

751 Gateway Blvd., South San Francisco, CA
ALEXANDRIA REAL ESTATE EQUITIES, INC.

PROPOSED TRANSPORTATION DEMAND MANAGEMENT PLAN

Prepared by

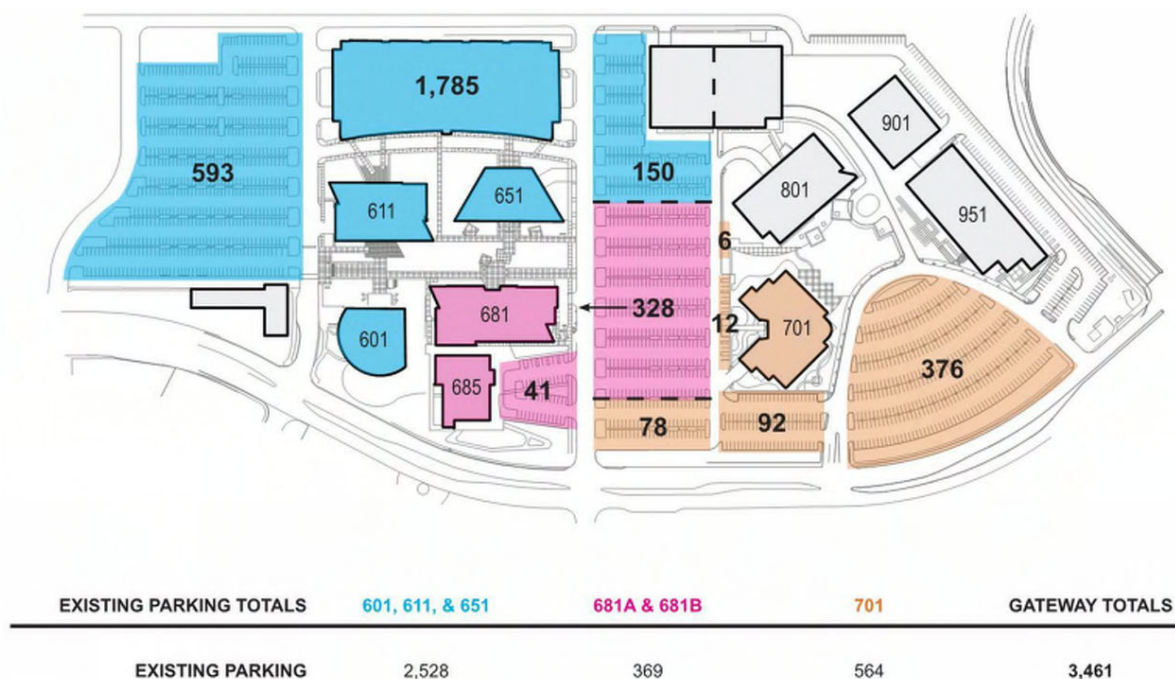
SILVANI TRANSPORTATION CONSULTING - DECEMBER 2019

Background & Project Description

The proposed project at 751 Gateway Blvd is a strategic addition to an existing eight-building Gateway campus with an aggregate of some 1.4 million square feet. Uses currently range from office to R&D to medical and childcare. Overall parking facilities include 4,330 parking spaces. Two multi-story parking structures provide 2,444 spaces; another 1,886 are in surface lot spaces.

Figure 1: Gateway Campus Occupancy and Total Parking Facilities

Address	SF	Use	Parking	Ownership
601-611-651 Gateway	766,476	Office, Child Care	2,528	Boston Properties
681-685 Gateway	144,609	Lab	369	Alexandria
701 Gateway	173,496	Office	564	Alexandria
801 Gateway	145,275	Medical	423	San Mateo County
901-951 Gateway	168,198	Lab	446	Alexandria



The properties are fully leased, many with long-term tenants, and the current parking supply has historically and still exceeds demand.

Figure 2: Gateway Campus Parking Utilization (as of Summer, 2018)

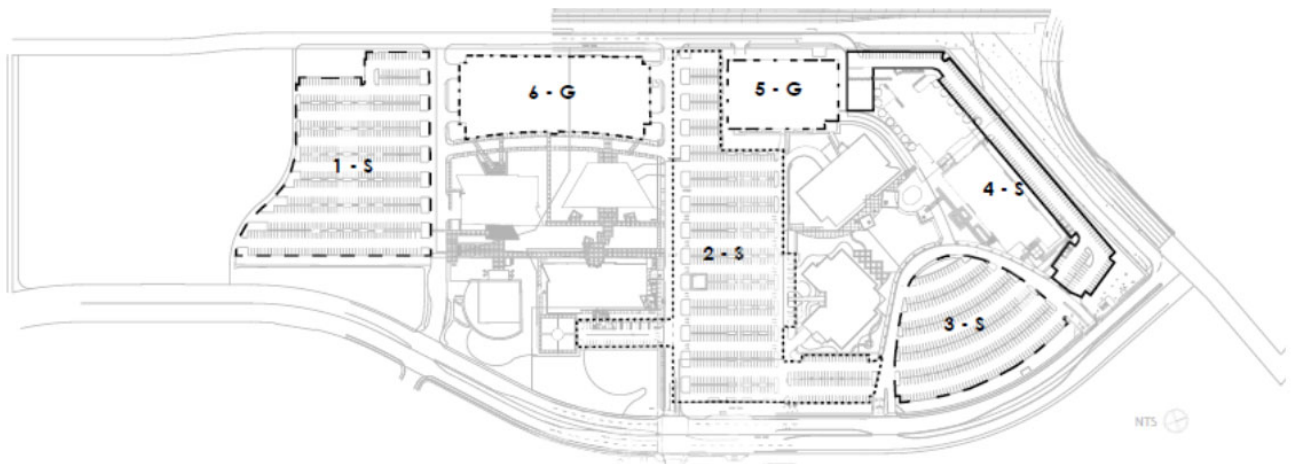
Parking Area	Total Unrestricted Spaces	8/15/2018 – 11am Occupied	8/28/2018 – 1:30pm Occupied	Percent Occupied (Average)
1 – Surface	593	435	408	71%
2 – Surface	707	267	309	41%
3 – Surface	376 *	265	210	63%
4 – Surface	210	156	160	75%
5 – Garage	659 ⁽¹⁾	250	200	34%
6 – Garage	1785 ⁽²⁾	650	683	37%

*Site of proposed 751 Gateway Project

(1) Ground and Level 1 95% occupied; Levels 2 and above 5% or less occupied

(2) Ground, basement and Level 1 97% occupied, including ADA; Level 2 and above less than 5%

Other: Surface lot ADA. EV and short term (2 hr) parking 10 to 50% occupied



This Plan excludes properties and associated parking at 801 and 901-951 Gateway; shown as items #4 and #5 in the chart above. San Mateo Health and Theravance are longtime occupants at these sites with long-term leases remaining.

751 Gateway Project Site

The proposed project at 751 Gateway will be built on a currently under-utilized surface parking lot containing 376 parking spaces. The project's predominant use will be as an R&D lab, housing a lower density employee population than that of a traditional office. The new building will house between 800

and 850 employees. Employees at R&D facilities also tend to have a greater percentage of employees arriving and departing the work site at non-peak times.

751 Gateway is envisioned as a seven-story building with 208,798 SF of lab and office space. Parking is based on a Floor Area Ratio of 2.0/ksf for lab space. This will result in a need for 418 parking spaces.

Importantly, this project will also partner with 701 Gateway; an existing 173,496 SF R&D and office building. Integral in this partnership, Alexandria proposes to reduce its FAR from 3.25 to 2.5 (434 parking spaces). This will result in the need for a total of 852 parking spaces for both 701 and 751 Gateway.

Current Conditions

Gateway campus properties, like many others in the East-101 district, must target a specific 28% alternative mode split goal as part of their respective development agreements with the City. A range of TDM measures are required in support of these targets, as well as reporting to the City on an annual basis.

According to a recent City survey of the entire E-101 area, the current alternative mode split falls short of this target with 19% using alternative modes and 81% of the population driving alone. Some 83% of employees commute from San Francisco or San Mateo county cities; another 9% live in the East Bay; 6% in Santa Clara; and 2% in the North Bay.

Commute times in the East-101 district are concentrated in traditional peak hours, with most workers arriving between 7 and 9am and leaving between 3 and 6pm.

Interestingly, the alternative mode split amongst employers and/or properties with aggressive TDM investments and programs looks quite different. Alexandria, which owns multiple properties throughout the East-101 area, reports alternative mode splits ranging from 22% to over 50%, and Genentech consistently averages over 40%. Too, these sites employ thousands of life sciences workers, many who also have greater flexibility in work hours and schedules.

Constraints

The East-101 area has significant geographic constraints which are challenging for TDM.

- It is geographically isolated with limited access via already at-capacity roadways
- It is 15-20+ minutes from the nearest BART and Caltrain stations which provide frequent service; it can take even longer in bad traffic which can make it difficult to meet certain trains.
- Heavy traffic on Oyster Point Blvd and Grand Aves, the two arterials leading to and from Highway 101 and/or across the highway, results in long queues on highway ramps as well as surface streets for all vehicular traffic, whether HOV or SOV, transit, trucks or other service vehicles

- Oyster Point, Grand and other main thoroughfares have no pullouts for either public or private transit stops, making service inefficient and/or inconvenient
- Pedestrian and bike facilities are incomplete and unsafe
- Highway 101 is one of the most heavily congested highways in the area

While some solutions such as synchronizing signals and reconfiguring turn lanes may provide incremental improvements, it will take a multi-faceted community-wide cooperative approach to significantly reduce the current 81% SOV rate for this population of some 30,000.

Proximity to Caltrain

The Gateway's proximity to the South San Francisco Caltrain station (a direct, less than half a mile walk) will encourage many who can use Caltrain to do so. This station will benefit greatly from electrification with more trains serving the SSF station, greater capacity and frequency, making it an attractive commute option for many employees. The new station will also offer new connections from downtown and with local SamTrans bus lines. In addition, the growing popularity and availability of shared personal mobility vehicles (bikes and scooters) will help maximize connections between the Caltrain station and the Gateway campus.

A New Cooperative Approach to Achieving TDM Goals

Alexandria is committed not only to achieving the TDM standards required of its individual properties including the proposed 751 Gateway project, but also supporting the East 101 community in implementing more effective and mutually beneficial holistic TDM solutions. For over a year, ARE has been in discussion with other property owners and employers to explore how the creation of a more centralized structure and network of services can benefit all participants.

Several potential pilot concepts have emerged including increasing the frequency and hours of shuttles serving transit hubs, offering 'one-seat' rides from close-in communities like Pacifica; utilizing excess capacity on private shuttles and expanding use of the waterways. We are optimistic that we'll be able to launch an initial pilot in the near-term. Earlier in 2019, Alexandria partnered with Genentech to open some of G-Ride's underutilized capacity to its tenants, including those at Gateway.

This Plan implements a more cooperative approach to TDM in ways that will benefit all properties in the Gateway campus, both Alexandria-owned and otherwise.

The Framework for TDM at 751 Gateway

City Goals

The design of the City's TDM requirements aims to:

- Reduce the amount of traffic generated by new non-residential development
- Ensure that expected increases in traffic resulting from growth in employment opportunities in the City of South San Francisco will be adequately mitigated.
- Reduce drive-alone commute trips during peak traffic periods by using a combination of

- services, incentives, and facilities.
- Promote the more efficient utilization of existing transportation facilities and ensure that
- new developments are designed in ways to maximize the potential for alternative
- transportation usage.
- Establish an ongoing monitoring and enforcement program to ensure that the desired alternative mode use percentages are achieved.

The City's guidelines for TDM require that all projects that generate greater than 100 daily trips and are seeking a FAR bonus achieve a required alternative mode use goal of 28 percent. This project is not seeking a FAR bonus. Progress is monitored through annual surveys and reporting to the City.

Alexandria is proposing a higher standard for the 751 Gateway project of 35% within its first three years; with an increase to 40% in beginning in its fourth year of reporting.

The City requires 14 specific TDM measures at projects in this area. These may be augmented by another nine as appropriate. It should be noted that as infrastructure, services, commute patterns and employee populations shift, so likely will the 'mix' of TDM for maximum effectiveness. For this reason, maintaining flexibility to accommodate new technologies, services and rider preferences is essential in developing TDM programs which will respond to these changes in the marketplace. We therefore suggest a flexible TDM program, using the following requirements as a basic framework, but adjustable as technologies, employers, and employees' needs evolve.

Required Measures/*Proposed for 751 Gateway:*

1. ***Carpool and Vanpool Ridematching Services.*** The designated employer contact shall be responsible for matching potential carpoolers and vanpoolers by administering an online and app-based carpool/vanpool matching application. The application shall match employees who may be able to carpool or vanpool. *Technology has replaced the employer's role as an intermediary in carpool formation and operation. Apps such as Scoop and Waze match drivers and riders in real-time for individual trips. This minimizes the involvement of both property owners and employers. Individual employers may choose to subsidize shared rides to further incentivize pools. Our primary objective will be to actively promote availability of these services and to encourage tenants to subsidize this mode.*
2. ***Designated Employer Contact.*** Each applicant shall designate or require tenants to designate an employee as the official contact for the trip reduction program. The City shall be provided with a current name and phone number of the designated employer contact. The designated employer contact shall administer carpool and vanpool ridematching services, the promotional programs, update information on the information boards/kiosks, and be the official contact for the administration of the annual survey and triennial report. *This is a standard provision in all leases; in addition, the Alexandria point person for this property will*

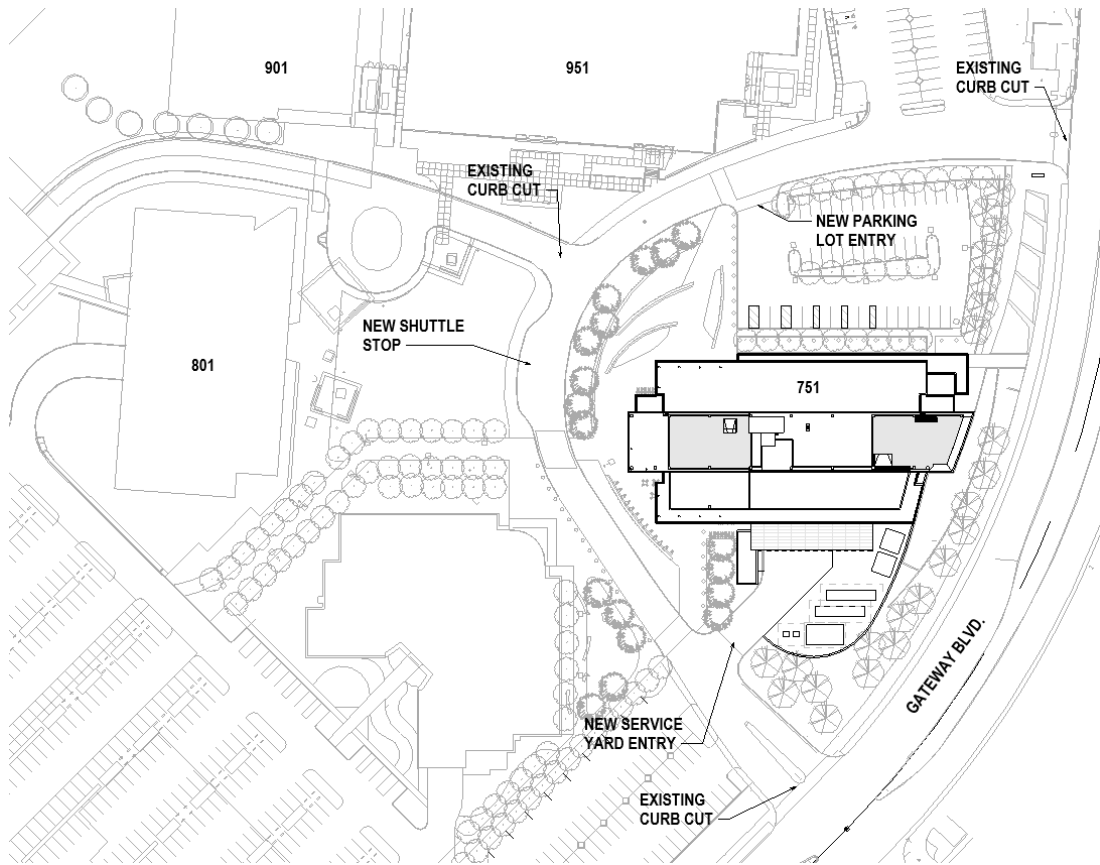
be in ongoing communications with the Employer Contact with regard to making sure the TDM efforts are continuous and effective.

3. **Direct Route to Transit.** A well-lighted path or sidewalk shall be provided utilizing the most direct route to the nearest transit or shuttle stop from the building. *A new semi-circular entry from Gateway Blvd to the campus will have dedicated cut-out areas for shuttles and pedestrian drop-off areas. These will provide easy access not only for tenants at 701 and 751 Gateway, but other properties, as well. New pedestrian connections will run between this central hub and other campus properties. There will also be safe and direct pedestrian access to Gateway Blvd from this new roadway.*
4. **Guaranteed Ride Home.** Carpool, vanpool and transit riders shall be provided with guaranteed rides home in emergency situations. Rides shall be provided either by a transportation service provider (taxi or rental car) or an informal policy using company vehicles/and or designated employees. *This is an existing service managed by the Alliance, of which Alexandria is a 'developer' level supporter. Alexandria's tenants are automatically enrolled in this insurance program as a result.*
5. **Information Boards/Kiosks.** The designated employer contact shall display in a permanent location the following information: transit routes and schedules; carpooling and vanpooling information; bicycle lanes, routes and paths and facility information; and alternative commute subsidy information. *This information will be displayed digitally on large monitors in lobbies through TransitScreen or an equivalent vendor. These screens will promote and provide walking times to nearby transit; availability of location of bikes and scooters and other shared mobility resources. It is hoped that soon, real time comparisons showing driving alone vs. travel in express lanes on highway 101 will also be available.*
6. **Passenger Loading Zones.** Passenger loading zones for shuttles, carpool and vanpool drop-off shall be located near the main building entrance. *A passenger drop-off will be in a cut-out along the main entry to the project. This location will enable vehicles to either continue through the Gateway campus to pick up or drop off at other sites, or to easily turn around to leave the campus without having to enter parking lots.*
7. **Pedestrian Connections.** Safe, convenient pedestrian connections shall be provided from the project to surrounding external streets and, if applicable, trails. Lighting, landscaping and building orientation should be designed to enhance pedestrian safety. *The project fronts Gateway Blvd and will have a covered walkway to this main arterial as well as a direct connection between its entrance and a passenger drop off area on the new access roadway that circles the project. Additionally, Alexandria is proposing a new pedestrian connection between 751 and two other properties which will increase walkability and access to various*

services.

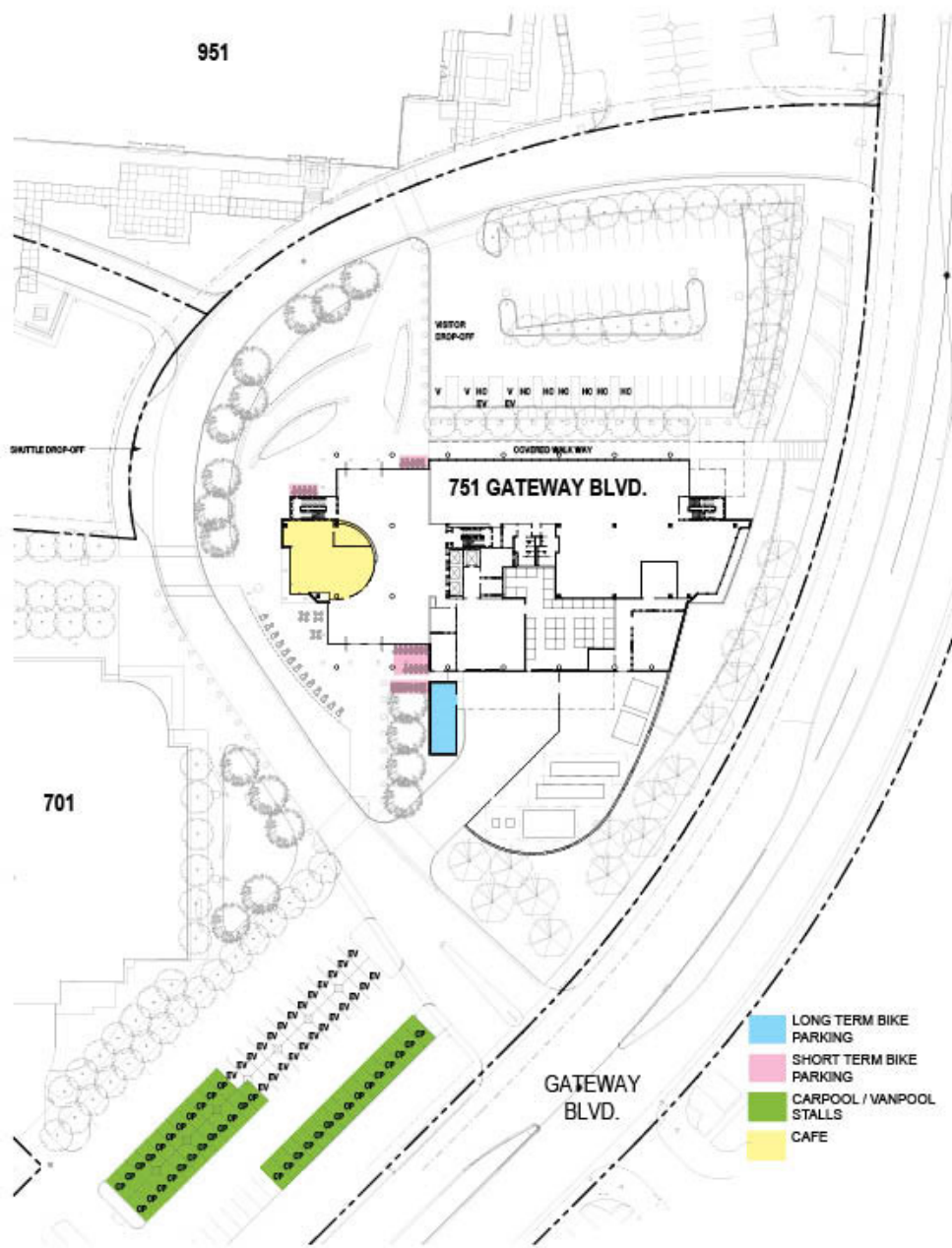
8. **Promotional Programs.** The following promotional programs shall be promoted and organized by the designated employer contact: new tenant and employee orientation packets on transportation alternatives; flyers, posters, brochures, and emails on commute alternatives; transportation fairs; Spare the Air; Rideshare Week; trip planning assistance-routes and maps. *Alexandria will also prepare digital promotional material for tenants' use as well as distribute collateral from the Alliance, vendors such as Scoop and other service providers. The Alliance, Scoop, Waze and other TDM resources will be included in any Tenant Appreciation Days or other special events sponsored by Alexandria throughout the year.*
9. **Showers/Clothes Lockers.** Shower and clothes locker facilities shall be provided free of charge. *These facilities will be housed in the Fitness Center located on the ground floor of the project.*
10. **Shuttle Program.** Establish a shuttle program or participate in an existing program approved by the Chief Planner and subject to any fees for the existing program. *The Gateway Association is already a participant in the Gateway Shuttles; Alexandria supports the Alliance shuttles and will participate in new services as they are offered. A designated cut-out for shuttles is also part of the roadway along the frontage of 751 Gateway which will improve access not only to campus-wide shuttle riders but improve efficiency for shuttle operations.*

Figure 3: Passenger Loading Zones



11. **Transportation Management Association (TMA).** The applicant shall participate or require tenant to participate in a local TMA, the Peninsula Congestion Relief Alliance (Alliance) or a similar organization approved by the Chief Planner, which provides ongoing support for alternative commute programs. *Alexandria is a participant in the Alliance programs and is also actively working with others in the East 101 district to develop additional cooperative TDM services.*
12. **Bicycle Parking, Long-Term.** The applicant shall install long-term bicycle parking in compliance with the requirements of the zoning district. Bicycle parking shall be located within 75 feet of a main entrance to the building and all long-term spaces must be covered. Long-term bicycle parking shall be achieved by providing one or more of the following measures:
 - a. Parking in a locked, controlled access room or area enclosed by a fence with a locked gate;
 - b. Lockers;
 - c. Parking within view or within or within 100 feet of an attendant or security guard;
 - d. Parking in an area that is monitored by a security camera;
 - e. Providing fixed stationary objects that allow the bicycle frame and both wheels to be locked with a bicycle-locking device or the bicyclist supplying only a lock and six-foot cable;
 - f. Additional measures may be approved by the Chief Planner.*Long-term, secure bike storage will be provided indoors at the main entry to 751 Gateway and will consist of 36 which exceeds the 24 required.*
13. **Bicycle Parking, Short-Term.** The applicant shall install short-term bicycle parking in compliance with the requirements of the zoning district. Bicycle parking shall be located within 100 feet of a main building entrance to the building. Security shall be achieved by using one or more of the same methods used for securing long-term bicycle parking. *Short-term facilities will consist of 90 bicycle racks on the exterior of the project, along the main entryway. This exceeds current zoning requirements of 60. The diagram below shows these appointments.*

Figure 4: Bicycle Facilities, Carpool Parking, & Café Locations



14. **Free Parking for Carpools and Vanpools.** Ten percent of vehicle spaces shall be reserved for carpools or vanpools, with a minimum of one space required. Such spaces shall be provided in premium and convenient locations. These spaces shall be provided free of charge. *Carpool spaces are sited as close to the entrance to 751 Gateway as*

possible, as shown in Figure 4 above. More spaces can and will be added in the adjacent parking spaces if and as needed.

Additional measures may be implemented as well. They include:

1. **Alternative Commute Subsidies/Parking Cash Out.** Employees shall be provided with a subsidy, determined by the applicant and subject to review by the Chief Planner if they use transit or commute by other alternative modes. *Many employers do offer either a partial or full subsidy of transit, rideshare and use of other modes. All leases include a pro-rated cost share for the provision of 'free' shuttles and other services for employees and visitors. This in effect is an employer subsidy for these programs.*
2. **Bicycle Connections.** If a site is abutting a bicycle path, lane or route, a bicycle connection shall be provided close to an entrance to the building on the site. *Gateway Blvd is part of the City's master Bicycle network and is a Class III bikeway.*
3. **Compressed Work Week.** The applicant shall allow employees or require their tenants to allow employees to adjust their work schedule in order to complete the basic work requirement of five, eight hour workdays by adjusting their schedule to reduce vehicle trips to the worksite. *It's common practice in the life sciences industry to allow for this flexibility for those whose work permits it.*
4. **Flextime.** The applicant shall provide or require their tenants to provide employees with staggered work hours involving a shift in the set work hours of all employees at the workplace or flexible work hours involving individually determined work hours. *The nature of many R&D operations requires workers to be on-site at specific times; tenants with national or global reach also coordinate with their counterparts elsewhere, which may limit their ability to offer flexible work shifts. When possible, most employers do so. We expect the current trend of working remotely at least one day a week to continue (for those who can).*
5. **Land Dedication for Transit/Bus Shelter.** Where appropriate, land shall be dedicated for transit or a bus shelter shall be provided based on the proximity to a transit route. *The project is adjacent to a bus shelter and protected bus stop on Gateway Blvd.*
6. **Onsite Amenities.** One or more of the following amenities shall be implemented: ATM, day care, cafeteria, limited food service establishment, dry cleaners, exercise facilities, convenience retail, post office, on-site transit pass sales. *A café will be located adjacent to the main entry to the project. This gives employees not only a place to eat throughout the day, but for small meetings as well as a safe, protected waiting area for the passenger pick-up/drop zone.*
7. **Paid Parking at Prevalent Market Rates.** Parking shall be provided at a cost equal to the prevalent market rate, as determined by the City based on a survey of parking in North San Mateo County. *Tenant leases will include pricing for parking. Parking pricing may well change in the future as demand and market conditions evolve; more dynamic pricing is likely.*
8. **Reduced Parking.** In accordance with General Plan Policies related to Transportation Demand

Management, reduced parking, consistent with projected trip reduction identified in the preliminary TDM plan, may be permitted subject to approval of the Planning Commission. *It is a proven fact that availability of ample parking is a huge disincentive to using non-SOV modes to commute and that decreasing minimums is one of the most effective TDM strategies. Alexandria's studies in spring and summer of 2018 including on-site counts and aerial studies of the campus indicate existing parking facilities are significantly underutilized. Thus, Alexandria is proposing a reduction to a ratio of 2.0 per KSF for most of the lab facilities at the Gateway campus; and 2.5 for office buildings. This results in a new total amount of parking required of 3,057 spaces. This proposal shows a new total availability of 3,099 spaces which will still exceed the revised parking requirement by 42 spaces. This represents an important new collaboration between multiple property owners and tenants at the Gateway campus, as it launches the first 'shared parking' agreements, implements reduced parking ratios area-wide, and maximizes utilization of existing facilities which are underutilized by 25 to 70%. The proposed campus-wide redistribution of parking will be of mutual benefit to all properties at the Gateway Campus.*

Figure 5: Proposed Campus-Wide Parking Revisions

Property	Proposed Parking (2.0/KSF for lab; 2.5/KSF for office)
601, 611, 651 Gateway	1,916
681, 685 Gateway	289
701 Gateway	434
751 (new building)	418

9. **Telecommuting.** The applicant shall provide or require tenants to provide opportunities and the ability to work off-site. *Again, this is tenant-specific, although trends indicate that on any given day, as many as 25% of workers may be working off-site.*

10. **Other Measures.** Additional measures not listed in this chapter, such as childcare facilities and an in-lieu fee that would be negotiated in a development agreement with the City.

Alexandria is a participant in new East 101-area wide programs; it will be open to implementing new technologies and services as they come about; and its TDM strategies will continue to be on the leading edge with effective marketing and incentives. Alexandria is a major financial stakeholder supporting the proposed CFD which could fund TDM and much-needed roadway improvements for the entire E-101 community. We are represented on the City's 2020 Mobility Plan committee and in the US-101 Mobility Action Plan working group.

An aggressive utilization of the above TDM measures for this project will allow the project to meet a proposed 35% alternative mode split within its first three years, and to achieve 40% in subsequent years. It will also offer immediate and permanent benefits to other properties at the Gateway campus.

Accountability & Reporting

Responsibility for implementation of specific measures is shown in the chart below:

Measure	Developer/Owner	Tenant(s)	The Alliance/Vendors
Carpool matching		X (information)	X
Designated Contact	X	X	
Direct Path to Transit	X		
Guaranteed Ride Home	X (thru Alliance)	X (through Alliance)	X
Information	X	X (updates)	
Passenger Drop Off	X		
Pedestrian Connections	X		
Promotions	X	X	X
Showers & Lockers	X		
Shuttle Programs	X		X
TMA Participation	X		
Bike Parking (all)	X	X	
Carpool Parking	X	X	

Reporting

Tenant(s) will coordinate with Alexandria the annual survey to be used which will determine the tenant's mode split for that calendar year. This survey, conducted in October of each year, along with the compliance reports, parking lot occupancy counts and other data points will be used to illustrate the efforts and effectiveness of the TDM programs and services. This data will be shared with Alexandria and used as the basis for the annual report to the City.

Summary

Because the 751 Gateway project will primarily consist of lab and R&D uses, the employee population is estimated to be in the 800-850 range. A not insignificant percentage of employees will be commuting outside of typical peak hours, and the trip generation rate for nearly 70% of the employees at this site will be at the lower person-trips per 1000 KSF rate for laboratory workers instead of the higher rate per 1,000 KSF for typical office workers.

We believe one reason parking supply at the Gateway campus as well as at many other sites in the East-101 area are under-utilized is that parking has traditionally been built based on office uses. As this area has become more of an R&D hub for biotech, employee densities have gone down and with it, the need for so much parking. Having said that, traffic conditions have progressively worsened, both within the East-101 district and on the highways and local roadways leading in and out of the area.

The challenge for the TDM program at 751 Gateway will be to provide an appropriate mix of TDM programs, services and incentives that will offer transportation choices that a majority of employees will find useful and contribute towards area wide SOV and traffic reductions.