[Conditionally Reversing the Approval of a Final Mitigated Negative Declaration - Proposed 570 Market Street Project]

Motion conditionally reversing the approval by the Planning Commission of a Final Mitigated Negative Declaration under the California Environmental Quality Act for the proposed 570 Market Street project, subject to the adoption of written findings of the Board in support of this determination.

WHEREAS, The Planning Commission (Commission) approved a Final Mitigated Negative Declaration (FMND) for the proposed project at 570 Market Street (Project) on May 1, 2025; and

WHEREAS, The 7,045-square-foot Project site is located on the north side of Market Street within the triangular block bound by Market Street to the southeast, Sutter Street to the north, and Montgomery Street to the west, in the Financial District neighborhood, in a C-3-O (Downtown Office) use district and a 300-S height and bulk district; and

WHEREAS, The Project site is occupied by two separate two-story commercial buildings over a shared one-story basement level of approximately 16,195-gross-square feet; it is relatively flat and does not have any curb cuts; and there are currently two sidewalk trees on the Project's Market Street frontage; and

WHEREAS, The Project would demolish the two existing two-story-over-basement buildings and construct a 29-story, approximately 300-foot-tall building containing hotel use; it would provide approximately 3,400 gross square feet of retail space on the ground floor and mezzanine levels fronting Market Street and an approximately 123,000-square-foot hotel space that would accommodate about 211 guest rooms; it would also provide approximately 4,200 gross square feet of privately owned public open space (POPOS), which would include

a 2,300-square-foot outdoor terrace and 1,900 square feet of indoor support space for the dedicated public entrance and elevator lobby to the POPOS; and

WHEREAS, The Project would be supported on a hybrid foundation that would consist of a four-foot mat slab supporting the approximate southern half of the building, while the remaining building portion would be supported by a 6- to 10-foot foundation bearing on 6-foot-diameter piles that would be drilled approximately 40 feet into bedrock, for a total length of around 160 feet under the mat slab; and

WHEREAS, Project construction is anticipated to last approximately 24 months and would require excavation of the total site footprint (7,045 square feet) to approximately 7 to 13 feet below ground surface (bgs), require removal of approximately 3,900 cubic yards of soil; and

WHEREAS, On October 1, 2019, Melinda Sarjapur, of Reuben, Junius & Rose LLP, on behalf of Frontier Group LLC (Project Sponsor) filed a project application with the Planning Department (Department) for the Project; and

WHEREAS, On October 30, 2024, the Department issued a Preliminary Mitigated Negative Declaration (PMND) for the Project, determining that it could not have a significant impact on the environment; and

WHEREAS, On November 20, 2024, Brian Flynn, on behalf of BCal 44 Montgomery Property LLC, and Edward Shaffer, on behalf of Chelsea Pacific Group, LLC, owner of the adjacent 564 Market Street (also known as the Chancery Building), filed separate appeals of the PMND with the Planning Commission; and

WHEREAS, On November 20, 2024, the 20-day appeal period ended; however, at the time of PMND publication, two technical appendices were inadvertently not available for public review on the department website, and a result, the comment period was extended by an additional 20 days to December 12, 2024, once the appendices became available; and

WHEREAS, After several continuances of the appeal hearing and the filing of supplemental letters of appeal, on May 1, 2025, the Commission denied the appeal of the PMND and approved the Final Mitigated Negative Declaration; and

WHEREAS, On September 11, 2025, the Commission approved the Downtown Project Authorization and Conditional Use Authorization for the Project, adopting the FMND, including the Mitigation Monitoring and Reporting Program (MMRP), which was adopted as a condition of approval; and

WHEREAS, On October 10, 2025, Brian Flynn of Lozeau Drury LLP on behalf of BCal 44 Montgomery Property LLC and Anna Shimko of Burke, Williams & Sorensen, LLP on behalf of Chelsea Pacific Group, LLC CPH 54, LP (Appellants) submitted separate appeals of the FMND to the Board of Supervisors; and

WHEREAS, The Commission's approval of the Downtown Project Authorization and the Conditional Use Authorization constitutes the approval action for purposes of Chapter 31; and

WHEREAS, The Planning Department's Environmental Review Officer, by memorandum to the Clerk of the Board dated October 15, 2025, determined that the appeals had been timely filed; and

WHEREAS, On November 18, 2025, the Board of Supervisors held a duly noticed public hearing to consider the appeal of the FMND filed by Appellants; and

WHEREAS, In reviewing the appeals of the FMND, the Board of Supervisors reviewed and considered the environmental determination, the appeal letters, the responses to the appeal documents that the Planning Department and the project sponsor prepared, the other written records before the Board of Supervisors and all of the public testimony made in support of and opposed to the appeal; and

WHEREAS, The written record and oral testimony in support of and opposed to the appeal and deliberation of the oral and written testimony at the public hearing before the Board of Supervisors by all parties and the public in support of and opposed to the appeal of the FMND is in the Clerk of the Board of Supervisors File No. 251034, and are incorporated in this motion as though set forth in its entirety; now, therefore, be it

MOVED, That this Board of Supervisors conditionally reverses the Planning Commission's FMND, subject to the adoption of written findings of the Board in support of this determination.

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