.sf-planning.org/ftp/files/publications_reports/DB_04_Flood_Zones.pdf. Accessed May 17, 2013.

¹¹² SF Planning Department. Tsunami Hazard Zones. 2002. Available online at: http://www.sf-planning.org/ftp/General_Plan/Community_Safety_Element_2012.pdf (Map 5). Accessed May 17, 2013.

¹¹³ California Department of Conservation. Tsunami Inundation Map for Emergency Planning, San Francisco, June 15, 2009. Available online at: http://www.conservation.ca.gov/cgs/geologic_hazards/Tsunami/Inundation_Maps/SanFrancisco/Documents/Tsunami_Inundation/SouthSFNorthSF_SFBay_SanFrancisco.pdf. Accessed May 17, 2013.

Impact C-HY-1: The proposed project would not make a considerable contribution to any cumulative significant effects related to hydrology or water quality. (Less than Significant)

Flood and inundation hazards are site-specific. However, other proposed developments in the project area, in combination with the proposed project, could result in intensified uses and a cumulative increase in wastewater generation. The SFPUC, which provides wastewater treatment in the city, has accounted for such growth in its service projections. The proposed project would result in a reduction of impervious surface at the project site. Given the proposed project's landscaping and its required compliance with the SFPUC-required SCP, the proposed project would not combine with other projects in a manner that could result in significant cumulative impacts related to hydrology or water quality. Thus, the project's contribution to any cumulative impacts on hydrology or water quality would be *less than significant*.

E.16 HAZARDS AND HAZARDOUS MATERIALS

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
16. HAZARDS AND HAZARDOUS MATERIALS— Would the project:					
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The project site is not located near a public or private airport or within an airport land use plan area. Therefore, Questions 16e and 16f would not apply to the proposed project.

Impact HZ-1: The proposed project would not create a significant hazard through routine transport, use, disposal, handling, or emission of hazardous materials. (Less than Significant)

Small quantities of hazardous materials, such as chemical sterilents, acids and bases, solvent preservatives and cleaners, and compressed gases, would be used at the forensics laboratories of the FSD. Blood and bodily fluids from crime scene investigations would also be handled. Proper facilities would be provided for the safe disposal of biological and chemical hazardous wastes. These provisions include collection containers in individual laboratories and centralized collection locations in the FSD/TC building where materials can be containerized and prepared for transportation for off-site treatment and disposal. Laboratory facilities would be constructed in accordance with current laws and regulations including the 2010 SFBC and Fire Code and operated in conformance with the U.S. Department of Transportation hazardous material transport regulations and California Occupational Health and Safety Administration (OSHA) regulations to minimize exposure of people or the environment to hazardous materials and the potential for inadvertent releases. The use of hazardous materials and generation of

wastes would be regulated by the San Francisco Hazardous Material Unified Program Agency (SFHMUPA), within the SFDPH, under a compliance certificate. The SFPD would develop a hazardous waste and hazardous materials business plan (HMBP) to reflect storage locations, management, and emergency procedures for hazardous materials and waste. The SFHMUPA would conduct periodic inspections to ensure that hazardous materials and wastes are being used and stored properly. The SFPD is required by law to ensure employee safety by properly identifying hazardous materials and adequately training workers. Hazardous material containers would be labeled to inform users of potential risks and to instruct them in appropriate storage, handling, and disposal procedures.

Operation of the proposed facility would involve the occasional delivery, storage, handling, and use of diesel fuel, a flammable hazardous material. The diesel fuel would be stored in an 8,000-gallon underground storage tank (UST) located near the west corner of the parking garage, and would supply two emergency generators. The delivery of diesel fuel for the proposed project could create chemical exposure and fire hazards in the event of a spill and release of diesel fumes to the atmosphere. However, sufficient access would be provided at the project site for ingress and egress allowing tanker trucks and other vehicles transporting diesel fuel to safely turn in and out of the UST filling area. Based on the depth to groundwater, it is possible that the UST system could be submerged in groundwater, which could result in buoyancy, or erosion and scour. Compliance with California regulations for the design and installation of USTs, including corrosion control for submerged metallic piping and UST systems, would reduce this potential hazard.¹¹⁴ The SFPD would be required by California HSC Chapter 6.95 to obtain an operating permit for the UST, which includes a review of the system and its installation by a registered engineer. Tank operating permits are incorporated into the HMBP and issued as part of the Hazardous Materials Certificate of Registration, obtained from the SFHMUPA.

With adherence to applicable state and federal regulations and local code requirements, the proposed impacts from routine transport, use, disposal, handling, or emission of hazardous materials would be *less than significant*.

Impact HZ-2: The proposed project is on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and would create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. (Less than Significant)

A Phase I Environmental Site Assessment (Phase I ESA) was performed for the project site.¹¹⁵ The Phase I ESA report describes current and prior uses on the project site and, summarizes records obtained from environmental agency databases, site reconnaissance observations, and potential soil and groundwater contamination concerns. Per the Phase I ESA, and according to a representative of HC&M Commercial Properties (the current property manager), past uses of the project site included a lumberyard from 1940 to around 1954, a French bread bakery from 1954 to 2005 (see discussion in Section E.4, Cultural Resources), followed by production and distribution of newspapers by the San Francisco Newspaper Company, publisher for the San Francisco Examiner, from approximately 2006 to 2013, and warehousing and retail (Hydroponic Connection) and bus parking until 2013. Recognized environmental conditions noted in the site reconnaissance include outdoor storage of potentially hazardous materials (used antifreeze and motor oil); surface asphalt staining, and distressed vegetation around the material storage; and evidence of vehicle maintenance and wash-down areas.

¹¹⁴ CCR, Title 23. Waters, Division 3. SWRCB and RWQCB, Chapter 16. Underground Tank Regulations.

¹¹⁵ AEW Engineering, Inc., 2013, DRAFT Phase I Environmental Site Assessment Report, 1995 Evans Avenue, San Francisco, California, Prepared for ARUP and SFDPW, May 2013.

From the review of environmental agency databases, the Phase I ESA noted that the project site was listed on numerous current and inactive databases associated with USTs under various names of the Parisian Bakery, the former occupant. The project site is also listed on the State Water Resources Control Board (SWRCB) Geotracker database, which indicates that a UST gasoline leak was reported on May 1, 1987. Geotracker indicates that cleanup was completed and the case closed on May 29, 1998.¹¹⁶

The Phase I ESA includes references to several reports documenting removal of USTs, soil and groundwater sampling, groundwater monitoring, and excavation of contaminated soil at the project site. Reportedly, four USTs were removed from the site between 1987 and 1997:

- Two 8,000-gallon gasoline USTs located east of the primary FSD/TC building and loading docks;
- One 1,000-gallon UST located along the western perimeter of the site beneath Toland Street sidewalk; and
- One 3,000-gallon diesel UST located along the northern perimeter of the site beneath the Evans Street sidewalk.

Soil and groundwater sampling indicated the presence of residual hydrocarbons and lead. Three groundwater monitoring wells were installed: two near the former 8,000-gallon UST location and one near the 1,000-gallon UST location. Quarterly groundwater sampling was initiated in 1995 and terminated in 1997. Soil sampling during well installation indicated the presence of lead in soil above California hazardous waste thresholds. Quarterly sampling detected the presence of total petroleum hydrocarbons in the gasoline range (TPH-G) and benzene, toluene, ethyl benzene and xylene (BTEX) in the three groundwater monitoring wells. The three wells were decommissioned in 1998. In May 1998, the SFDPH issued a Remedial Action Completion Certification for the 8,000-gallon UST removed in 1997. No formal letter from SFDPH was identified for the first 8,000-gallon UST, the 1,000-gallon UST, and/or the 3,000-gallon UST. It is likely that subsurface contamination remains and could be encountered during excavation for the proposed project.

To evaluate off-site environmental concerns, the Phase I ESA included a review of agency lists and databases for recorded sites in the project vicinity. Neighboring sites that may present a potential impact to subsurface soil and groundwater and were identified on the databases within the American Standard for Testing and Materials (ASTM) search radii include the following:

- Federated Fry Metals at 1901 Cesar Chavez Street;
- Polita Hawley Forge at 2350 Jerrold Avenue;
- Applied Dielectronic at 1750 Army Street (Cesar Chavez Street);
- 3950 Third Street property at 3950 3rd Street;
- Infoimage, Inc. at 890 Pennsylvania Avenue; and,
- Caltrans ROW at Evans Avenue and Rankin Street.

The Phase I ESA report included recommendations that the project sponsor perform a Phase II ESA to establish current soil and groundwater conditions underneath the site, particularly around the former UST locations, in areas of recognized environmental conditions, and at site boundary. A survey of hazardous materials (such as but not limited to lead, asbestos, and polychlorinated biphenyls [PCBs]) at the existing building structures was also recommended based on the age of the buildings.

¹¹⁶ http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=T0607500199, Accessed May 18, 2013.

Hazardous Soil and Groundwater

Industrial printing operations and industrial-scale bakery operations occurred on the project site. Additionally, the site is within the former Islais Creek Estuary, which was filled during the first half of the 20th century, likely between the mid-1920s to mid-1930s in association with the Islais Creek Reclamation District project.¹¹⁷ As described in Topic 14, Geology and Soils, the project site is underlain by relatively shallow fill materials and late bay mud, below which bedrock is present. The shallow fill may contain hazardous material, which could be encountered during construction. Compliance with the Article 22A of the Health Code, also known as the Maher Ordinance is required when a project disturbs more than 50 cy of soil; the proposed project involves the excavation of approximately 1,100 cy of soil; therefore, the project is subject to the Maher Ordinance, which is administered and overseen by the SFDPH. The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a Phase I ESA that meets the requirements of Health Code Section 22.A.6. The Phase I ESA would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor may be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances in excess of state or federal standards, the project sponsor is required to submit a SMP to DPH or other appropriate state or federal agency(ies), and to remediate any site contamination in accordance with an approved SMP prior to the issuance of any building permit. The project sponsor has already satisfied the Maher Ordinance requirement to submit a Phase I ESA to SFDPH. The project sponsor will perform a Phase II ESA/Soil Characterization Study and submit a Maher Application to SFDPH to assess the potential for site contamination.

The proposed project would be required to remediate potential soil (and/or) groundwater contamination described above in accordance with Article 22A of the Health Code. Thus, the proposed project would not result in a significant hazard to the public or environment from contaminated soil (and/or) groundwater and would result in a *less-than-significant* impact.

Hazardous Building Materials

As discussed above, a Phase I ESA was conducted for the proposed project. Although asbestos or lead-based paint surveys were not conducted as part of the ESA, the report notes a potential for these materials to exist on the project site.

Asbestos. Due to the age of the structures proposed for demolition, it is likely that asbestos containing material (ACMs) may be present. Section 19827.5 of the California HSC requires that local agencies not issue demolition or alteration permits until an applicant has demonstrated compliance with the notification requirements under applicable federal regulations regarding hazardous air pollutants, including asbestos. The BAAQMD is vested by the California legislature with authority to regulate airborne pollutants, including asbestos, through both inspection and law enforcement, and is to be notified ten days in advance of any proposed demolition or abatement work.

¹¹⁷ Gerald Robert Dow, Bay Fill in San Francisco: A History of Change. Unpublished Master's Thesis, California State University, San Francisco, 1973: 162-168.

Notification includes the following:

- Names and addresses of operations and persons responsible;
- A description and location of the structure to be demolished/altered including size, age and prior use, and the approximate amount of friable asbestos;
- Scheduled starting and completion dates of demolition or abatement;
- Nature of the planned work and methods to be employed;
- Procedures to be employed to meet BAAQMD requirements; and
- The name and location of the waste disposal site to be used.

The BAAQMD randomly inspects asbestos removal operations. In addition, the BAAQMD will inspect any removal operation when a complaint has been received.

The local California OSHA office must be notified of asbestos abatement to be performed. Asbestos abatement contractors must follow state regulations contained in 8 CCR 1529 and 8 CCR Section 341.6 through Section 341.14 where there is asbestos-related work involving 100 sf, or more of ACMs. Asbestos removal contractors must be certified as such by the State of California Contractors Licensing Board. The owner of the property where abatement is to occur must have a Hazardous Waste Generator Number assigned by and registered with the California Department of Health Services in Sacramento. The contractor and hauler of the material are required to file a hazardous waste manifest, which details the hauling of the material from the site and appropriate disposal. Pursuant to California law, the DBI would not issue a required permit until an applicant has complied with the notice and abatement requirements described above. These regulations and procedures, already established as part of the permit review process, would ensure that ACM impacts would be *less than significant*.

Lead-Based Paint. Based on the construction dates of the existing buildings, before the use of lead-based paint was banned, there is the potential to encounter lead within the existing structures. In the event that lead-based paint is found on the project site, the project sponsor would be required to comply with Section 3435 of the SFBC which requires specific notification and work standards and identifies prohibited work methods and penalties.

SFBC Section 3425 typically applies to the exterior of all buildings or steel structures on which original construction was completed prior to 1979 (which are assumed to have lead-based paint on their surfaces, unless demonstrated otherwise through laboratory analysis), and to the interior of residential buildings, hotels, and child care centers. Performance standards, including establishment of containment barriers and identification of prohibited practices that may not be used in disturbances or removal of lead-based paint, are provided in SFBC Section 3425. Any person performing work subject to SFBC Section 3425 shall, to the maximum extent possible, protect the ground from contamination during exterior work; protect floors and other horizontal surfaces from work debris during interior work; and make all reasonable efforts to prevent migration of lead paint contaminants beyond containment barriers during the course of the work. Clean-up standards require the removal of visible work debris, including the use of a high efficiency particulate air filter (HEPA) vacuum following interior work.

SFBC Section 3425 also includes notification and requirements for signage. Prior to the commencement of work, the responsible party must provide written notice to the DBI Director, including:

- Address and location of the project;
- Scope of work, including specific location;
- Methods and tools to be used;
- Approximate age of the structure;
- Anticipated job start and completion dates for the work;
- Indication if the building is residential or nonresidential, owner-occupied or rental property;
- Dates by which the responsible party has fulfilled or will fulfill any tenant or adjacent property notification requirements; and
- Name, address, telephone and pager numbers of the party who will perform the work.

Further notice includes signs and requirements for signage when containment of lead paint contaminants is required; notice to occupants; availability of pamphlets related to protection from lead in the home; and notice of Early Commencement of Work (Requested by Tenant). SFBC Section 3425 contains provisions regarding inspection and sampling for compliance and enforcement by DBI. In addition, the ordinance describes penalties for non-compliance with the requirements of the ordinance. Compliance with these regulations and procedures in the SFBC would ensure that impacts of lead-based paint due to demolition would be *less than significant*.

Other Hazardous Building Materials

Other potential hazardous building materials such as PCB-containing electrical equipment or fluorescent lights could pose health threats for construction workers if not properly disposed of and create a significant impact in case of worker exposure or a release to the environment. These materials are regulated and would be managed, handled, transported, and disposed of according to federal, state, and local laws and regulations. Consequently, potential impacts of the proposed project related to exposure to hazardous materials would be *less than significant*.

Impact HZ-3: The proposed project would not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school. (Less than Significant)

RISE Institute (1760 Cesar Chavez Street), located approximately 1,200 feet to the north-northeast, is the only school within one-quarter mile of the project site.¹¹⁸ As previously discussed, the project would involve the use of small quantities of hazardous materials in forensic laboratory operations, as well as storing diesel fuel in an 8,000-gallon UST. No storage, handling, or disposal of significant quantities of any other hazardous materials would occur. Emissions of hazardous substances would be in amounts exempt from permitting and would not be considered significant. Therefore, with adherence to applicable state and federal regulations and local code requirements, the proposed project would have a *less-than-significant* impact related to hazardous emissions or materials within a quarter of a mile of a school location.

¹¹⁸ SF Planning Department Website, Home / Resource Center / Map Library / Areas Within 1000 feet of a School - <http://www.sf-planning.org/index.aspx?page=2337>. February 2010.

Impact HZ-4: The proposed project would not expose people or structures to a significant risk of loss, injury or death involving fires, nor interfere with the implementation of an emergency response plan. (Less than Significant)

San Francisco ensures fire safety primarily through provisions of the SFBC and Fire Code. Final building plans are reviewed by the SFFD, as well as DBI, in order to ensure conformance with these provisions. Potential fire hazards, including those associated with underground storage of diesel fuel and laboratory operations would be addressed during the permit review process to ensure adequacy of emergency equipment (e.g. hydrant water pressure) and emergency access. The use of hazardous materials is regulated by the SFHMUPA, within the SFDPH. To comply with hazardous materials regulations, the SFPD would develop an HMBP which would include site-specific emergency response procedures for hazardous materials. Consequently, impacts of fires and interference with emergency response plan implementation would be *less than significant*.

Impact C-HZ-1: The proposed project would not make a considerable contribution to any cumulative significant effects related to hazardous materials. (Less than Significant)

Impacts from hazardous materials are generally site-specific and typically do not result in cumulative impacts provided applicable safety and remediation requirements are followed at each site. The proposed project could contribute to cumulative impacts if workers or the public were exposed to legacy contaminants from the site or these contaminants were accidentally released to the environment during construction and impacted surrounding properties. Compliance with laws and regulations relating to soil and groundwater contaminants would preclude the project's interaction with other projects in a manner that could result in significant cumulative impacts related to hazardous materials. For the reasons discussed above, the proposed project's impacts related to hazardous materials, both individually and cumulatively, would be *less than significant*.

E.17 MINERAL AND ENERGY RESOURCES

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
17. MINERAL AND ENERGY RESOURCES—					
Would the project:					
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Impact ME-1: The proposed project would not result in the loss of availability of a known mineral resource or a locally important mineral resource recovery site. (No Impact)

No known mineral resource is located on or near the project site. All land in San Francisco, including the project site, is designated Mineral Resource Zone 4 (MRZ-4) by the CDMG under the Surface Mining and Reclamation Act of 1975.¹¹⁹ This designation indicates there is inadequate information available for assignment to any other MRZ, and thus the proposed site is not a designated area of significant mineral deposits.

Because the project site is already developed, future evaluation or designation of the site would not affect or be affected by the proposed project. There are no operational mineral resource recovery sites in the project vicinity whose operations or accessibility would be affected by the construction or operation of the project. Thus, the project would have *no impact* on mineral resources.

Impact ME-2: Implementation of the proposed project would not encourage activities that would result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner. (Less than Significant)

The proposed laboratory and office uses for the project site would not consume significantly large amounts of fuel, water, or energy beyond the level anticipated for the project area. New buildings in San Francisco are required to conform to current state and local energy conservation standards, including CCR Title 24 (including the *California Building Code*, *California Energy Code*, and *California Green Building Standards Code*), as well as the SFBC. The DBI enforces *Building Code* compliance and documentation demonstrating compliance with standards would be submitted with the application for the building permit. In addition, the project sponsor is pursuing silver status under the Leadership in Energy and Environmental Design (LEED) standards. As a result, the proposed project would not cause a wasteful use of energy or other non-renewable resources, and would have a *less-than-significant* impact on energy resources.

¹¹⁹ CDMG, Open File Report 96-03 and Special Report 146 Parts I and II.

Impact C-ME-1: The proposed project, in combination with past, present, and reasonably foreseeable future projects in the site vicinity, would not result in a cumulatively considerable contribution to a significant energy and minerals impact. (Less than Significant)

As described above, no known minerals exist at the project site, and therefore the proposed project would not contribute to any cumulative impact on mineral resources. The California Energy Commission is currently considering applications for the development of new power generating facilities in San Francisco, the Bay Area, and elsewhere in the state. These facilities could supply additional energy to the power supply grid within the next few years. These efforts, together with conservation, will be part of the statewide effort to achieve energy sufficiency. The project-generated demand for electricity would be negligible in the context of overall demand within San Francisco and the state, and would not in and of itself require an expansion of power facilities. Therefore, the energy demand associated with the proposed project would not contribute to a cumulative impact. Overall, the proposed project would result in *less-than-significant* cumulatively considerable impacts related to mineral and energy resources.

E.18 AGRICULTURE AND FOREST RESOURCES

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
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18. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

Would the project:

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Impact AF-1: The proposed project would not result in the conversion of farmland or forest land to non-farm or non-forest use, nor would it conflict with existing agricultural or forest use or zoning. (No Impact)

The project site is located within an urban area in the City and County of San Francisco. The California Department of Conservation's Farmland Mapping and Monitoring Program identifies the project site as "Urban and Built-up Land," which is defined as follows:

Land occupied by structures with a building density of at least 1 unit to 1.5 acres, or approximately six structures to a 10-acre parcel, and used for residential, industrial, commercial, construction, institutional, public administration, railroad and other transportation yards, cemeteries, airports, golf courses, sanitary landfills, sewage treatment, water control structures, and other developed purposes.^{120,121}

¹²⁰ California Department of Conservation, *Important Farmland in California*, 2008, December 2010. Available online at: ftp://ftp.consrv.ca.gov/pub/dlrp/FMMP/pdfs/statewide/2008/fmmp2008_08_11.pdf. Accessed May 16.

¹²¹ California Department of Conservation, FMMP – Important Farmland Map Categories. Available online at: http://www.conservation.ca.gov/dlrp/fmmp/mccu/Pages/tmap_categories.aspx. Accessed May 16, 2013.

Because the site does not contain agricultural uses and is not zoned for such uses, the proposed project would not convert any prime farmland, unique farmland, or Farmland of Statewide Importance to non-agricultural use, and would not conflict with existing zoning for agricultural land use or a Williamson Act contract, nor would it involve any changes to the environment that could result in the conversion of farmland. There is likewise no forest land on the project site. Therefore, the proposed project would have *no impact* to agricultural or forest resources.

Impact C-AF-1: The proposed project, in combination with past, present, and reasonably foreseeable future development in the site vicinity, would not result in a cumulatively considerable contribution to a significant agriculture and forest resources impact. (No Impact)

Neither the proposed project nor any of the nearby projects would result in conversion of farmland or forest land to non-farm or non-forest use, nor would any of the proposed developments conflict with existing agricultural or forest use or zoning for these uses. The proposed project would not contribute to any cumulative adverse impact relative to farmland and forest land and, therefore, there would be no cumulative effects and *no impact* would occur.

E.19 MANDATORY FINDINGS OF SIGNIFICANCE

<i>Topics:</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporated</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>	<i>Not Applicable</i>
19. MANDATORY FINDINGS OF SIGNIFICANCE—					
Would the project:					
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have impacts that would be individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As discussed in the above text, the project is anticipated to have only *less-than-significant* impacts in the areas discussed with the implementation of identified mitigation measures. Significant impacts to archeological resources and air quality would be mitigated through implementation of mitigation measures described above, summarized in this section, and presented in full in Section F.

E.19.a) The proposed project is located in an archeologically sensitive area and construction activities have the potential to result in significant impacts to any below-ground archeological resources. Any adverse effect to CEQA-significant paleontological resources resulting from soils disturbance from the proposed project would be reduced to a *less-than-significant* level by implementation of Mitigation Measure M-CP-2: Archeology Resources (Testing), which addresses testing to determine the presence of archeological resources.

E.19.b) The proposed project, in combination with recently completed expansion of the Restaurant Depot store located just north of the project site on Evans Avenue;¹²² proposed Home Depot store located just north of the project site on Evans Avenue;¹²³ approved expansion of the San Francisco Wholesale Produce Market;¹²⁴ proposed construction of a 25,000-sf commercial building at 928 Toland Street, south of the project site;¹²⁵ and the planned redevelopment (replacement of existing units and expansion) of the Potrero Terrace and Potrero Annex public housing units to the north, on the opposite side of Cesar Chavez Street¹²⁶ would not result in a cumulatively considerable contribution to significant impacts to

¹²² SF Planning Department, Environmental Planning Division, Case No. 2009.0651.

¹²³ SF Planning Department, Environmental Planning Division, Case No. 2009.0362.

¹²⁴ SF Planning Department, Environmental Planning Division, Case No. 2009.1153.

¹²⁵ SF Planning Department, Environmental Planning Division, Case No. 2011.0859.

¹²⁶ SF Planning Department, Environmental Planning Division, Case No. 2010.0515.

land use, aesthetics, population and housing, cultural resources, transportation, noise, air quality, greenhouse gas emissions, wind and shadow, recreation, utilities, public services, biological resources, geology, hydrology, hazardous materials, mineral resources, and agricultural resources. The proposed project's contributions to cumulative traffic at intersections in the vicinity would not be substantial. The proposed project would not be considered to substantially contribute incrementally to cumulative regional air quality conditions, or to contribute to significant cumulative noise impacts. The proposed project would be consistent with the land use and height controls for the site and would not contribute to a cumulatively considerable land use or visual impact. No other significant cumulative impacts are anticipated. Accordingly, the impacts of the proposed project would be *less than significant* and the project would not have unavoidable environmental effects that are cumulatively considerable.

E.19.c) The proposed project is located in an area identified by the city and the BAAQMD as having poor air quality, termed "air pollution hot spots." The proposed project would require construction activities for the approximate 30-month construction phase. Project construction activities would result in short-term emissions of DPM and other toxic air contaminants that would add emissions to areas already adversely affected by poor air quality. This would result in a significant air quality impact to sensitive land uses. Implementation of the emissions-reducing Mitigation Measures M-AQ-2: Construction Emissions Minimization and M-AQ-4: Best Available Control Technology (BACT) for Diesel Generators would reduce this impact to a *less-than-significant* level.

F. MITIGATION MEASURES AND IMPROVEMENT MEASURES

Mitigation Measures

Mitigation Measure M-CP-2: Archeology Resources (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 from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archaeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological 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 Sect. 15064.5 (a)(c).

Consultation with Descendant Communities: On discovery of an archeological site¹²⁷ associated with descendant Native Americans, the Overseas Chinese, or other descendant group an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (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 consultation with the archeological consultant shall determine if additional measures are warranted.

¹²⁷ The term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of burial.

Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. 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:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or
- B) 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 (AMP) shall be implemented, this AMP shall minimally include the following provisions:

- The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the 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, shall 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 shall 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 Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest 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.

Mitigation Measure M-AQ-2: Construction Emissions Minimization

Construction Emissions Minimization Plan. Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (EMP) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The EMP shall detail project compliance with the following requirements:

1. All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:
 - a) Where access to alternative sources of power are available, portable diesel engines shall be prohibited;
 - b) All off-road equipment shall have:
 - Engines that meet or exceed either United States Environmental Protection Agency (USEPA) or California Air Resources Board (CARB) Tier 2 off-road emissions standards; and
 - Engines that are retrofitted with a CARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).¹²⁸
 - c) Exceptions:
 - Exceptions to A(1)(a) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.
 - Exceptions to A(1)(b)(ii) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with a CARB Level 3 VDECS is: (1) technically not feasible; (2) would not produce desired emissions reductions due to expected operating modes; (3) installing the control device would create a safety hazard or impaired visibility for the operator; or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with a CARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).

¹²⁸ Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement; therefore, a VDECS would not be required

- If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules shown in the table below.

OFF-ROAD EQUIPMENT COMPLIANCE STEP-DOWN SCHEDULE

Compliance Alternative	Engine Emission Standard	Emissions Control
1	Tier 2	CARB Level 2 VDECS
2	Tier 2	CARB Level 1 VDECS
3	Tier 2	Alternative Fuel *

*Alternative fuels are not VDECS

HOW TO USE THIS TABLE:

If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Shall the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Shall the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.

2. The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than *two minutes*, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the *two minute* idling limit.
3. The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.
4. The EMP shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation.

For VDECS installed: technology type, serial number, make, model, manufacturer, CARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used

5. The EMP shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the EMP and a way to request a copy of the Plan. The project sponsor shall provide copies of the EMP to members of the public as requested.

Reporting. Monthly reports shall be submitted to the ERO indicating the construction phase and off-road equipment used during each phase including information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include actual amounts of alternative fuel used.

Within six months of completion of construction activities, the project sponsor shall submit a final report summarizing construction activities to the ERO. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.

Certification Statement and On-site Requirements. Prior to the commencement of construction activities, the project sponsor must certify: (1) compliance with the EMP, and (2) that all applicable requirements of the EMP have been incorporated into contract specifications.

Mitigation Measure M-AQ-4: Best Available Control Technology (BACT) for Diesel Generators

All diesel generators shall have engines that: (1) meet Tier 4 Final or Tier 4 Interim emission standards, or (2) meet Tier 2 emission standards and are equipped with a California Air Resources Board (CARB) Level 3 Verified Diesel Emissions Control Strategy (VDECS).

Improvement Measures

Improvement Measure I-TR-1: Transportation Demand Management

As an improvement measure to reduce the parking shortfall and encourage use of alternate modes, the project sponsor should develop and implement a Transportation Demand Management ("TDM") Plan designed to reduce use of single-occupant vehicles and to increase the use of rideshare, transit, bicycle, and walk modes for trips to and from the Proposed Project. The TDM plan should include such measures as the following to reduce single occupancy vehicles and encourage alternate modes of travel:

- Ensure that bicycle safety strategies are developed along the Evans Avenue side of the property (e.g., avoiding conflicts with private cars accessing the parking garage on the east side of the property);
- Facilitate access to the Evans Avenue and Cesar Chavez Street bike routes through on-site signage;
- Require that the points of access to bicycle parking include signage indicating the location of these facilities;
- Facilitate access to carshare spaces (on the first level of the parking deck) through on-site signage;
- Require a TDM contact person who would be responsible for conducting employee surveys, coordinating carpool/ridematch services, and conducting annual TDM events;
- Provide information to employees and visitors on transit options and locations where transit passes can be purchased; and
- Require a transit pass subsidy for FSD and TC employees purchasing transit passes.

These measures would be in addition to those set of citywide commuter benefits provided to all City employees that allow them to reduce their monthly commuting expenses for transit, bicycling, vanpooling, and parking.

Improvement Measure I-TR-2: Construction Measures

The Department of Public Works (SFPDW) should require the following of the construction contractor:

- 1) Construction contractors should be prohibited from scheduling any truck trips, such as concrete mixers, heavy construction equipment, and materials delivery, etc., to the construction sites during the a.m. (7:00 to 9:00 a.m.) and p.m. (4:00 to 6:00 p.m.) peak commute periods.
- 2) All construction activities should adhere to the provisions in the City's Blue Book, including those addressing sidewalk and lane closures. To minimize construction impacts on nearby businesses and residents, the SFMTA should alert motorists, bicyclists, and nearby property owners of upcoming construction through its existing website and other available means, such as distribution of flyers, emails, and portable message or informational signs. Information provided should include contact name(s) for the SFMTA project manager, public information officer, and/or the SFMTA General Enforcement Division contact number (311).
- 3) Construction contractors should encourage construction workers to use carpooling and public transit to the construction site in order to minimize parking demand.

Improvement Measure I-TR-3: Queue Abatement

As an improvement measure to reduce the potential for queuing of vehicles accessing the project site, the SFPD should ensure that recurring vehicle queues do not occur on Evans Avenue or Toland Street adjacent to the site. A vehicle queue is defined as one or more vehicles (destined to the parking facility) blocking any portion of the Evans Avenue or Toland Street sidewalk or travel lanes on Evans Avenue or Toland Street travel lane for a consecutive period of three minutes or longer on a daily and/or weekly basis.

If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Planning Department should notify the SFPD in writing. Upon request, the SFPD should hire a qualified transportation consultant to evaluate the conditions at the site for no less than seven days. The consultant should prepare a monitoring report to be submitted to the Planning Department for review. If the Planning Department determines that a recurring queue does exist, the SFPD should abate the queue within 90 days from the date of the written determination.

G. PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on July 23, 2013, to interested parties. The Planning Department received one comment letter in response to the notice. The commenter expressed concerns regarding street flooding that consistently occurs at the project location during moderate rainfall. The commenter suggested that a corrective measure for the flooding shall be incorporated into the 1995 Evans Project given project would be undertaken by the City and County of San Francisco. Section E.15 addresses hydrological setting for the project and addressees the potential flooding impacts of and to the project itself. The project will result in a decrease in storm water runoff from the 1995 Evans property when compared to existing conditions, but will not ameliorate flooding in the project vicinity. Measures to reduce existing flooding in the general area, not related to the project, are not addressed in this environmental document.

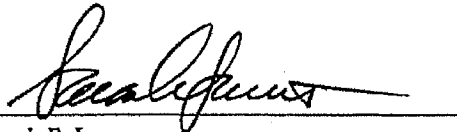
H. DETERMINATION

On the basis of this initial study:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, no further environmental documentation is required.

DATE

October 1, 2013



Sarah B. Jones
Environmental Review Officer
for
John Rahaim
Director of Planning

I. LIST OF PREPARERS

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OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *SW* Mayor Edwin M. Lee *NE*
RE: Acquisition of Property at 1995 Evans Street for a price of \$15,475,000,
owned by Claire A. Spencer, Trustee, for Office Purposes
DATE: December 9, 2014

Attached for introduction to the Board of Supervisors is a resolution authorizing 1) the acquisition of real property at 1995 Evans Street (Lots 004, 005 and 006, all in Block 5231 of San Francisco County) from Claire A. Spencer, Surviving Trustee of the William D. Spencer and Claire A. Spencer 1995 Living Trust, dated February 9, 1995 ("Spencer Trust"); and 2) adopting findings, including environmental findings and General Plan findings.

I respectfully request that this item be calendared in Budget and Finance Committee on January 7th, 2015.

Should you have any questions, please contact Nicole Wheaton (415) 554-7940.

SW
2014 DEC -9 PM 3:17
RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

**File 14-1269
Item 8**

Department:
Department of Administrative Services

EXECUTIVE SUMMARY

Legislative Objectives

The proposed resolution authorizes the Director of Real Estate to enter into a purchase and sale agreement for three contiguous lots located at 1945-1995 Evans Street for a purchase price of \$15,475,000.

Key Points

- Under the proposed resolution, the Real Estate Division would enter into a purchase and sale agreement to purchase 1995 Evans Street in the Bayview Hunter's Point neighborhood from the current property owner, Claire A. Spencer, consisting of three adjacent lots that comprise 2.05 acres of land.
- Since August 1, 2013, the City leased this property as an interim storage space for the Department of Technology and the Department of Administrative Services' Central Shops. A purchase option for \$16,000,000 was included in the original lease, which the City exercised on June 23, 2014.
- General Bond Obligation Measure Proposition A, the Earthquake Safety and Emergency Response Bond II (ESER II), identified 1995 Evans Street as the future location for the City's Forensic Services Division (FSD) and Traffic Company (TC) of the San Francisco Police Department (SFPD). General Bond Obligation projects require fee ownership of property by the City which is why the City seeks to purchase, rather than continue to rent, this property.

Fiscal Impact

- An appraisal in August, 2014 concluded the value of the property to be \$11,360,000, or \$4,640,000 less than the current lease's purchase option of \$16,000,000 negotiated in the summer of 2013. Mr. Updike reported that after negotiations with the landowner, the two parties mutually agreed to a purchase price of \$15,475,000. This is \$525,000 less than the original purchase option of \$16,000,000, but \$4,115,000 more than the recent appraised value. Funding for the purchase of this property would come from ESER II.

Policy Considerations

- The Board of Supervisors has four alternative policy options: 1. Continue the Proposed Resolution and Exercise Eminent Domain; 2. Continue the Proposed Resolution and Request Further Negotiations; 3. Do Not Approve the Proposed Resolution; and 4. Approve the Proposed Resolution.

Recommendations

1. Request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City.
2. Approval of the proposed resolution is a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Administrative Code Section 23.1 requires Board of Supervisors approval of all resolutions and ordinances approving real property transactions. Administrative Code Section 23.4 requires Board of Supervisors approval of the granting of real property to the City before the Director of Real Estate can accept the deed to the property.

Background

The City has an existing lease with Claire A. Spencer for the property at 1945-1995 Evans Street ("1995 Evans Street") in the Bayview Hunter's Point neighborhood, which the City uses for interim storage for the Department of Administrative Services' (DAS) Central Shops and the Department of Technology's (DT) Public Safety Communications Division. The existing lease, which was previously approved by the Board of Supervisors for the 17 month period from August 1, 2013 through December 31, 2014 (File 13-1038), contained an option to purchase the property for \$16,000,000 by no later than December 31, 2014. The City exercised the option to purchase the property on June 23, 2014 at a renegotiated price of \$15,475,000.

Proposed Use of the Property

The City's Capital Plan identified 1995 Evans Street as the future location for the San Francisco Police Department (SFPD) Forensic Services Division's Crime Lab, and the SFPD Traffic Company, which houses the SFPD's motorcycle fleet. Development of 1995 Evans Street for the Crime Lab and Traffic Company will be funded by the Earthquake Safety and Emergency Response Bond II (ESER II), approved by the San Francisco voters on June 3, 2014. As General Bond Obligation projects require fee ownership of property by the City, the City seeks to purchase this property rather than continue to lease it.

Currently, the Crime Lab is spread out over two locations, one in the seismically deficient Hall of Justice, and one in Hunter's Point Shipyard which is scheduled for demolition to make way for a new residential development. Combining the two Crime Lab facilities in one location would provide uninterrupted service to residents while allowing the Crime Lab to modernize facilities and accommodate evolving technologies. Relocating the Police Department's Traffic Company to the 1995 Evans Street is important, as it will house the motorcycle fleet in a new seismically safe facility rather than the current seismically deficient Hall of Justice, ensuring that motorcycles are available to assist in recovery efforts in the event of a major disaster.¹

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (1) authorizes the purchase of three adjacent lots located at 1945-1995 Evans Street (Lots 004, 005 and 006, all in Block 321) ("1995 Evans Street") by the City from Claire A. Spencer, Surviving Trustee of the William D. Spencer and Claire A. Spencer 1995 Living Trust ("landowner") for a purchase price of \$15,475,000; (2) adopt findings that the

¹ San Francisco Earthquake Safety and Emergency Response Bond Program.
<http://www.sfearthquakesafety.org/motorcycle-police-and-crime-lab.html>.

purchase and improvements on this property will not have a significant effect on the environment under the California Environmental Quality Act (CEQA); and (3) adopt findings that the acquisition of the property by the City is consistent with the City’s General Plan and Eight Priority Policies of City Planning Code Section 101.1.

Under the proposed resolution, the City would enter into a purchase and sale agreement with the landowner to purchase three adjacent lots located at 1995 Evans Street. This property would be used for the future location for the San Francisco Police Department (SFPD) Forensic Services Division’s Crime Lab, and the SFPD Traffic Company, which houses the SFPD’s motorcycle fleet. The property consists of 89,198 square feet, or approximately 2.05 acres of land, one existing two-story office building and a smaller building. The property is zoned PDR-2, Production, Distribution, and Repairs, and is currently being used as an interim storage space for both the Central Shops and DT’s Public Safety Communications Division. Under the purchase and sale agreement, the City would buy the property “as-is” from the landowner.

The City plans to demolish the existing structures on site and construct a new four-story, 90,000 square foot (sf) building, along with a separate 42,000 sf parking structure. The parking structure will consist of 82 spaces for sworn officers and City vehicles, 110 spaces for Traffic Company motorcycles, and storage space for 25 Forensic Services Division evidence impound vehicles.

Project Timeline

According to Mr. John Updike, Director of Real Estate, the City expects to complete the purchase of the property in January 2015. Arrangements have been made with the landowner to pay a prorated rental amount for January as part of the closing of escrow.

Environmental review under the California Environmental Quality Act (CEQA) was completed in September 2013 and the Final Mitigated Negative Declaration was published in November 2013. Upon finalizing the purchase and sale agreement, the City will begin development of 1995 Evans Street with project completion and occupancy by October 2018.

The Department of Public Works (DPW) selected HOK in November 2014 through a competitive Request for Qualifications (RFQ) process to provide architectural and engineering services. The Board of Supervisors approved an ordinance in October 2014, authorizing DPW to procure construction work through a hybrid Construction Manager/General Contractor and Design/Build approach (File 14-0846). DPW issued an RFQ in October 2014 for these services and plans to select a contractor in Spring of 2015. Table 1 below outlines the expected project timeline.

Table 1: Project Timeline

Project Phase	Date
Complete Purchase of Property	January 2015
Start Construction	May 2016
Complete Construction	July 2018
Building Occupancy	October 2018

Source: ESER 2014: Safeguarding San Francisco Bond Report

Relocation of the Items Currently Stored at 1995 Evans Street

Under the current lease, DAS's Central Shops and DT's Public Safety Communications Division are granted temporary use of the property for storage purposes. Items stored at 1995 Evans Street will be relocated to their new office near Pier 80 by early 2016, when construction will begin at the site.

Details of Proposed Property Purchase

The purchase price shall be allocated in the manner outlined in Table 2 below:

Table 2: Sales Price and Square Footage by Lot Number at 1995 Evans Street

Lot Number	Square Feet	Price
Lot 004	33,449	\$5,477,000
Lot 005	33,449	\$4,999,000
Lot 006	22,300	\$4,999,000
Total	89,198	\$15,475,000

Source: SF Real Estate Division, SF Planning Department

According to Mr. Updike, the variation in each lot's price was requested by the landowner for tax purposes. As the breakdown of the payment is not material to the City and was important to the landowner, the City agreed to this request.

Conformance with the General Plan, Area Plan, and Requirements under CEQA

The proposed resolution finds the purchase and improvements on the property at 1995 Evans Street are in conformance with the City's General Plan and the priority policies of Planning Code Section 101.1. The property is located within the Bayview Hunter's Point Area Plan within the Oakinba Activity Node.² The industrial nature of the proposed project is consistent with the objectives of the Bayview Hunter's Point Area Plan.

In November 2013, the Planning Department determined the proposed project at 1995 Evans Street would not have a significant effect on the environment under the California Environmental Quality Act (CEQA), and adopted a Final Mitigated Negative Declaration.

Except for the subject request for Board of Supervisors approval, no further approvals are required to finalize the purchase of the property.

FISCAL IMPACT

The proposed purchase price of \$15,475,000 is part of the total \$165,000,000 budget for development of 1995 Evans Street as shown in Table 3. The project will be funded by ESER II bond proceeds. The Board of Supervisors approved sale and appropriation of \$106,095,000 in ESER II bonds in August 2014 (Files 14-0801, 14-0802, 14-0811, 14-0812, and 14-0840), of which

² An "Activity Node" is a community-identified catalyst area in which to focus public investment. SF Planning Department, Environmental Planning Division, Bayview Hunters Point Area Plan Available online at: http://www.sf-planning.org/ftp/General_Plan/Bayview_Hunters_Point.htm.

\$30,319,674 was allocated to the Forensic Services Division and Traffic Company project at 1995 Evans Street.

Table 3: SFPD's Traffic Company and Forensic Services Division Project Budget

Service/Task Description	Amount
Purchase, Construction, & Installation	\$103,345,991
Project Control	\$38,399,373
Site Control (Property Purchase and Associated Costs)	\$16,500,000
Other Program Costs	\$3,949,636
Finance Costs	\$2,805,000
Total Program Budget	\$165,000,000

Source: DPW

January 2015 Rent During Closing Period

Closing for the property will not be complete until January 2015, which is after the December 31, 2014 purchase option date identified in the original lease. The City and the landowner have agreed that the City will continue to pay the landowner a prorated rental amount between December 31, 2014 and the closing of the property.

Ongoing Costs of Ownership

According to Mr. Updike, the ongoing costs to the City, as owner of the property, have not yet been determined, as this property will not be ready for occupancy until approximately 2018. When the design process is farther along closer to this date, future costs will be better known. Ongoing costs will be built into the FY 2017-2018 budget once the facility is constructed and ready for occupancy.

POLICY CONSIDERATIONS

Property Appraisal and Purchase Option

The Real Estate Division selected CBRE through a competitive process to prepare an appraisal of the three lots under consideration. The appraisal in August, 2014 concluded the value of the property to be \$11,360,000. This amount is \$4,640,000 less than the agreed upon price in the current lease's purchase option of \$16,000,000 negotiated in the summer of 2013. Mr. Updike reported that after negotiations with the landowner, the two parties mutually agreed to a purchase price of \$15,475,000. This is \$525,000 less than the original purchase option of \$16,000,000 agreed upon in the current lease, but \$4,115,000 more than the CBRE appraised value. The purchase options and appraisal values are outlined in Table 4 below.

Table 4: Purchase Option & Appraisal Values for 1995 Evans Street

Purchase Option	Price	Price per Square Foot for 89,198 Square Feet
Original Purchase Option (2013)	\$16,000,000	\$179.38
CBRE Appraisal (2014)	\$11,360,000	\$127.36
Renegotiated Purchase Option (2014)	\$15,475,000	\$173.49
Reduction between Original and Renegotiated Purchase Options	\$525,000	-
Increase between CBRE Appraisal and Renegotiated Purchase Option	\$4,115,000	-

Mr. Updike has expressed concerns with the methodology and conclusion of the CBRE appraisal, including:

- The CBRE appraisal considered the value of the three lots separately, rather than as one contiguous 89,198 sf site. Mr. Updike believes the ability to assemble 89,189 sf greatly increases the value of the property as a whole, and that is not reflected in the appraisal.
- The comparable sales used were some of the lowest in the market at the time. Mr. Updike found other sales he thought to be more comparable to this site that were valued closer to the purchase option price of \$16,000,000. However the appraiser disagreed, and did not find Mr. Updike's suggestions to be comparable.

The landowner was not required to reduce the price of 1995 Evans Street based on the CBRE appraisal after the City exercised its option to acquire the property. However, Mr. Updike was able to renegotiate the purchase option price down to \$15,475,000, \$525,000 less than the originally agreed upon price due to the appraisal information.

However, the proposed purchase price of \$15,475,000 is \$4,115,000 or 36.2 percent more than the CBRE appraised price of \$11,360,000.

Given the difference between the originally negotiated price and the CBRE appraisal of the property, Mr. Updike believes the renegotiated purchase option of \$15,475,000 (\$173.49 per sf) is a fair price for the City to pay for the subject property at 1995 Evans Street.

Comparison with Five Other Industrial Properties

The negotiated purchase price of \$173.49 per sf is higher than five other comparable industrial properties identified in the appraisal. As shown in Table 5 below, the average price per sf is \$154 for five comparable industrial properties, which would translate into an estimated \$13,736,492 for the 89,198 sf property at 1995 Evans Street. If the lowest priced property at 6000 3rd Street at \$113 per sf is not included, the average price for the other four properties is \$164 per sf, or an estimated \$14,628,472 for the 89,198 sf property at 1995 Evans Street. The \$15,475,000 proposed purchase price is still \$846,528 or 5.8 percent more than the \$14,628,472 amount.

Table 5: Comparison of Properties

Address	Size of Property (acres)	Price per Square Foot
1995 Evans Street	89,198 (2.05 acres)	\$173
6000 3 rd Street	2.00	113
1680 Evans Street	0.68	172
400 Alabama	0.57	175
888 Tennessee	0.87	156
200 Kansas	1.50	155
Average of 5 Other Properties		\$154
Average of 4 Other Properties		\$164

Option to Purchase Did Not Include Appraisal

As noted above, when the Board of Supervisors approved the lease for the 1995 Evans Street property in November of 2013, the lease included the option to purchase the property for \$16,000,000 (File 13-1038). The Real Estate Division indicated the \$16,000,000 option price was based on negotiations regarding land values of approximately \$180 per square foot for comparable properties and anticipated market conditions in 2014 or 2015. However, at that time, the Real Estate Division also advised that an appraisal would be conducted prior to entering into a purchase agreement. In addition, the Real Estate Division advised that the purchase of the property would be subject to other evaluations and "substantial due diligence".

This language in the option to purchase agreement has not allowed the Real Estate Division to base the actual purchase price on the August 2014 appraised value of \$11,360,000. Rather, according to Mr. Updike, the option to purchase agreement simply allows the City not to exercise the option if the due diligence process discovers a matter that is not satisfactory to the City and cannot be mitigated.

The proposed purchase of 1995 Evans Street is now being requested for \$15,475,000, an average price of \$173.49 per sf. This price is \$4,115,000 or 36.2 percent more than the recent appraised value of \$11,360,000 (\$127.36 per sf), and 5.8% more than four other comparable industrial properties' average value of \$14,628,472 (\$164 per sf).

Ideally, when options to purchase properties are included in future lease agreements, such options should not specify agreed purchase prices, without actual appraisals and/or ability to employ subsequent due diligence regarding the specified price. An appraisal of current day value does not mitigate the fact that both parties to a purchase agreement are taking risks as to future price increases or decreases in the real estate market. The Board of Supervisors should request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City.

Eminent Domain

Eminent domain legally provides the City with the power to take private property for public use, with fair compensation to the private property owner for the taking of the property. According to Mr. Updike, the City most recently used eminent domain to acquire the Transbay Terminal properties and in 2005, the City used eminent domain to acquire private property for the new North Beach Branch Library. Over the past ten years, the City has also infrequently used eminent domain to purchase property for water and wastewater lines for the Public Utilities Commission. However, Mr. Updike notes that it is generally the City's policy to not use eminent domain except in extreme circumstances, when there is no other alternative.

Alternative Options

Based on the above discussion, the Board of Supervisors has four alternative policy options:

1. Continue the Proposed Resolution and Exercise Eminent Domain - While generally not the City's policy unless there is no other alternative, the City could legally use eminent domain procedures to obtain the subject property at a potentially lower cost than the proposed \$15,475,000. However, the City has an existing lease agreement with the private owner of the property, which includes a purchase option for \$16,000,000 that the City has exercised. In addition, the use of eminent domain is a legal procedure, which will require significant legal time and expense, resulting in considerable delay in obtaining this property. Mr. Jim Buker, Senior Architect at the Department of Public Works advises that each 12 month delay results in an estimated 5% increase in the remaining project costs, or an estimated \$7 million per year.

2. Continue the Proposed Resolution and Request Further Negotiations - Although the existing lease agreement includes a purchase option for \$16,000,000, the Real Estate Division was able to negotiate a price reduction of \$525,000, to \$15,475,000 based on the recent appraisal. The recent appraised value was \$11,360,000 (\$127.36 per sf). Four other comparable industrial properties' reflect an average value of \$14,628,472 (\$164 per sf) for the subject property. Mr. Updike advises that he believes the proposed \$15,475,000 purchase price is a fair price for the subject property, given there are not any other properties of this size on the market. However, the Board of Supervisors could request the Real Estate Division to renegotiate with the existing property owner to attempt to further reduce the City's purchase price for the subject property.

3. Do Not Approve the Proposed Resolution - The proposed purchase price of \$15,475,000 is \$4,115,000 or 36.2 percent more than the recent appraised value of \$11,360,000 (\$127.36 per sf) and \$846,528 more than the \$14,628,472 (\$164 per sf) average price for four comparable industrial properties. When the Board of Supervisors approved the lease agreement, with the \$16,000,000 purchase option, the Real Estate Division advised that a subsequent appraisal and other evaluations and "substantial due diligence" would be conducted prior to entering into a purchase agreement. As noted, not approving the subject resolution will delay the completion of the subject project, resulting in additional costs.

4. Approve the Proposed Resolution - San Francisco voters approved General Obligation bonds for the subject Crime Lab and Traffic Company project in June 2014. The CEQA process for the proposed project has now been completed for the 1995 Evans Street site and Mr. Buker

advises that the City has expended an estimated \$1.1 million for site-specific design and related environmental review expenses for the project at 1995 Evans Street. If the Crime Lab and Traffic Company project is relocated to a different site, the estimated \$1.1 million of site-specific design and environmental expenses already incurred would be forfeited and new design and environmental expenses at a different site would be incurred. According to Mr. Buker, the project schedule would also be delayed by an estimated 12-30 months, resulting in building construction inflation costs of an estimated 5% per year, or between \$7 million to \$19 million in additional costs to the overall project, depending on the length of the delay. In addition, Mr. Updike notes that there are no comparable properties of this size (2 acres) on the market for a comparable price, and any further negotiations with the existing owner are not realistic.

RECOMMENDATIONS

1. Request the Director of Real Estate to include language in future purchase option agreements to require appraisals, and other due diligence procedures, prior to negotiating and agreeing to specified purchase prices for the City.
2. Approval of the proposed resolution is a policy decision for the Board of Supervisors.

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Claire A. Spencer, Surviving Trustee of the William D. Spencer and Claire A. Spencer 1995 Living Trust, dated February 9, 1995.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Sole participant is Claire A. Spencer	
Contractor address: 99 South Hill Drive, Brisbane, CA 94005	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: Acquisition for \$15,475,000
Describe the nature of the contract that was approved: Purchase of Real Property located at 1995 Evans Street	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

