



August 10, 2022

Mike Futrell
City Manager
City of South San Francisco
400 Grand Ave
South San Francisco, CA 94080

Tony Rozzi, *Chief Planner / Acting ECD Director*
Billy Gross, *Principal Planner*
City of South San Francisco | Planning Division
315 Maple Avenue
South San Francisco, CA 94080

RE: Proposed Community Benefits for 180 El Camino Real Mixed-Use Project (R&D and Residential)

Dear Mike, Tony and Billy:

On behalf of SteelWave, we are writing to memorialize the community benefits commitments regarding the proposed development at 180 El Camino Real (the “Project”). The Project is a mixed-use, infill, transit-oriented residential and office/R&D development on a long vacant site half a mile from the Bart Station. Adjacent to the Project, SteelWave is building a 74,000 square foot Safeway anchored retail center that was separately approved in 2021 and will commence construction in September 2022.

Community Benefits Summary:

- ***Transit Oriented, Mixed-Use Project is Highly Sustainable by Design.*** In keeping with the existing El Camino Real Mixed Use (ECRMX) zoning intent, the Project incorporates a mixed-use plan that enables a live, work and shop environment - while located next to the Bay Area’s premier high-volume public transit (BART) – creating the highest levels of sustainable development.
- ***Retail Amenities with Flagship Safeway Store.*** SteelWave will deliver on the long-awaited Safeway anchored center that the community has been seeking for years. The 64,000 square foot Safeway store on the highly visible El Camino/Spruce corner will become Safeway’s flagship store and will include several other restaurant/retail offerings. As a stand-alone retail center, this project is not financially feasible and presents significant opportunity cost to the applicant. The retail center will serve as a significant community benefit and amenity to the South San Francisco community and SteelWave has listened to the desire of the community by accelerating the delivery of the Safeway retail project.
- ***Affordable Housing.*** The Project’s 183-unit residential building will include 27 affordable units (15% with 9 units for very low income and 18 units for low-income). In addition, the R&D/Life Science project will generate \$12.5 million in commercial linkage fee for future affordable housing.
- ***World Class Design and Open Space.*** The Project is master-planned and designed by world-reknown, internationally acclaimed architecture firm, Skidmore, Owings & Merrill (SOM). The Project’s design has distinctive, timeless architecture that will be an iconic landmark for the South San Francisco community. The Project incorporates 2.5 acres of landscaped open space with purposefully designed pedestrian and cycling paths that will create a welcoming environment.



- **Impact Fees.** The Project (Residential and R&D) will provide approximately \$52 million in estimated impact fees to the City including improvements for transportation, school district, childcare, affordable housing, library, public safety, and parks and recreation.

Additional Community Benefits Contribution

In addition to the Project impact fees, we are committed to providing an additional \$2.4 million to fund (See Appendix A for calculation):

- *El Camino Real Median Improvements* – Fund the cost to improve the street median on El Camino Real from Spruce Ave to Country Club Drive. Improvements will be to be consistent and extend the improvements that have recently been made to the El Camino Real from Noor Ave to Spruce Ave (the City's Engineering Division has the estimated cost of this work to be \$700K)
- *Fire Station Funding* – Funding for improvements/rebuilding of the local Fire Station.

We are excited to advance this long vacant site into a landmark mixed-use project with numerous benefits to the South San Francisco community.

Sincerely,

Name: Steve Dunn

Title: Senior Managing Director

Name: Benjamin Yu

Title: Managing Director



APPENDIX A
Calculation of Additional Community Benefit Contribution

Total R&D Lot Area -	405,457 SF
Total City ECR 180 R&D FAR R&D Calculation	746,117 SF
Minus- SF Above Baseline 1.0 FAR	<u>(405,457 SF)</u>
NET SF Attributable for Benefits Calc	<u>340,660 SF</u>
X \$10/SF	\$3,406,600
Minus- Safeway Acceleration Cost	(\$1,000,000)
NET ECR 180 R&D Community Benefits Fee	\$2,406,600

**Note: Figures are approximate - final calculation will be determined during permitting with final square feet measures.*