



## Legislation Details (With Text)

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| <b>File #:</b>       | 22-900                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Name:</b>         |                     |
| <b>Type:</b>         | Staff Report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Status:</b>       | Public Hearing      |
| <b>File created:</b> | 10/21/2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>In control:</b>   | Planning Commission |
| <b>On agenda:</b>    | 11/3/2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Final action:</b> |                     |
| <b>Title:</b>        | Report regarding consideration of an application for Design Review, Use Permit, Development Agreement, and Transportation Demand Management Plan to construct a new 12-story, 165 foot tall, 350 room, 261,000 square foot hotel building, with 232 surface parking spaces and site improvements, located at 367 Marina Boulevard in the Oyster Point Specific Plan zone district, and determination that the project is within the scope of a previously adopted Programmatic EIR under California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15168.<br>(Christy Usher, Senior Planner) |                      |                     |

### Sponsors:

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### Code sections:

**Attachments:** 1. Attachment 1 Applicant's Written Project Narrative, 2. Attachment 2 Applicant's Response to DRB letter, 3. Attachment 3 Public Comment from OneShoreline dated July 5, 2022

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Report regarding consideration of an application for Design Review, Use Permit, Development Agreement, and Transportation Demand Management Plan to construct a new 12-story, 165 foot tall, 350 room, 261,000 square foot hotel building, with 232 surface parking spaces and site improvements, located at 367 Marina Boulevard in the Oyster Point Specific Plan zone district, and determination that the project is within the scope of a previously adopted Programmatic EIR under California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15168.

*(Christy Usher, Senior Planner)*

## **RECOMMENDATION**

Staff recommends that the Planning Commission take the following actions:

1. Adopt a resolution recommending that the City Council make findings and a determination that the 367 Marina Boulevard Oyster Point Hotel is consistent with the adopted Oyster Point Specific Plan EIR and would not necessitate the need for preparing a subsequent environmental document pursuant to the criteria of CEQA Guidelines Sections 15162 and 15168, and is eligible for streamlining per CEQA Guidelines Section 15183.
2. Adopt a resolution recommending that the City Council make findings and approve the entitlements request for Project P22-0014 including Use Permit (UP22-0001), Design Review (DR22-0005), Development Agreement (DA22-0001) and Transportation Demand Management Plan (TDM22-0006), subject to the attached draft Conditions of Approval.

## **MOTIONS FOR THE COMMISSION TO ADOPT STAFF RECOMMENDATION:**

**(1) Move to adopt the resolution recommending a CEQA determination.**

**(2) Move to adopt the resolution recommending entitlements.**

**PROJECT OVERVIEW**

The project includes construction of a new 12-story, 350-room hotel building, site improvements, and surface parking at 367 Marina Boulevard. The proposed hotel building is approximately 261,00 sf and 165 feet in height. An additional 14,200 square feet of building space is anticipated as a future expansion phase to include an event ballroom and additional meeting space for a total square footage of 275,200. The project would include approximately 232 surface parking spaces.

The Project is located along Marina Boulevard near the eastern terminus of Oyster Point Boulevard, which connects to US-101 and major arterials within South San Francisco. The Project includes three driveways or vehicle access points along Marina Boulevard and a public access trail along the eastern edge of the site connecting to the Bay Trail.

The project site is 204,742 square feet or 4.7 acres. The project site is currently vacant and maintained as an active construction site after relocation of some landfill material and the regrading of the remaining refuse and landfill cap and cover.

Land uses in the project vicinity include a mixture of industry, warehousing, retail, offices, hotels, marinas, and bioscience research and development facilities. The area is also currently separated from most of South San Francisco's residential uses by U.S. 101 (the closest of which are about 3,500 feet to the west) though some live-aboard boats are located at the two marinas located on Oyster Point and Oyster Cove marinas in the OPSP area.

The site is flanked by the existing marina to the north and the San Francisco Bay to the south. The Bay Trail extends along the southern edge of the site and connects around the end of the peninsula. To the west of the site a dedicated public open space is planned while to the east are existing commercial buildings and parking lots with access to the South San Francisco Ferry Terminal. The site is a "Brownfield site" that has been regraded and capped by Kilroy Realty, the master developer of the specific plan, and is currently sitting vacant, ready for development.

Proposed hotel amenities include a restaurant, lobby lounge, event ballroom, meeting rooms, fitness facilities, and roof top bar. Hotel amenities, specifically the restaurant, lounge, and roof top bar, are intended to be available to the public and provide views both north and south across the San Francisco Bay.

The project site is proposed to be landscaped around the perimeter and throughout the proposed hotel building. The planting palette focuses on evergreen, dense screening trees and shrubs along the perimeter of outdoor spaces to protect against the cold winds while still providing a lush, water-wise garden aesthetic in the central program areas. When possible, materials such as permeable pavers, flag stone, decomposed granite and gabion walls will be used as part of the design vocabulary. These planting and hardscape design philosophies are seen throughout the site.

**BACKGROUND**

The Project is located within the Oyster Point Specific Plan area, an 81 acre redevelopment in South San

Francisco approved in 2011. The OPSP included replacing the existing 403,212 square feet of light industrial/office space known as the Oyster Point Business Park with an up to 2,300,000 square foot office/research and development (R&D) development, improvements to the site circulation, utilities, and the landfill cap, provision of a flexible use recreation area and bay-front open space, and replacement of uses in the Oyster Point Marina area, potentially including one or two hotels with an aggregate of up to 350 rooms. The Specific Plan's Phase One buildings (660,000 square feet) were completed in early 2022, while remaining phases are underway.

The approximately 85-acre OPSP site is located about 3/4 of a mile east of U.S. 101, at the eastern end (Bay side) of Oyster Point and Marina Boulevards. The OPSP is part of the City of South San Francisco's "East of 101" planning area, the traditional and continued core of South San Francisco's industrial and technological businesses. The East of 101 area consists of roughly 1,700 acres of land bound by San Francisco Bay on the east side, U.S. 101 and railway lines on the west, the City of Brisbane and San Francisco Bay on the north, and San Francisco International Airport on the south.

### ZONING CONSISTENCY ANALYSIS

The site is zoned Oyster Point Specific Plan and the project is consistent with the development standards established for the Oyster Point Specific Plan zoning district. While the project requires a Use Permit for the hotel reduced parking; these entitlement requests are permitted in the City's code when a project satisfies the findings to approve the entitlements. The Findings for approval of the requested entitlements for the hotel project are supported and documented in the staff report, findings, and conditions of approval for the project. As conditioned, the proposed project is compliant with all development standards and regulations and provisions for entitlements in the City's Municipal Code.

***Table 1. Development Standard Compliance***

|                                | <b>Proposed Project</b> | <b>Development Standard</b> |
|--------------------------------|-------------------------|-----------------------------|
| Minimum Lot Size               | 204,742 sf (4.7 acres)  | 10,000 sf                   |
| Floor Area                     | 261,000 sf              | 327,587-450,432 sf          |
| Maximum Floor Area Ratio (FAR) | 1.3                     | 1.6-2.2*                    |
| Height                         | 165 ft                  | FAA regulations             |
| Setbacks**                     | n/a                     | n/a                         |
| Maximum Lot Coverage           | 27%                     | 60%                         |
|                                |                         |                             |

\*FAR Maximum Floor Area Ratio with Incentives Program (20.110.003) allows the permitted FAR of 1.6 to be increased to 2.2 (Table 20.110.003(C)) based on Specified Trip Reduction Standards (See Chapter 20.400. Table 20.400.003, Transportation Demand Management)

\*\* No setbacks are required in OPSP zone district.

### GENERAL PLAN CONSISTENCY ANALYSIS

The proposed project is consistent with the following General Plan goals, policies, and implementation measures of the General Plan because the project as proposed and conditioned will minimize the effects of traffic, parking, storm water run-off, and construction dust and emissions, on adjacent land uses and properties in the project vicinity.

- Allow parking reductions for projects that have agreed to implement trip reduction methods (4.3-I-18, Transportation Element);
- Strive to maintain LOS D or better at all intersections (4.2-G-15, Transportation Element);
- Require new development pay a fair share of the cost of street and other traffic and transportation improvements (4.2-I-7, Transportation Element);
- Require provision of secure covered bicycle parking (4.3-I-7, Transportation Element)
- Methodology to determine eligibility for land use intensity bonus for TDM programs and ensure continued maintenance of measures (4.3-I-15, Transportation Element).
- Require off-site improvements that are directly necessary as a result of development (4-35, Transportation Element)
- Minimize the risk to life and property from seismic activity and geologic hazards in South San Francisco. (8.1-G-1, Safety Element)
- Adopt the standard construction dust abatement measures included in BAAQMD's CEQA Guidelines. These measures would reduce particulate emissions from construction and grading activities. (7.3-I-3, Conservation and Open Space Element)
- Encourage land use and transportation strategies that promote use of alternatives to the automobile for transportation, including bicycling, bus transit, and carpooling (7.3-G-4, Conservation and Open Space Element)

#### REQUESTED ENTITLEMENTS

As required by the South San Francisco Municipal Code (SSFMC), the proposed project requires the following entitlements:

- Design Review for the proposed hotel building and site improvements;
- Use Permit for the proposed parking reduction,
- Transportation Demand Management plan for a nonresidential project resulting in more than 100 average daily trips.
- Development Agreement for business terms

All signage for the proposed hotel will be applied for under separate permits.

#### ***Design Review (SSFMC 20.480)***

The project was reviewed by the City's Development Review Board (DRB) on May 17, 2022. The DRB liked the design concept and recommended approval with conditions due to the project's well thought out architecture and landscape design as evident in the building elevations and landscape materials. The Board commented the design is beautiful, the lighting is wonderful, and the outdoor space is well designed for wind and the SSF climate

The DRB also provided input and feedback to the applicant regarding landscaping, screening service areas and parking stalls and ramps, landscaping and retaining walls. The applicant has revised the plans in response to the DRB's comments and concerns.

The proposed project was reviewed and recommended for approval to the Planning Commission by the DRB because the proposed hotel building and site improvements are consistent with the City's applicable design guidelines, including but not limited to the following:

- The proposed hotel building includes adequate design features to create architectural interest and avoid a large-scale, bulky and "box-like" appearance.

- Long facades are broken up into smaller visual components through variations in form and texture.
- Wall planes are varied and exterior building walls vary in depth and/or direction.
- Building walls exhibit offsets, recesses, or projections with significant depth, or a repeated pattern of offsets, recesses, or projections of smaller depth.
- There is variety in height and roof forms. Building height is varied so that portions of the building have a change in height and are varied over different portions of the building through changes in the roof parapets, elevators and stairway projections.
- The building façade incorporates details such as window recesses and changes in material. The use of materials, textures, and colors enhance architectural interest and emphasize details and changes in plane.
- Some of the architectural features of the main façade are incorporated into the rear and side elevations.

The hotel is designed in such a way to maximize bay views while providing protected amenity spaces from the prevailing winds. The hotel massing steps back as it raises to the higher floors, providing suite terraces and a break from the vertically on the ends.

The proposed materials consist of two-tones of darker bronze and champagne bronze anodized metal panels accented through darker grey metal panels. Two different glazing tints are considered, a vision glass to pair with the bronze panels and a darker blue glazing to pair with the dark grey metal. The combination of these materials provide contrast in the massing forms and help further break up the façade of the tower. At the base of the hotel, a split face, dry stacked stone base helps break up massing and integrate it into the landscape amenities. Site walls are executed using gabion walls to prevent site settlement cracks that may occur due to the nature of the soil's conditions.

While the location and views are a premium resource, the environmental factors of harsh winds, cold climate and poor soil conditions were also taken into account by the design. To work with these conditions, the planting palette focuses on evergreen, dense screening trees and shrubs along the perimeter of outdoor spaces to protect against the cold winds while still providing a lush, water-wise garden aesthetic in the central program areas. When possible, materials such as permeable pavers, flag stone, decomposed granite and gabion walls will be used as part of the design vocabulary. These planting and hardscape design philosophies are seen throughout the site

#### ***Use Permit for Reduced Parking for Airport-Oriented Hotels and Motels 20.330.006(C)***

For airport-oriented hotels a Use Permit may be approved for a reduced off-street parking ratio if the applicant provides substantial justification. Justification shall take into account the following factors and conditions:

1. Distance the hotel or motel is located from the airport. Airport-oriented hotels and motels are usually located no further than three miles from the San Francisco International Airport. *The proposed Hotel would be located within three miles of the San Francisco International (SFO) Airport's border.*
2. Availability of airport bus and/or limousine service. *The location of this hotel will be served by various airport shuttle, bus and limousine services.*
3. Proximity of auto rental agencies to the site. Additional parking may be required for rental facilities on the site. Since San Francisco International Airport is located in close proximity to the hotel there are many rental car services nearby. *There are approximately 6-8 car rental facilities all within less than 3 miles of the proposed hotel.*

4. Availability of parking facilities adjoining the site which have peak use hours different from peak hours of the hotel or motel. *In the project vicinity there is a combination of several large scale public and private surface parking lots which would have alternate parking peaks from the hotel.*

5. Documentation of actual use of parking spaces at an existing and comparable facility for an extended period of time. *Parking demand estimated using standard rates published by ITE in Parking Generation, 5th Edition is expected to be 259 parking spaces, a deficit of 27 spaces. However, with the implementation of the TDM plan measures, discussed further in the following section, the proposed parking supply is expected to be adequate.*

6. Availability of on-site meeting rooms and conference facilities. *The project as proposed would provide approximately 14,300 square feet of on-site meeting rooms and conference facilities.*

7. Designation of additional parking spaces to allow for extended parking for guests using the airport. As proposed, the Hotel would not be providing extended parking (e.g., for long-term airport parking). *As proposed, the Hotel would not be providing extended parking (e.g., for long-term airport parking). As proposed, the parking stalls would be solely for overnight guests and employees.*

8. In determining the required number of off-street parking spaces needed for an airport-oriented hotel or motel, the Planning Commission shall include provisions for additional off-street parking spaces to serve employee needs at the rate of one-half space per employee and for related uses such as restaurants and conference/meeting rooms. *As calculated the provided parking includes parking spaces to serve employee needs and any ancillary uses.*

As documented above, the project satisfies the conditions for reduced parking for airport oriented hotels.

The project proposes a reduction in the number of required parking spaces on site and is projected to be able to meet parking demand with the implementation of the Transportation Demand Management plan and as discussed in the Parking Study.

### ***Transportation Demand Management Plan (20.400.006)***

A Transportation Demand Management program is required for a nonresidential project resulting in more than 100 average daily trips to reduce the amount of traffic generated by new nonresidential development. According to the transportation assessment, the proposed project is expected to generate an average of 2,798 trips per day, including 161 total trips during the a.m. peak hour and 207 total trips during the p.m. peak hour.

The Transportation Demand Management plan for the proposed hotel outlines numerous trip reduction measures applicable to both guests and employees including but not limited to subsidized transit passes for employees encouraging uses of Caltrain, BART, SF Bay Ferry and SamTrans services, bicycle storage showers and lockers and repair, and strategies to reduce employee commutes such as carpool/vanpool ridematching, guaranteed ride home programs, and free parking for carpool/vanpools just to name a few. All of these and more trip reduction measures discussed in the project TDM plan are feasible and relevant to the operation of the proposed hotel land use and it's guests and employees.

### **DEVELOPMENT AGREEMENT**

The Applicant and the City are negotiating a Development Agreement to clarify and obligate Project features

and mitigation measures. The parties are still engaged in active negotiations and many of the deal points are still outstanding. However, all outstanding deal points relate to business terms; the parties are in agreement on the nature and density of the development. A draft of the Development is attached to the entitlements resolution.

Key features of the Development Agreement where the parties are in agreement include:

- The term of the Development Agreement is ten (10) years.
- Execute and Implement an Operation and Maintenance Agreement with the City providing the City and/or the Water Board with financial assurance for completion of Buyer's Post-Closing Mitigation Measures.
- Developer to enter into a Transient Occupancy Tax Rebate Agreement with the City providing for 50% TOT rebate for fifteen years with a total TOT rebate cap of \$44,530,000. If hotel exceeds profitability forecasts at time of sale, the City will receive a percentage of the sale proceeds.
- Developer commits to participate in CFD assessments up to \$1 per square foot of development.
- Developer will contribute \$250,000 towards the construction of a new sewer pump station.
- Developer will undertake certain ongoing mitigation and monitoring activities required due to the fact that the site is a closed landfill.

#### ENVIRONMENTAL REVIEW

The project site is within the area planned for development as a part of the 2011 Oyster Point Specific Plan and associated 2011 Environmental Impact Report (State Clearinghouse Number 2010022070). The current project is located on the eastern peninsula portion of the 85-acre OPSP area, including the area identified in the OPSP as the Future Hotel Site.

Consistent with the OPSP and its associated EIR, a 350-room hotel is currently being proposed. The current project proposes up to 275,200 square feet of area, including approximately 12,000 square feet of restaurant space plus other amenities common for a hotel use including an entry lobby with lounge, meeting rooms, fitness facilities, roof top bar, and the associated back of house facilities to service the amenities. This total square footage also includes an additional 14,200 square feet of building space proposed as a future expansion phase to include an event ballroom and additional meeting space. The exterior space includes parking and circulation elements, landscaping, and outdoor terraces and event spaces.

California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15168 provide that when a Programmatic EIR has been prepared and certified, later activities (such as the current project) determined by the lead agency as being within the scope of the that EIR do not require subsequent environmental review when the project meets the criteria outlined in Section 15162.

CEQA Guidelines section 15183 provides that projects consistent with the development density established by existing zoning policies or community plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project- specific significant effects that are peculiar to the project or its site.

The environmental checklist prepared for the project dated October 2022 concludes that the project is within

the analysis outlined in the 2011 EIR and that as applied to the project, the criteria outlined in Sections 15162 and 15168 do not necessitate preparation of an additional environmental document. The environmental checklist also demonstrates that the proposed project qualifies for streamlining under CEQA Guidelines Section 15183 as there are no project-specific significant effects which are peculiar to the project or its site. The checklist serves as substantial evidence that the current project is within the scope of the previous analysis and that subsequent CEQA analysis is not required for the proposed project.

### CONCLUSION

The project, as conditioned, is compliant with the City's Municipal Code, Development Standards and Design Criteria, General Plan and Oyster Point Specific Plan.

Therefore, staff recommends that the Planning Commission take the following actions:

1. Adopt a resolution recommending that the City Council make findings and a determination that the 367 Marina Boulevard Oyster Point Hotel is consistent with the adopted Oyster Point Specific Plan EIR and would not necessitate the need for preparing a subsequent environmental document pursuant to the criteria of CEQA Guidelines Sections 15162 and 15168, and is eligible for streamlining per CEQA Guidelines Section 15183.
2. Adopt a resolution recommending that the City Council make findings and approve the entitlements request for Project P22-0014 including Use Permit (UP22-0001), Design Review (DR22-0005), Development Agreement (DA22-0001) and Transportation Demand Management Plan (TDM22-0006), subject to the attached draft Conditions of Approval.

### **Attachments**

1. Applicant's Written Project Narrative
2. Applicant response to the DRB Recommendations, dated June 30, 2022
3. Public Comment from OneShoreline, dated July 5, 2022

### **Associated Resolutions and Exhibits to Resolutions**

- I. CEQA Resolution (File ID# 22-902)
  - A. Environmental Checklist, dated October 2022
  - B. Mitigation Monitoring Report
  - C. 2011 Oyster Point Specific Plan EIR (available online at <https://weblink.ssf.net/WebLink/0/doc/270123/Page1.aspx>)
- II. Entitlements Resolution (File ID#22-903)
  - A. Conditions of Approval
  - B. Project Plans, dated September 28, 2022
  - C. Transportation Demand Management Study, dated October 3, 2022
  - D. Parking Study, dated October 17, 2022
  - E. Transportation Assessment Memo, dated October 21, 2022
  - F. Draft Development Agreement, dated November 3, 2022
  - G. Design Review Board letter

