## **VISITACION DEVELOPMENT, LLC**

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September 21, 2018

John Rahaim Planning Director City and County of San Francisco 1650 Mission St, Suite 400 San Francisco, CA 94103

RE: Schlage Lock Revised Phase 1 Application Approval

Dear Mr. Rahaim,

On behalf of Visitacion Development LLC and per requirements set forth in the Development Agreement between Visitacion Development LLC, and the City and County of San Francisco executed and recorded as of July 22<sup>nd</sup>, 2014, Visitacion Development LLC hereby accepts the Conditions of Approval for the Schlage Lock Revised Phase 1 Application dated September 17, 2018, and attached hereto.

Many thanks for your continued support and cooperation as we progress through these various project milestones.

Sincerely,

Jonathan Scharfman General Manager September 17, 2018

Jonathan Scharfman, General Manager Visitacion Development LLC 150 Executive Park Boulevard, Suite 4000 San Francisco, CA 94134

Re: Schlage Lock Revised Phase I Application Approval

Dear Mr. Scharfman,

The Planning Department has received the revised Development Phase I Application for the Schlage Lock Development Project (The Project), Case Number 2006.1308EMTZ submitted by Visitacion Development LLC (Project Sponsor) and dated June 26, 2018. The purpose of the revised application is to account for changes to the Phase 1 proposal that have occurred since your earlier Phase 1 Application submittal, dated April 28, 2017 and approved July 5, 2017.

As per section 3.4.4 of the Schlage Lock Development Agreement (DA), the Planning Department and City Agencies have conferred in good faith with each other and with the Project Sponsor to review the revised Phase Application and determine whether it fulfills the Proportionality, Priority and Proximity Requirement in the DA. This letter approves the revised Development Phase I Application subject to the conditions below.

## **Findings**

The following findings inform the revised Phase 1 Application conditions of approval.

#### 1. Railroad Easement

- a. Parcel 5087/004, located directly east of the Schlage Lock site and owned by 424 Jessie Historic Properties LLC (Jessie Properties), is encumbered by a railroad easement across portions of the Schlage Lock site, including on parcels 6, 7, 8, and 9 and across portions of Street A, Street F, and Sunnydale Avenue (see Exhibit E).
- b. The Project Sponsor and Jessie Properties signed a license agreement providing the Project Sponsor the right to construct project improvements within the railroad easement with a term from March 2, 2016 through March 2, 2021, however, they have yet to come to a long-term agreement to extinguish the railroad easement. As noted in the revised Phase 1 Application, the Project Sponsor expects to secure permanent permission or quit claim of the railroad easement by the completion of Phase 1 Vertical Development.
- c. The Project Sponsor proposes to complete construction of all underground utilities, grading, and construction of road base, curb, and gutter for all Project streets during Phase 1.

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d. Permanent extinguishment of the railroad easement is a necessary step for San Francisco Public Works (Public Works) to certify a Final Map for the southeast portions of the Schlage Lock Development site overlain by the railroad easement and for the Project Sponsor to build its proposed program in the southeast corner of the site. Additionally, the continued existence of the railroad easement prohibits the Project Sponsor from constructing the proposed pedestrian network between Bayshore Boulevard and the Bayshore Caltrain Station, as required in DA Section 7.5.1.

#### 2. Sunnydale Avenue Alignment and Bayshore Caltrain Station Multi-Modal Access

- a. As an alternative to constructing across the jurisdictional boundary between the City and County of San Francisco and the City of Brisbane to the south during Phase I of the Project, the Project Sponsor is requesting through this Phase Application permission to reconfigure Street F and realign and shorten Sunnydale Avenue on an interim basis from that which is shown in the approved tentative map, OSSMP, and DA.
- b. At the same time, the Project Sponsor, the Planning Department, and other City Agencies recognize the importance of a robust multi-modal connection between the Bayshore Caltrain Station and Muni routes on Bayshore Boulevard through the Schlage Lock development site. Current connectivity to the Caltrain Station exists only on the east side of the Caltrain tracks at Tunnel Avenue and Recycle Road, a significant distance from most Visitacion Valley residents and from other transit modes.
- c. The OSSMP street network was designed to appropriately reflect the need and desire for a seamless and interconnected street grid with the future Baylands development site in Brisbane. The approved street grid, shown in the tentative map, OSSMP, and DA (see Exhibits A, B, and C, respectively), envisions a future Sunnydale Avenue extending straight across the county line and is considered the best alignment for providing access to the Bayshore Caltrain Station. This alignment was agreed upon by the City and the Project Sponsor despite its cross-border alignment;
- d. The Project Sponsor proposes to reconfigure Street F and realign and shorten Sunnydale Avenue as Interim Public Improvements (Interim Improvements) as defined in DA Section 3.5.1, which is subject to approval by Public Works. These Interim Improvements, as shown in Exhibits D and E, differ from what is shown in the approved tentative map, OSSMP, and DA. A realigned and shortened Sunnydale Avenue, proposed as an Interim Improvement, necessarily results in a less desirable route to the Bayshore Caltrain Station for all transportation modes;
- e. As per the inter-agency Bayshore Multi-Modal Facility Study, dated March 2017, Sunnydale Avenue is the logical and most convenient multi-modal connection between the T-Third line, MTA bus lines along Bayshore Blvd, the planned Geneva-Harney BRT, and the Bayshore Caltrain Station, as well as for private vehicles, shuttles, pedestrians, and cyclists accessing the above transit facilities:

- f. As an element of the Bayshore Multi-Modal Facility Study, the Planning Department, in consultation with Public Works, San Francisco Municipal Transportation Agency (SFMTA), City and County Association of Governments of San Mateo, City of Brisbane, and Caltrain, has developed four concept-level alternative designs for a Multi-Modal Transportation Facility (Multi-Modal Facility) adjacent to the Caltrain station on Sunnydale Avenue that includes pedestrian and bicycle access, vehicular loading areas, and shuttle loading areas for at least four commuter shuttles. See Exhibit F for the concept designs, which were shared with the public and the Project Sponsor in November 2016.
- g. While the DA requires only that the Project Sponsor build interim pedestrian access to the Caltrain Station via Street F before receiving a temporary certificate of occupancy (TCO) for the first building constructed on Parcel 3 (which is part of the Phase 1 Application), the City has concluded that multimodal access from Sunnydale Avenue to the Station is desirable at the earliest possible stage in the Project to avoid undesirable traffic congestion and vehicular/pedestrian conflicts within the Schlage development site and to provide better intermodal connections between the Caltrain station and shuttles, private vehicles, T-Third Muni Metro, and multiple Muni bus lines on Bayshore Blvd (including future Geneva-Harney Bus Rapid Transit).
- h. As a permanent improvement, the Interim Improvement proposal as well as Bayshore Multi-Modal Facility Study Concepts 1, 2, and 3 (see Exhibit F) would require Planning Commission approval under DA Section 3.3.1 and Planning Code Section 249.45 as Material Changes from the Basic Approvals as compared to the original Sunnydale Avenue alignment approved in the OSSMP. Multi-Modal Facility Concept 4, which generally conforms to the Basic Approvals, would not require approval by the Planning Commission as a permanent Public Improvement.
- i. As an interim improvement, pursuant to DA Section 3.5.1, the Interim Improvement proposed as well as Bayshore Multi-Modal Facility Study Concepts 1, 2, and 3 may be approved by Public Works with the consent of affected City Departments (including the Planning Department), at their respective sole discretion, and subject to any terms or conditions that the City deems appropriate, including sufficient security to guarantee completion and removal of the Interim Condition as well as security for the Permanent Public Improvement.
- j. As noted above, the Project Sponsor proposes to complete construction of all underground utilities, grading, and construction of road base, curb, and gutter for all Project streets during Phase 1.
- k. The City is committed to ensuring that the future street grid and connectivity to the Brisbane Baylands site occurs as planned in the OSSMP and that the street alignments and infrastructure currently being designed for the Schlage site are compatible with this goal. The Project Sponsor must demonstrate its ability to deliver the project as proposed and recognize its obligation to undertake the redesign and reconstruction of any streets on the Schlage site

built as an interim condition relative to the OSSMP. The City will not accept any such Interim Improvement for maintenance or liability.

## **Conditions of Approval**

In light of the findings above, the following conditions apply to the Phase 1 Application approval.

- 1. **Deferral of Caltrain Pedestrian Connection to Phase 2:** In light of the continued existence of the railroad easement held by Jessie Properties across the Schlage site, the Planning Department approves the deferred delivery of the pedestrian connection between Bayshore Blvd and the Bayshore Caltrain Station to project Phase 2.
- 2. Approval of Parcels 1, 2, and 3 and Corresponding Public Improvements: The Planning Department approves the development of Parcels 1, 2, and 3 along with the construction of their corresponding adjacent public improvements (as shown in Exhibit E and as described in Exhibit F of the DA), including Bayshore Boulevard between Parcel 10 and Visitacion Avenue, Raymond Avenue, Leland Avenue, Leland Park, Visitacion Avenue, and Street A between Raymond Avenue and Visitacion Avenue.
- 3. *Approval of Other Phase 1 Public Improvements:* The Planning Department approves the construction of all underground utilities, including combined sewer (CS), low pressure water (LPW), joint trench (JT), 8" Portland concrete cement (PCC) as well as road base, curb, and gutter (not including sidewalks or asphalt concrete topping, which will be installed in conjunction with adjacent vertical development) for Bayshore Boulevard between Visitacion Avenue and Sunnydale Avenue, Street B. and Sunnydale Avenue between Bayshore Boulevard and Street B.
- 4. Approval of Interim Improvements: The Planning Department approves the construction of all underground utilities, including CS, LPW, JT, 8" PCC as well as road base, curb, and gutter (not including sidewalks or asphalt concrete topping) for the Interim Improvements proposed for Street F and for Street A/Sunnydale Avenue between Street F and Street B, to the extent that they do not preclude construction of the Permanent Improvements or the Multi-Modal Facility. The Project Sponsor shall apply to Public Works for approval of both the design and construction of the reconfigured Street F and realigned and shortened Sunnydale Avenue depicted in Exhibit D as Interim Improvements per DA Section 3.5.1, which shall include security to guarantee completion and removal of the interim condition as well as security for the design and construction of the Permanent Improvements.
- 5. **Permanent Improvements and Multi-Modal Facility:** The City will seek to secure funding that can be advanced as a loan to the Project Sponsor to design and construct during Phase 1 the Permanent Improvements for Street F, Street A south of Street F, and Sunnydale Avenue as well as the Multi-Modal Facility as shown in Multi-Modal Study Concept 4. The City and Project Sponsor acknowledge that the final and preferred Multi-Modal Facility design may differ from the four concepts described herein and in Exhibit F attached, and that to the greatest extent possible, conditions, approvals, and funding of any such design will comply with the terms set forth for the four previously identified concepts. The City will work to identify incremental net additional design and construction costs of the Multi-Modal Facility

4

beyond the Project Sponsor's obligations in the DA. Baseline costs will be established by the current contract schedule of values shown in the Construction Services Agreement between Sponsor and our civil infrastructure contractor, dated March 15, 2016, and the Consulting Services Agreement between Sponsor and civil engineer, dated November 17, 2014.

- 6. **Phase 1 Timeline:** The following outlines the timeline for approvals, funding, design, and construction of Phase 1 improvements.
  - a. The Project Sponsor may immediately seek permits for construction of the parcels and public improvements described in Sections 2 and 3 above.
  - b. The Project Sponsor may seek permits for construction of the public improvements described in Section 4 above upon its extinguishment of the railroad easement.
  - c. Availability of funding for Permanent Improvements and the Multi-Modal Facility described in Section 5 above shall be contingent upon extinguishment of the railroad easement.
  - d. The Project Sponsor shall immediately resume its efforts to extinguish the railroad easement during project Phase 1 and shall provide quarterly status updates to the Planning Department on its progress.
  - e. The Caltrain pedestrian connection shall be constructed at the earliest possible opportunity during Phase 2, but in no case later than the TCO for the first building constructed during Phase 2. If the railroad easement is extinguished during Phase 1, the Project Sponsor shall construct the pedestrian connection at the earliest possible opportunity, which may include construction during Phase 1, as determined in coordination with the Planning Department and Public Works.
  - f. Per relevant provisions of the OSSMP, the City will immediately engage with the City of Brisbane to coordinate jurisdictional issues, design standards, and funding mechanisms for the Sunnydale Avenue extension and Multi-Modal Facility designs that extend across city and county boundaries.
  - g. If the City has not secured design and construction funding to advance to the Project Sponsor for the Street F/Street A/Sunnydale Avenue Permanent Improvements, as described in Section 5 above, including the Multi-Modal Facility, by the earlier of either commencement of construction of the last parcel in Phase 1 per Exhibit E, or by the time of commencement of operation of the BRT line planned for Bayshore Boulevard (assuming the Project Sponsor's extinguishment of the railroad easement), the Project Sponsor may finish these streets with sidewalks and asphalt concrete (AC) topping. In this case, Street F Interim Improvements shall be fully constructed with sidewalks and AC topping and ready for public access before the TCO of the final Phase 1 building. Street A/Sunnydale Avenue Interim Improvements may be constructed and remain in interim condition until adjacent parcel development, according to the DA's adjacency principle.
  - h. If the City secures design and construction funding to advance to the Project Sponsor for the Street F/Street A/Sunnydale Avenue Permanent Improvements, including the Multi-Modal Facility, by the earlier of either

5

- commencement of construction of the last parcel in Phase 1 per Exhibit E, or by the time of commencement of the operation of the BRT line planned for Bayshore Boulevard (assuming the Project Sponsor's extinguishment of the railroad easement), these Permanent Improvements shall be designed and constructed by the Project Sponsor and ready for public access as near the earlier of the issuance of the last TCO in Phase 1 or the commencement of operations for the Bayshore BRT line as possible; however, the TCO will not be unreasonably withheld in the event that access to these Permanent Improvements is delayed.
- i. Any funds transferred as a loan to the Project Sponsor from the City for the construction of the Street F/Street A/Sunnydale Avenue/Multi-Modal Facility Permanent Improvements shall be repaid in full before the first TCO is issued for any building on Parcels 5, 6, or 9.
- 7. **Conversion from Interim to Permanent Improvements:** The City will coordinate with the City of Brisbane and the Project Sponsor to design and construct the Street F and Sunnydale Avenue/Street A Permanent Improvements as well as the Multi-Modal Facility (as shown in Bayshore Multi-Modal Facility Concept 4). In particular. the Sunnydale Avenue extension into Brisbane shall remain the preferred long-term, multi-modal access point to the Bayshore Caltrain Station, per the OSSMP. The City shall be responsible to coordinate design approvals with the City of Brisbane and the Project Sponsor. The Project Sponsor shall be responsible for design and construction associated with realigning the Sunnydale Avenue and Street A intersection, including any underground infrastructure, from any approved interim condition to the permanent condition of the Sunnydale Avenue extension.
- 8. Reversion to the Tentative Map: If the Permanent Improvements for Sunnydale Avenue and Street A are implemented prior to the development of Parcel 6, the extent of Parcel 6 within the temporary public access easement on the southeast corner of the Parcel, will revert back to that which is shown on the Tentative Map (see Exhibits A and D attached). If the Permanent Improvements for Street F are implemented before the development of Parcels 8 and 9, the extent of Parcels 8 and 9 necessary to build the temporary cul-de-sac design will revert back to that which is shown on the Tentative Map (see Exhibits A and D attached).
- 9. Street A Retaining Wall Ownership & Maintenance: Due to the retaining wall built partially under Street A. Street A between Visitacion Ave and Raymond Ave shall remain private property in perpetuity. The Project Sponsor or its successor shall maintain responsibility for maintaining this portion of Street A in perpetuity.
- 10. Implementation of the Mitigation Monitoring and Reporting Program: The Project Sponsor shall continue to coordinate with Environmental Planning and other City Agency staff on implementing the requirements set forth in the Mitigation Monitoring and Reporting Program (MMRP).
- 11. Below Market Rate (BMR) Housing Units: This Phase I approval is also conditioned on the Project Sponsor's good faith effort to coordinate and review with the Director of the MOHCD all inclusionary housing obligations. With an understanding that buildings are still in design review, any changes to unit counts must be made explicit to the Planning Department and MOHCD before the submittal of a building permit

application, including the manner in which the inclusionary housing requirement will be satisfied.

#### **Public Notice**

Per the DA Section 3.4.4 (a), the Planning Department and Project Sponsor co-hosted a pubic, post-application informational meeting on June 14, 2017, approximately fifteen days from the initiation of the thirty-day public review period (June 2, 2017). Per DA Section 3.4.4 (a), Planning Department staff disseminated notice regarding the informational meeting to residents in Visitacion Valley and other interested parties. On July 28, 2018, Planning Department staff hosted a public informational meeting to update the Visitacion Valley community on the revised Phase 1 Application. Planning staff will submit a written informational update to the Planning Commission on this revised approved Phase I Application.

#### **Next Steps**

This Phase I Application Approval is effective upon receipt by the Planning Department of a response letter from the Project Sponsor agreeing to the terms and conditions herein.

Please direct any remaining questions regarding the following topics to the appropriate staff:

Design Review and Building Permit applications	Esmeralda Jardines Planning Department, Current Planning Division, SE Team	415-575-9144 esmeralda.jardines@sfgov.org
Street & Community Improvement Design	John M. Francis, Planning Department, Citywide Planning	415-575-9147 john.francis@sfgov.org
Environmental Review	Joy Navarrete, Planning Department, Environmental Planning	415-575-9040 joy.navarette@sfgov.org
Tentative Map and Infrastructure Coordination	Barbara Moy, Public Works, Infrastructure Task Force	415-558-4050 barbara.moy@sfdpw.org

We look forward to continuing to work with you on this important project.

Tohn Rahaim

Planning Director

7

cc: Joaquin Torres, OEWD

Ken Rich, OEWD

Robin Havens, OEWD

Barbara Moy, DPW

Don Miller, DPW

Levon Jalalian, DPW

Bruce Storrs, DPW

James Ryan, DPW

Molly Petrick, SFPUC

Ken Lombardi, SFFD

Michie Wong, SFFD

Ketty Fedigan, SFFD

Ronald Tom, SFDBI

Kate Hartley, MOHCD

Joshua Switzky, SF Planning

John M. Francis, SF Planning

Jeremy Shaw, SF Planning

Susan Gygi, SF Planning

David Winslow, SF Planning

Esmeralda Jardines, SF Planning

Rich Sucre, SF Planning

Joy Navarette, SF Planning

Adam Varat, SF Planning

Sarah Jones, SFMTA

Frank Markowitz, SFMTA

Heidi Gewertz, City Attorney's Office

Andrew Shen, City Attorney's Office

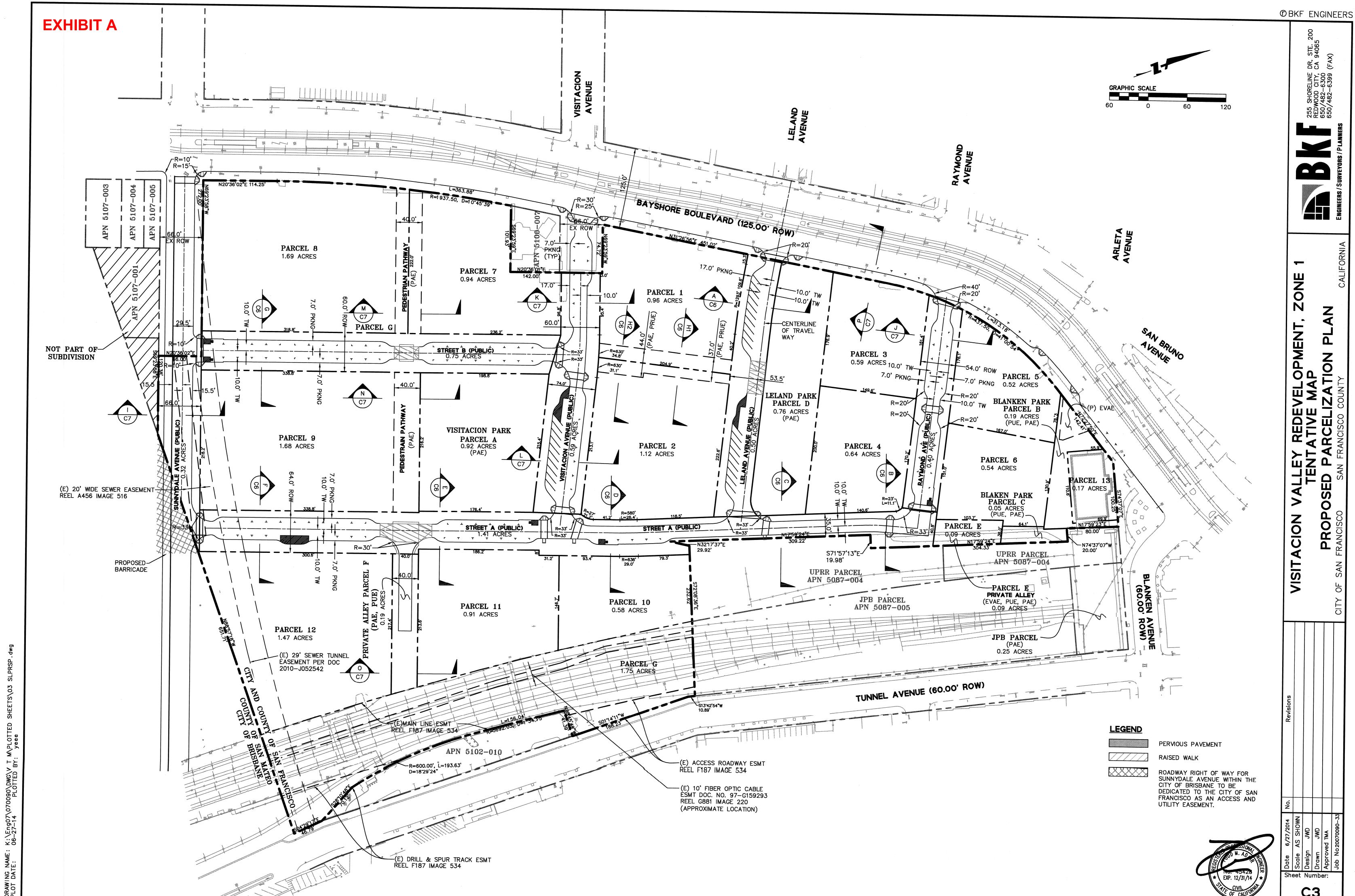
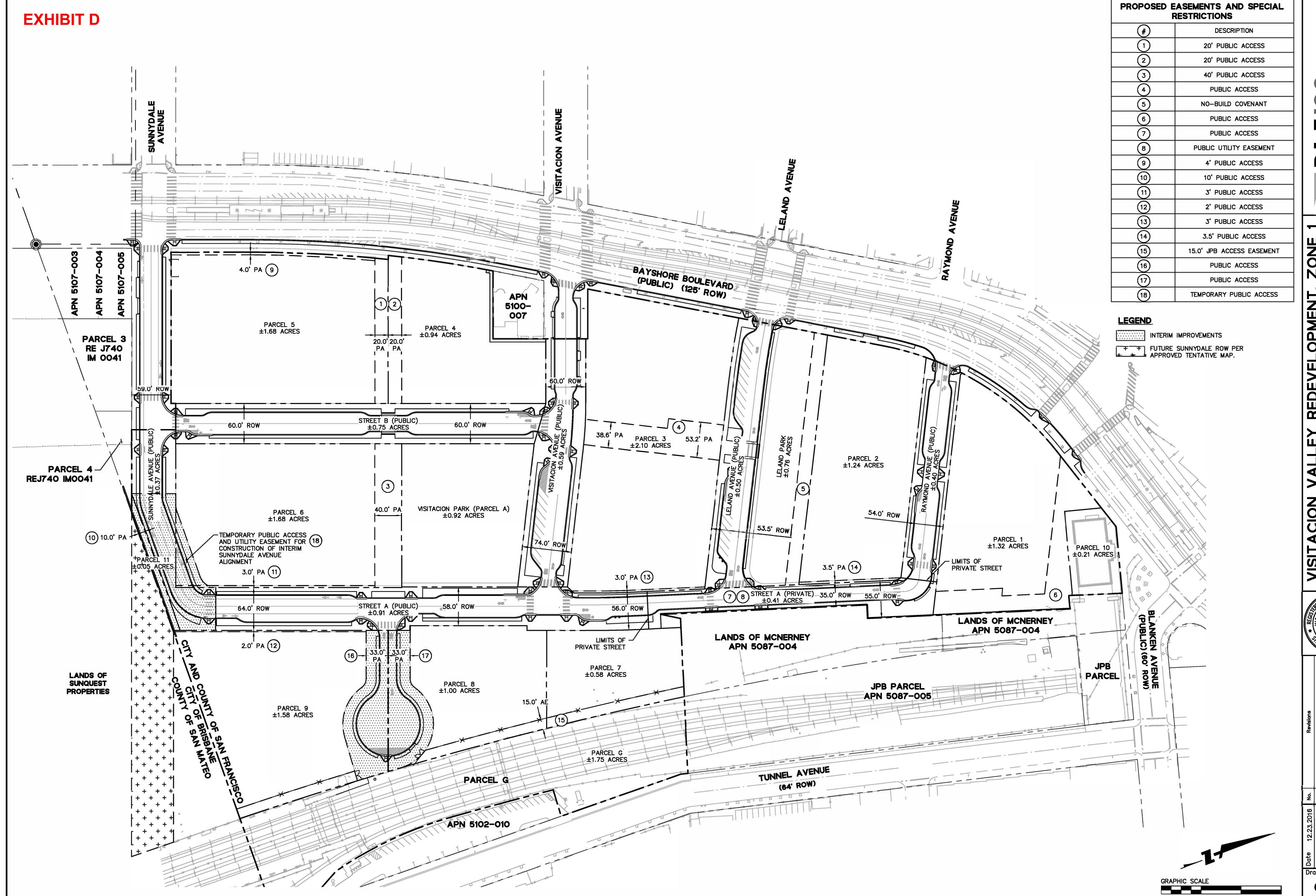


figure 42: overall streetscape master plan

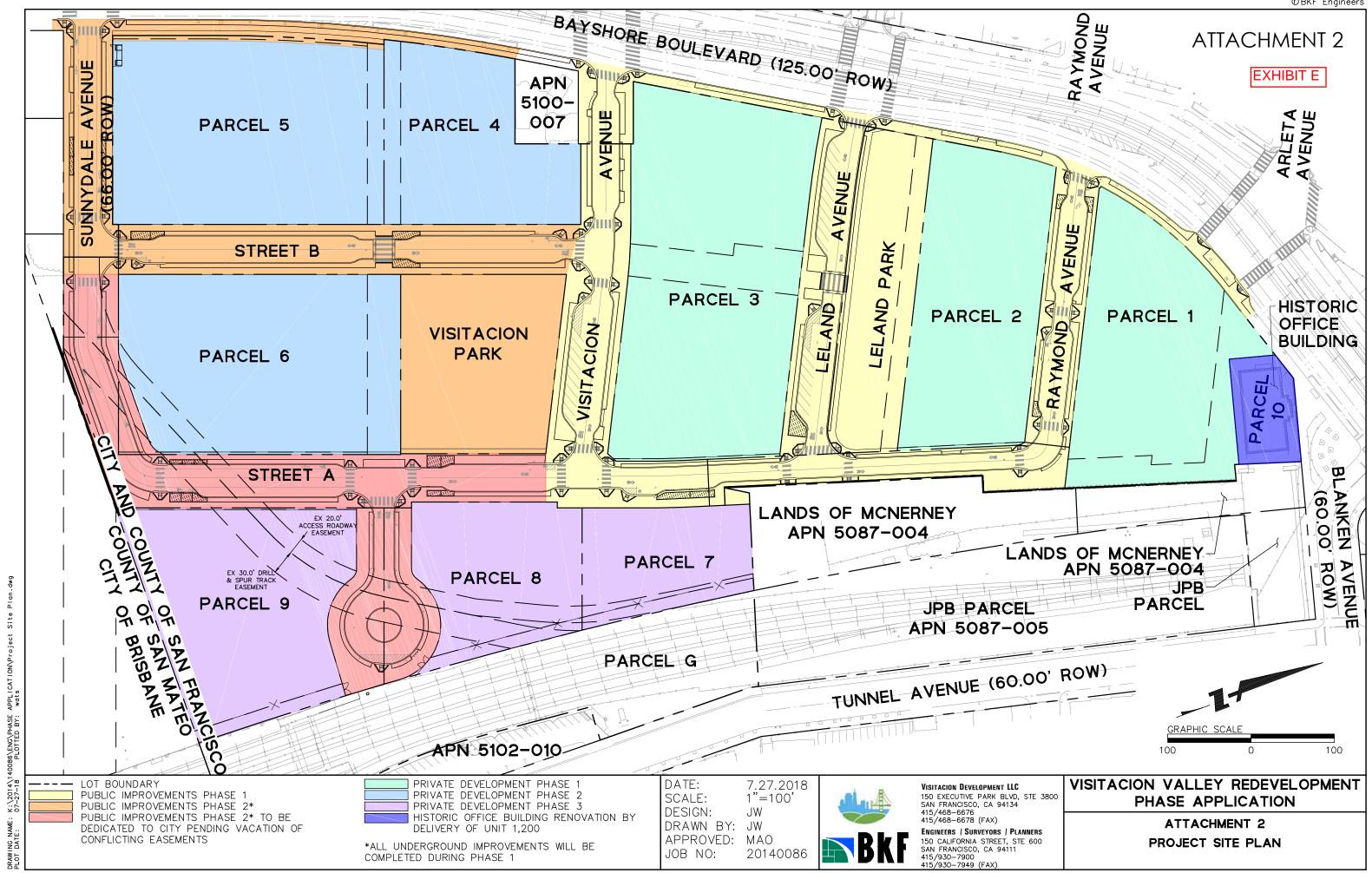


Source: BKF ENGINEERS, 05/2014



**3OVEMENTS\*\*\*** 

Drawing Number: C1.09 



## EXHIBIT F (page 1)

## The Bayshore Multi-modal Facility would include the following elements:

Pedestrian Access 行人專用道



Wayfinding/Information 地圖/指示牌



Bike Share 自行車短期租賃



Enhanced pedestrian connections between future Bus Rapid Transit, buses & rail transit



Shuttle Loading Area 巴士站

Bicycle Access

自行車專用道



Protection from the Sun and Wind

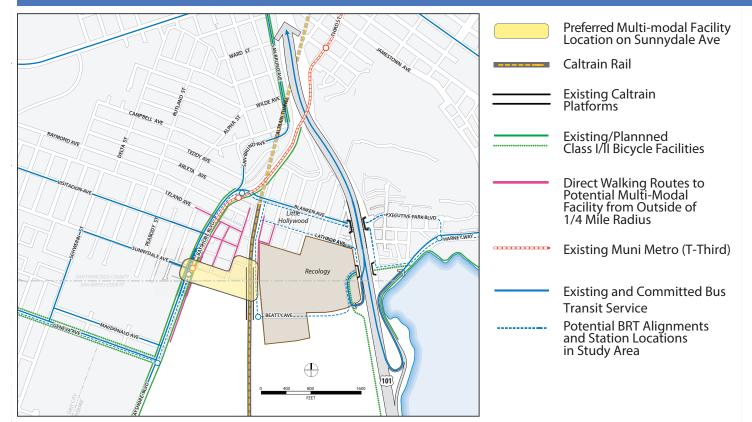
Public Seating



公共休息區域

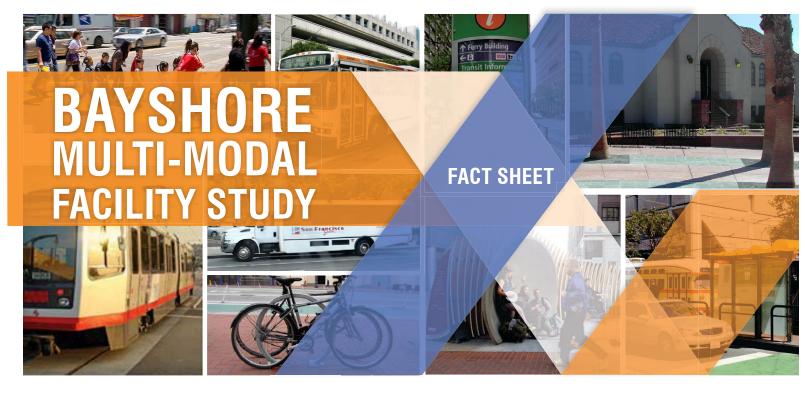


## Study area map and preferred multi-modal facility location on Sunnydale Avenue



<sup>\*</sup> If projected conditions change, other locations for a facility or facility elements are possible

The City and County of San Francisco is independently conducting the study with a grant from the Metropolitan Transportation Commission (MTC). Throughout the Study, San Francisco Planning will coordinate with Caltrain, MTC, the City of Brisbane, SamTrans, and several San Francisco agencies including San Francisco County Transportation Authority (SFCTA), Municipal Transportation Agency (SFMTA), Office of Community Investment and Infrastructure (OCII), Office of Economic and Workforce Development (OEWD), and the Office of the Mayor.



## PROJECT BACKGROUND

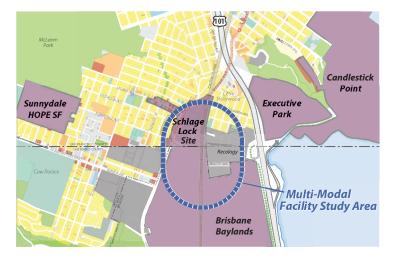
Extensive growth in the bi-county, Bayshore area is placing significant pressure on regional and local transportation systems. To meet both current neighborhood needs as well as the expected increase in travel and commuting demand, several transportation improvements have been identified for the bi-county area; including Muni Forward service enhancements, US-101/Candlestick Point interchange, Caltrain Modernization and Geneva-Harney Bus Rapid Transit.

A multi-modal facility is one significant way to better connect these improvements and serve future transportation demand in the bi-county area. A facility will also support regional priorities of coordinating land use and transportation planning, as well as reducing greenhouse gas (GHG) emissions.

The Bayshore Multi-Modal Facility Study is analyzing alternative locations, conceptual designs, and implementation plans for such a facility in the Bayshore area based on consultant analysis, public agency input and community feedback.

## WHAT IS A MULTI-MODAL FACILITY?

Multi-modal facilities link transportation services and infrastructure within a single location or area, providing better access and connectivity for people using regional and rapid transit, local buses and shuttles, private vehicles (cars/trucks), cycling, and walking. Facilities can take many forms including: special street designs, a kiosk, shared platforms or even a station. For example elements which can be part of a facility, see the back of this fact sheet.



## FOR MORE INFORMATION

http://sf-planning.org/bayshore

Jeremy Shaw, Project Manager San Francisco Planning Department Jeremy.Shaw@sfgov.org | (415) 575-9135



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# **BAYSHORE MULTI-MODAL FACILITY STUDY CONCEPT ALTERNATIVES**



**ALTERNATIVE 1**: Facility access within San Francisco; consistent with original plans for Schlage Lock development



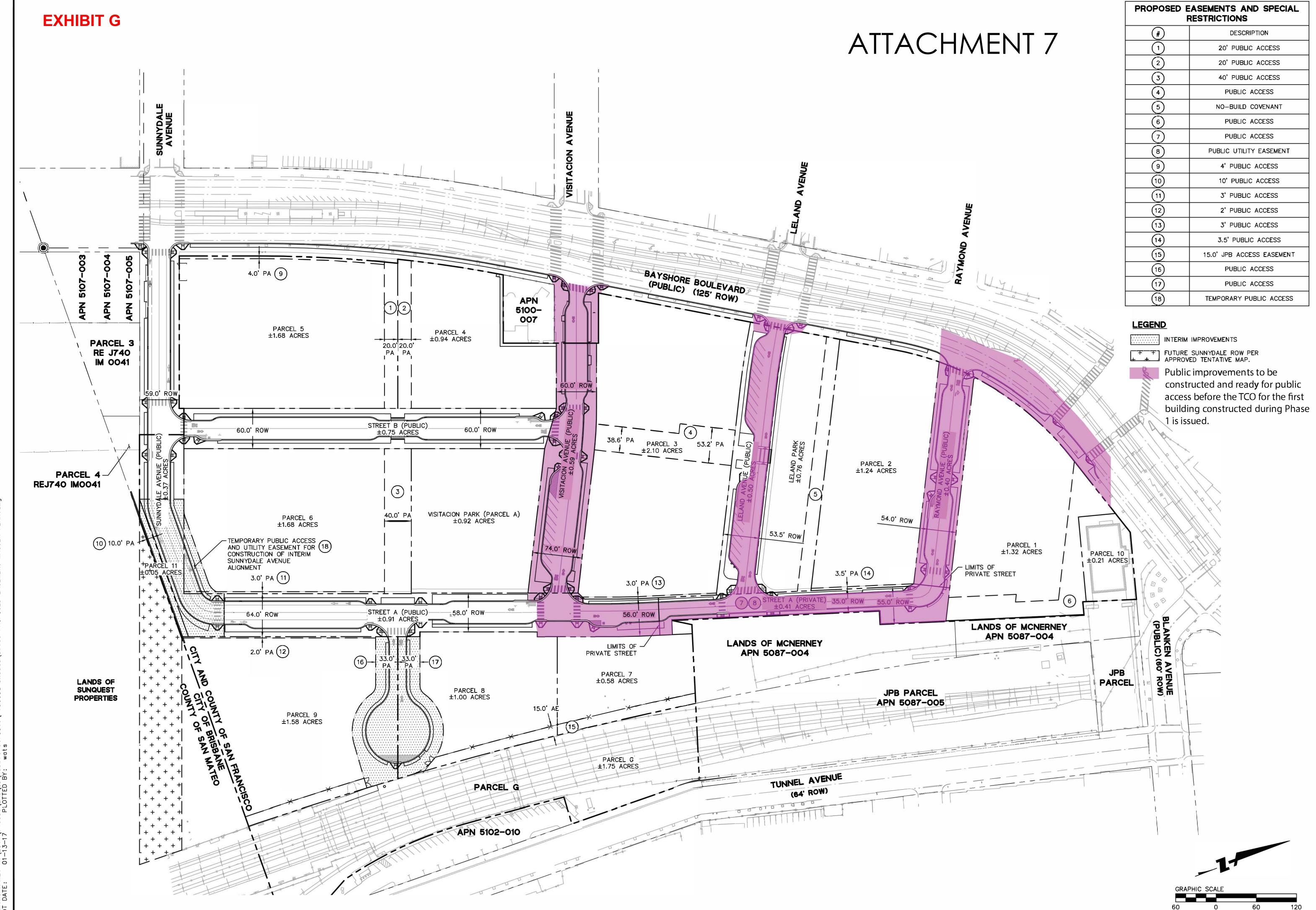
**ALTERNATIVE 3:** Sight line from Bayshore Blvd; protected bike path; the most space for all vehicular loading



ALTERNATIVE 2: Facility access within San Francisco; all transfer activity on Street A



**ALTERNATIVE 4:** Sight line from Bayshore Blvd; protected bike path; vehicular loading near platform; the most developable land



C1.09