

MINUTE ITEM

This Calendar Item No. 20
was approved by the Commission
No. 20 on 3/24/83
at its 3
meeting.

CALENDAR ITEM

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3/24/83
WP 4691
Horn/Ludlow

APPROVAL OF ASSIGNMENT AND AMENDMENT OF
STATE LEASES PRC 4689.1, 4690.1, AND 4691.1 BETWEEN
STATE, ANZA TRUST (ASSIGNOR) AND
HOMETELS DEVELOPMENT CORPORATION (ASSIGNEE)

At its July 1982 meeting the Commission approved a form of lease between the State and Hometels Development Corporation (Hometels) to construct an approximately 360-room, ten-story hotel on State-owned land along the shore of San Francisco Bay in the City of Burlingame, San Mateo County. The site is presently leased to Anza Shareholders Liquidating Trust (ANZA) under three separate yet contiguous leaseholds. The transaction contemplates that Anza's existing leases will be amended and then assigned to Hometels for the remainder of their terms which expire in the year 2038.

At the time of the Commission's July 1982 approval of the form of the lease, the City of Burlingame was in the process of preparing an EIR for the project. That EIR has now been completed and approved by the City. The lease presently before the Commission for approval differs from the prior lease form in that Hometels will be required to build and maintain a passive use public park on State parcel PRC 4689.1, an approximately 3.5 acre peninsula bounded by San Francisco Bay and Anza Lagoon.

In connection with the acquisition of the three leaseholds by Hometels, Anza will supply short-term financing for a period of three months. The financing arrangement will trigger the encumbrancing provisions contained in paragraph 21 of the proposed lease which allows Hometels to encumber

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the leasehold for the purposes of acquisition, and the construction of improvements. Any security interest in the leasehold retained by Anza will be subject and subordinate to the provisions of the lease.

Projected revenues from the lease upon maturity are in excess of one million dollars (\$1,000,000) per year. Because the Hometels project will be one of the Commission's largest surface-use leases in terms of potential revenues, staff has substantially deviated from the Commission's standard lease form. Staff has negotiated a form of lease that incorporates current commercial lease practice as such is employed by many of the State's legislative grantees.

The lease requires State approvals for various activities including approval of plans; maintenance, repairs and alterations, and subleasing/assignment, among others. Staff is requesting that the Commission delegate authority to its staff (Executive Officer or designee) to act as a lease administrator for the purpose of providing timely State approvals where required. Those items of significance including non-exempt assignments and amendments would be brought before the Commission for consideration.

The lease, substantially in the form currently on file in the principal office of the Commission, consists of the following major provisions:

TERM: Assignment and Amendment of existing leases; term commenced July 1, 1972, and will expire June 30, 2038.

AREA, TYPE LAND AND LOCATION: Approximately ten acres of filled tidelands zoned waterfront commercial, along San Francisco Bay in the City of Burlingame, San Mateo County.

LAND USE: An approximate 360-room, ten-story hotel, together with restaurant, lounge, typical hotel concessions, detached restaurant, public fishing pier and public park.

RENT: A minimum of \$50,000 per year for the first five years, adjusted thereafter through year 20 at five-year intervals to equal 75% of the actual average rental paid during the previous five-year period. For years 21 through 55, the minimum annual rent shall be 75% of the average annual rent paid for years 16 through 20.

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PERCENTAGE RENTAL:

For Hotel Operations:

Years 1 - 5: 1% of Gross Receipts
Years 6 - 10: 2% of Gross Receipts
Years 11 - 15: 4% of Gross Receipts
Years 16 through lease term:
6% of Gross Receipts
Sublease Revenue: 10% of Gross Receipts

INSURANCE/BONDS:

\$6,000,000 liability, combined single limit,
covering all facets of business activity.

Performance Deposit: \$50,000 initially,
thereafter changed to reflect an amount
equal to minimum annual rent, with a maximum
of \$200,000.

Performance and Labor Material Bonds: A
bond or other acceptable security equal
to 100% of estimated construction work.
In addition, a surety bond equal to 50%
of total estimated cost of contracts for
construction work.

ASSIGNMENTS/SUBLETTING:

State agrees to future assignments to any
business entity in which Robert Woolley
is a principal. State pre-authorizes subleases
to concessionaires for restaurant and other
typical hotel-type concessions, such as
gift, florist, tobacco shops, etc., provided
that the State approves form of agreement.
All other assignments/subleases shall require
State approval. State agrees to encumbrancing
of leasehold.

As part of the encumbrancing provisions
of the lease, State will agree to a partial
offsetting of rents in the event the lessee
defaults and the mortgagee acquires the
leasehold. Any rents offset will be repaid
to the State with interest at 12%. The
maximum amount of rent that can be offset
is 36 months. The payback period will be
no longer than four years.

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RIGHT TO SUCCEEDING LEASE:

If, at the expiration of the term of the lease, the State wishes to relet the property without competitive bid, it must first offer a lease to lessee, upon such terms and conditions as the State, in its sole judgement determines to be in the State's interest. If the State elects to put the lease to bid, the lessee may bid, but will have no preferential rights in the bid process.

ENVIRONMENTAL:

The hotel, free-standing restaurant and passive park are to be located on State lands not identified as possessing significant environmental values pursuant to PRC 6370.1. The fishing pier, if constructed, would be located on lands classified in use category "C", which authorizes multiple use. The pier project will not have a significant effect upon the identified values.

The City of Burlingame, as lead agency under CEQA, prepared an environmental impact report for the hotel development project, which document is on file in the principal office of the Commission and by this reference made a part hereof.

Through Resolution I-83, the City of Burlingame certified the final EIR and found that certain portions of the project could have significant adverse impacts. However, the City further found that incorporation of those measures found on Exhibit "A" of its EIR-57P mitigate or avoid the significant environmental effects. At its meeting on February 14, 1983, the City Planning Commission included the environmental mitigation found on said Exhibit "A" into its special permit issued for the Hometels project. As a result, the State Lands Commission need not adopt any specific mitigation measures for this project.

AB 881:

N/A.

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- EXHIBITS:
- A. Land Description.
 - B. Site Map.
 - C. Summary of Environmental Impact Report.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE CITY OF BURLINGAME, SAN MATEO COUNTY, CALIFORNIA, IN COMPLIANCE WITH THE REQUIREMENTS OF CEQA, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED IN IT PRIOR TO THE APPROVAL OF THE PROJECT, AND THAT ALTHOUGH THE PROJECT MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT, CHANGES AND ALTERATIONS HAVE BEEN INCORPORATED INTO THE PROPOSED PROJECT BY THE CITY OF BURLINGAME THROUGH THE SPECIAL USE PERMIT AUTHORIZED BY THE CITY PLANNING COMMISSION ON FEBRUARY 14, 1983, WHICH MITIGATE OR AVOID THE SIGNIFICANT ENVIRONMENTAL EFFECTS.
2. FIND THAT THE ASSIGNMENT AND AMENDMENT OF THIS LEASE WILL NOT HAVE AN EFFECT ON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 OF THE P.R.C.
3. AUTHORIZE THE ASSIGNMENT AND AMENDMENT OF LEASES PRC 4689.1, 4690.1, AND 4691.1 TO HOMETELS DEVELOPMENT CORPORATION SUBSTANTIALLY IN THE FORM PRESENTLY ON FILE WITH THE COMMISSION, THE TERMS, COVENANTS AND CONDITIONS OF WHICH SHALL NOT TAKE EFFECT UNTIL AN ORIGINAL COPY IS EXECUTED BY THE STAFF OF THE STATE LANDS COMMISSION AND THEN DELIVERED TO HOMETELS DEVELOPMENT CORPORATION.
4. CONSENT TO THE ENCUMBRANCING BY HOMETELS OF THE THREE LEASEHOLDS FOR A PERIOD OF THREE MONTHS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF THE LEASEHOLDS WITH A SECURITY INTEREST IN THE LEASEHOLDS RETAINED BY ANZA SHAREHOLDERS LIQUIDATING TRUST.
5. DELEGATE TO THE EXECUTIVE OFFICER (OR DESIGNEE) AUTHORITY TO ACT AS LEASE ADMINISTRATOR FOR THE PURPOSE OF PROVIDING STATE APPROVALS WHERE REQUIRED UNDER THE LEASE; PROVIDED THAT SUCH DELEGATION SHALL NOT INCLUDE THE AUTHORITY TO APPROVE NON-EXEMPT ASSIGNMENTS AND SUBSTANTIVE AMENDMENTS TO THE LEASE.

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EXHIBIT "A".

LAND DESCRIPTION

WP 4691

Those portions of Section 18, T4S, R4W, MDM, in the City of Burlingame, San Mateo County, California, described as follows:

PARCEL 1

BEGINNING at a point on the north line of said Section 18 from which the northwest corner thereof bears S 89° 43' 01" W 1488.92 feet; thence along said north line N 89° 43' 01" E 770.00 feet; thence S 0° 16' 59" E 574.74 feet; thence along the easterly line of Lot 8 of Block 6 as shown on the map of ANZA AIRPORT PARK UNIT NO. 6, filed for record on February 27, 1970, in Volume 70 of Maps, Page 33, San Mateo County Records, S 04° 15' 37" W 342.11 feet to a point in the northerly line of Airport Blvd. as said blvd. is shown on said map; thence along said northerly line N 85° 44' 23" W 714.00 feet to the most westerly corner of Lot 2 of Block 6 as said lot and block are shown on said map; thence along the westerly line of said Lot 2 N 04° 15' 37" E 285.37 feet to the exterior line of said Unit No. 6; thence along said exterior line S 89° 43' 01" W 202.71 feet; thence N 0° 16' 59" W 238.95 feet; thence S 89° 43' 01" W 293.30 feet; thence along the arc of a tangent curve to the left having a radius of 572.00 feet; a central angle of 29° 26' 38", an arc length of 293.95 feet; thence N 38° 00' 00" W 28.28 feet; thence along the arc of a curve to the right tangent to a line that bears N 59° 53' 08" E, having a radius of 600 feet, a central angle of 29° 49' 53", an arc length of 312.39 feet; thence N 89° 43' 01" E 234.46 feet; thence N 44° 43' 01" E 293.87 feet; thence N 0° 16' 59" W 100.00 feet to the point of beginning.

EXCEPTING THEREFROM all of Lots 4, 5, 6, 7, and 8 of Block 6 of said ANZA AIRPORT PARK UNIT NO. 6.

PARCEL 2

BEGINNING at a point on the north line of said Section 18 from which the northwest corner thereof bears S 89° 43' 01" W 848.92 feet; thence along said north line N 89° 43' 01" E 640.00 feet; thence S 0° 16' 59" E 100.00 feet; thence S 44° 43' 01" W 293.87 feet; thence S 89° 43' 01" W 234.46 feet; thence along the arc of a tangent curve to the left having a radius of 600 feet, a central angle of 29° 49' 53", an arc length of 312.39 feet; thence N 38° 00' 00" W 28.26 feet; thence along the arc of a curve to the right, tangent to a line that bears N 59° 31' 51" E, having a radius of 628 feet, a central angle of 11° 49' 54", an arc length of 129.68 feet; thence N 0° 16' 59" W 311.74 feet to the point of beginning.

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PARCEL 3

BEGINNING at a point on the north line of said Section 18 from which the northwest corner thereof bears S 89° 43' 01" W 636.18 feet; thence along said north line N 89° 43' 01" E 212.74 feet; thence S 0° 16' 59" E 311.74 feet; thence along the arc of a curve to the left tangent to a line that bears S 71° 21' 45" W, having a radius of 628 feet, a central angle of 11° 49' 54", an arc length of 129.68 feet to a point on the exterior line of ANZA AIRPORT PARK UNIT NO. 4 as shown on that certain map which was filed for record on July 26, 1968 in Volume 68 of Maps, Page 10, Records of San Mateo County, California; thence along the exterior line of said Unit No. 4 the following courses: N 38° 00' 00" W 295.42 feet, N 52° 00' 00" E 108.31 feet, and N 0° 00' 00" E 65.00 feet to the point of beginning.

END OF DESCRIPTION

REVISED JANUARY 17, 1983 BY BOUNDARY AND TITLE, UNIT, LEROY WEED, SUPERVISOR.

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San Francisco Department of Public Works - 1-1-1913

1/1/1913

ANZA PACIFIC CORP.

Block Parcel	Square Feet	Acres	Lot No.
1	64,000	1.463	4431
2	107,721	2.453	4432
3	87,363	1.985	4433
4	104,989	2.347	4434
5	84,633	1.902	4435
6	117,030	2.644	4436
7	113,873	2.515	4437
8	282,873	6.437	4438
9	483,046	11.041	4439
10	18,041	0.412	4440
11	28,851	0.661	4441
12	84,187	1.918	4442
13	84,187	1.918	4443
14	84,187	1.918	4444
15	84,187	1.918	4445
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29	84,187	1.918	4459
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31	84,187	1.918	4461
32	84,187	1.918	4462
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36	84,187	1.918	4466
37	84,187	1.918	4467
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82	84,187	1.918	4512
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91	84,187	1.918	4521
92	84,187	1.918	4522
93	84,187	1.918	4523
94	84,187	1.918	4524
95	84,187	1.918	4525
96	84,187	1.918	4526
97	84,187	1.918	4527
98	84,187	1.918	4528
99	84,187	1.918	4529
100	84,187	1.918	4530
Total	8,004,791	183.818	43,018

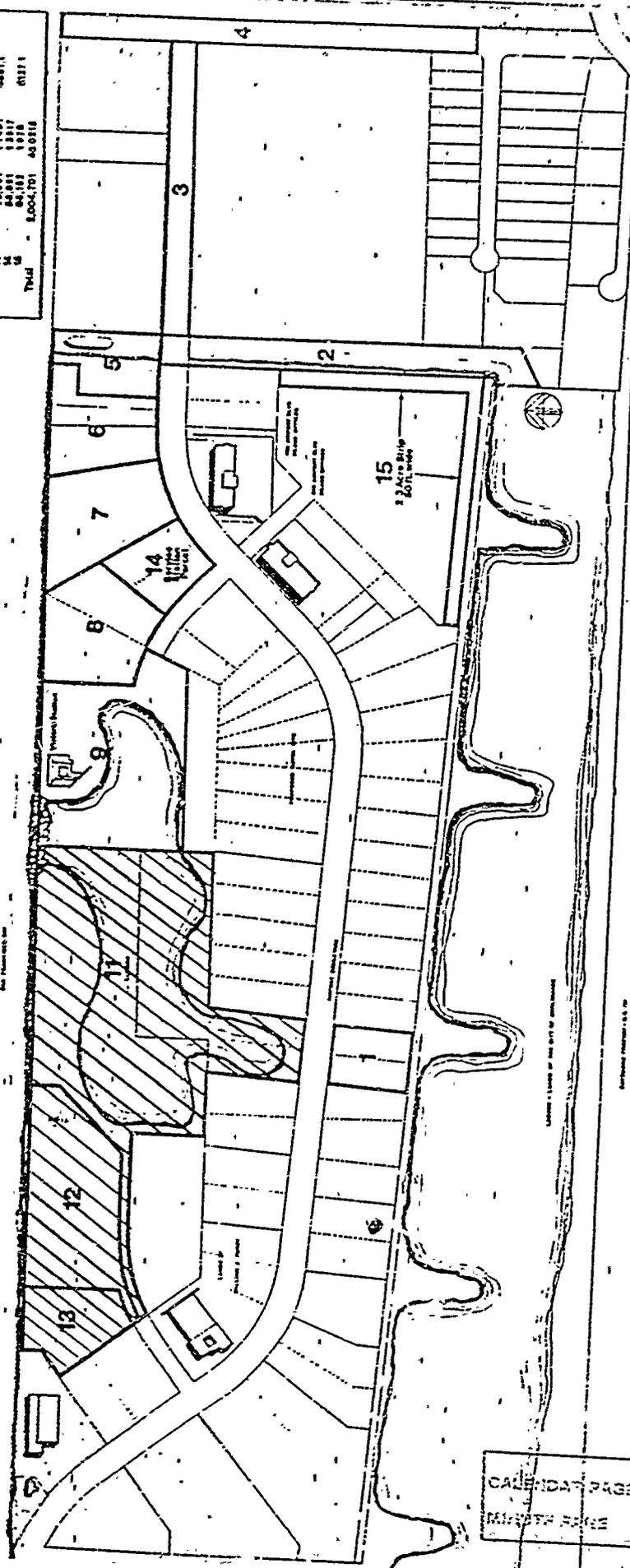


EXHIBIT "B"

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The following is a summary of a draft environmental impact report (SCH#82033008) prepared by Environmental Science Associates, Inc., for the City of Burlingame, entitled GRANADA ROYALE HOMETEL. (9/82).

SUMMARY

PROJECT DESCRIPTION

The Hometels Development Corporation proposes to construct three major structures on approximately nine acres of land owned by the State of California. The project site is located in the Anza Airport Subdivision in Burlingame, San Mateo County, California. The three buildings on the site would cover approximately 2.6 acres, and roadways and surface parking would cover approximately 1.4 additional acres. Around 3.5 acres of the eastern end of the site would be developed as a public park, and a public fishing pier would be provided off the Bay shoreline.

The principal structure in the proposed complex would be the 350-room hotel. The hotel would be nine stories high (94 feet in height). A two-story building would be located east of the hotel. On the lower floor of this building would be restrooms, a snack bar, bait shop, and other amenities for those using the public pier and park. On the second floor would be a restaurant, operated in conjunction with the hotel. A 99-car on-grade parking area would be built east of the restaurant structure. At the far west side of the property, a three-level parking structure would be built. The structure would have one floor below grade, one floor on grade, and one floor above grade and accommodate 363 cars.

A fishing pier would be constructed near the restaurant structure and extend 100 feet into the Bay. Public pathways would extend along the Bay and Lagoon shorelines in the landscaped park and elsewhere on the site. The project sponsor would provide the park, pier, pathways and other facilities as public amenities.

ENVIRONMENTAL EFFECTS FOUND NOT TO BE SIGNIFICANT

The City has determined that the project would not result in significant adverse environmental impact in some or all areas of the following environmental categories:

LAND USE

COMMUNITY SERVICE AND UTILITIES: school, maintenance of public facilities and other governmental services, and communications systems and solid waste disposal

TRAFFIC AND CIRCULATION: existing pattern of traffic circulation in the project area

GEOLOGY, SOILS, AND SEISMOLOGY: unique geological or physical features

HYDROLOGY AND WATER QUALITY: current changes, flood water flow, surface water quantities, ground water flow

ECOLOGY: agricultural crops, introduction of new animal species or migration barriers

AIR QUALITY: objectionable odors, climate alteration

NATURAL RESOURCES

RISK OF UPSET/HAZARDOUS MATERIALS

HUMAN HEALTH/SAFETY HAZARD

RECREATION

ARCHAEOLOGICAL/HISTORICAL RESOURCES

ENVIRONMENTAL EFFECTS FOUND TO BE SIGNIFICANT

If the project is implemented, the following significant impacts would be unavoidable. These effects would result even with the incorporation of mitigation measures that are required by law or proposed as part of the project.

- Project would not conform to City standards for height, floor area ratio, lot coverage, and building setback
- Increase in police and fire service calls;
- Increased demand for housing in Burlingame and San Mateo County;
- Seismic hazard to employees and visitors at the project; and
- Elimination of Bay views from adjacent buildings.

Significant beneficial effects would include:

- Increased job opportunities;
- Projected revenues in excess of service costs; and
- Recreational benefits provided by a park and fishing pier

The following cumulative effects would be caused by implementing the combination of the project and planned or proposed developments in the Anza Area.

- Establishment of a new police beat;

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- Improvements to water service facilities, including a new water pipeline crossing US 101;
- Improvements to the City wastewater treatment plant;
- Increased traffic volumes on local streets and reduced operation of nearby intersections;
- Increased concentrations of oil, grease, and pesticides in local water bodies; and,
- Increased noise levels along streets carrying traffic generated by cumulative development.

An irreversible environmental change caused by the project would be the use of nonrenewable resources in the construction and operation of the project.

ENVIRONMENTAL IMPACTS AND MITIGATIONS

LAND USE AND PLANNING

The City of Burlingame has adopted the Specific Area Plan for the Burlingame Bayfront (SAP) to guide development in the project area. The project would conform to the land use policies and standards of this Plan which call for developing hotel use at the site and providing a variety of employment opportunities in Burlingame. The project site is zoned C-4, Waterfront Commercial. The project would conform with the SAP provisions and zoning regulations pertaining to this district with several exceptions. Special use permits would be required to exceed the 50-foot height limit, the 25 percent lot coverage limit, building setback limits, and to exceed an FAR of 1.0.

The proposed hotel, restaurant building, parking garage and lot, and landscaping are within the jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC) and their construction would require a BCDC permit. The project is generally consistent with BCDC public access guidelines that have been approved for the area.

The project would conform to the goals and objectives of the Regional Plan for the San Francisco Bay Area, adopted by the Association of Bay Area Governments (ABAG). The project would be located within an existing urban area and would promote the economic development of the Bay Area.

A permit from the U.S. Army Corps of Engineers would be required for any work below the line of mean high water on the site or for any filling below the mean high tide line, and the Federal Aviation Administration would need to be notified of the proposed project. Although no permit from the State Lands Commission would be required, the land would be leased from the Commission.

COMMUNITY SERVICES AND FACILITIES

The City of Burlingame would provide police, fire, water, wastewater, and general government services to the site. As part of the cumulative build-out of the Anza Area, additional staffing, equipment, and/or facilities would be needed by the affected City departments. The police department would require a new beat (the equivalent of five officers) and new fire department personnel would need to be hired. An additional water main under U.S. Highway 101 would be needed and the capacity of the sewage pumping station would need to be increased.

Providing private security personnel and controlling access to the site would reduce police service demands, and the use of low-flow water fixtures and drought-resistant plants would reduce water requirements. The project sponsor would be responsible for part of the cost of upgrading the water and wastewater systems serving the site. The project would be designed in conformance with the State Life Safety Code.

TRAFFIC AND CIRCULATION

Access to the site is from Anza Boulevard (off of Airport Boulevard) which ends at the project site. At its eastern end, Airport Boulevard connects Bayshore Highway, Broadway, and US 101; at its western end, it connects with Coyote Point Drive, Peninsula Avenue and US 101. Currently, the three critical intersections in the project area; Airport Boulevard/Bayshore Highway, Bayshore Highway/US 101 On-Ramp/Broadway, and Airport Boulevard/Coyote Point Drive operate at acceptable levels of service or "LOS" (LOS A, B, and A, respectively). With build-out of approved projects in the Anza Area, traffic volumes would increase somewhat, but the operation of these intersections would remain acceptable at levels B, C, and B, respectively.

Full build-out of vacant land in the Anza Area would generate significant additional traffic on local streets. Constructing a new connection between Airport Boulevard and northbound US 101, redesigning the intersection of Airport Boulevard and Coyote Point Drive, widening a two-lane section of Airport Boulevard to four lanes, and installing a traffic signal at the intersection of Anza Boulevard and Airport Boulevard would reduce the impacts of full build-out traffic. In addition, constructing another off-ramp from southbound US 101 to Humboldt Road and one on-ramp to southbound US 101 from Howard Avenue would lessen the impacts of full build-out traffic. However, even with these mitigation measures, full build-out of the Anza Area would result in poor levels of service at the key intersections. Levels D and E indicate congested operation and extended delays. At the Airport Boulevard/Bayshore Highway intersection, the LOS would be C, while for the intersections of Bayshore Highway/US 101 On-Ramp/Broadway and Airport Boulevard/Coyote Point Drive, an LOS of D would result, which is acceptable to the City.

FISCAL FACTORS

The project would increase the assessed value of the site from \$186,836 to about \$24 million (1982 dollars), resulting in a \$240,000 increase in property tax revenue (not including bond repayment revenues), \$40,700 of which would be collected by the City. Total annual revenues to the City of Burlingame (including revenues from property tax, hotel room tax, and sales tax) are projected to amount to about \$632,000. The project would generate about \$171,500 for the City in one-time revenues according to the fee schedule in effect as of July 1982. The purpose of these one-time fees are to compensate the City for costs actually incurred in project processing and construction.

Cumulative development in the Anza Area would increase service costs to the City; some of these costs would require contributions from the project sponsor. An additional police beat could cost about \$175,000 annually, and the project sponsor's share of financing this would be about \$26,250 annually. The project sponsor's share of financing one-time improvements to the \$2.3 million wastewater treatment plant would be \$500,000, or if EPA construction grants can be obtained, \$25,000. The project's share of the plant's annual operating expense would be about \$18,300. The cost of other City services including fire services, sewer pumping, and water would also increase, but the dollar amounts have not yet been determined.

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The project would result in a net fiscal benefit to the City. Revenue generated by the project would exceed service costs by at least \$406,000.

EMPLOYMENT AND HOUSING

Employment

As of March 1982, the unemployment rate in San Mateo County was 5.8 percent. In recent years the unemployment rate in Burlingame has been less than the County-wide rate. Most of the jobs in the project area are directly or indirectly related to San Francisco International Airport. The project would accommodate about 120 full-time employees. Most project employees would be unskilled or semi-skilled workers. Average annual salaries for project employees would probably range between \$8,000 and \$29,000 (1982 dollars).

Housing

According to the 1980 U.S. Census data, the median value of owner-occupied dwellings in Burlingame was about \$151,000 and the median rent was \$299 per month. The housing market in Burlingame is "tight", with a vacancy rate for ownership housing of 0.6 percent and a vacancy rate for rental housing of 2.7 percent (a vacancy rate of five percent typically indicates a housing market with adequate opportunities for households moving into or within the market to find housing).

It is not known what percentage of the new employees would be residents of Burlingame or of nearby cities. The project would cause the demand for housing in the Burlingame area to increase to the extent that new jobs would be filled by out-of-area residents who would want to move as a result of their employment. The affordability of housing to project employees would depend on their total household income (including the incomes of other workers in the household, interest income, equity in real estate, etc.) and other factors (such as number of dependents).

GEOLOGY, SOILS AND SEISMOLOGY

The project area is underlain by alluvial fan deposits of gravels, sands, and clays that may be up to 300 feet thick. A preliminary geotechnical investigation of the site indicates that the site contains a 10-foot layer of heterogeneous fill underlain by a relatively thin (19 foot) layer of "Bay mud" (soft, silty clay).

No known active faults pass through the site but the seismically active San Andreas Fault is located four miles to the west. It is likely that the area will experience several moderate earthquakes and one major earthquake within the next 100 years.

Little grading would be required to prepare the site for development. The apparently high percentage of Bay mud mixed in with artificial fill material makes it highly expansive and can result in pavement distress and damage to building foundations or underground pipelines. Placing the buildings on piles, as proposed, would avoid potential problems due to differential settlement of the artificial fill. Settlement of pile-supported facilities would be minimized by recompacting the artificial fill material. The Bay mud could be stabilized with lime.

Strong ground shaking from a major earthquake in the region could generate long-period vibrations in the underlying sediments and pose a hazard to project buildings. Seismic ground response spectra would be incorporated into the final design of the hotel. Active

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faults within the Bay Area have predominately horizontal movement and are not expected to generate significant water waves in San Francisco Bay. Therefore, the potential for site flooding from a seiche is minimal.

HYDROLOGY AND WATER QUALITY

No City storm drain exists on the site. The closest drain is located at the intersection of Anza and Airport Boulevards. Stormwater run-off from the site currently flows into the Bay and Anza Lagoon. The integrity of the Bayfront levee has been reduced in some areas by wave erosion and slumping. Groundwater below the site is directly influenced by tidal fluctuations since the site is filled with permeable material. Urban run-off from non-point sources is the major cause of water quality degradation in Anza Lagoon and the portion of the Bay adjacent to the site.

Localized flooding on the site (especially in the below-grade level of the parking structure) could result from seepage through the permeable fill or overflow of the levee banks. Brackish groundwater could corrode underground utilities.

Project run-off would either tie into the existing City stormwater drain at the intersection of Airport and Anza Boulevards, or stormwater drains would be installed so that the run-off would be directed into the Bay. Lagoon water quality would not be expected to deteriorate as a result of the project since no run-off would discharge into the Lagoon. The primary impact that the proposed project would have on Bay water quality would be the addition of contaminants contained in surface run-off. The proposed project would increase the cumulative input of oil and grease thought to be contributing to the general decline in the water quality of the area. Construction and use of the fishing pier would impact water quality to a minor degree.

The project sponsor proposes to elevate the first floors of the hotel and restaurant structure (to a minimum of ten feet above MSL) to prevent flooding should a levee break. Requiring the sponsor to stabilize the outboard side of the levee and install a stormwater collection and pumping system in the lowest level of the parking structure would also reduce the probability of flooding. Placing underground utilities in non-ferrous pipes would prevent them from corroding.

Local water quality would be protected by placing oil separation traps at all drains in driveway/parking areas or at a central point, grading only during the dry season, planting landscaping that requires minimal fertilization and pest control, and using concrete piles for pier construction.

ECOLOGY

The sparsely vegetated site supports few animals. Adjacent to the site, Anza Lagoon, and connecting channel and Bay waters support significant biological resources, including clams, striped bass, perch, and herring. Numerous birds rest and feed in the waters of the Lagoon and adjacent Bayfront.

On-site impacts on vegetation and wildlife would be minimal, but cumulative development in the Anza Area could adversely affect aquatic animals in the Lagoon and local Bay waters. Larvae and juveniles would be most susceptible to the effects of increased concentrations of oil, grease, and pesticides. The magnitude of these impacts cannot be precisely projected, but could be substantial, depending on measures taken to control pollutant loads in stormwater run-off from the project site and other developments in the Anza Area.

The site would be landscaped with shrubs and trees as part of the project, and the Lagoon shoreline adjacent to the site would be planted with native salt marsh species. This would provide some habitat for aquatic animals, songbirds, and other wildlife species. The proposed landscaping species are well-adapted to the difficult soil conditions at the site.

AIR QUALITY

Currently, Federal and State air quality standards for concentrations of ozone and total suspended particulates (dust) are occasionally violated on the site and most of bayside San Mateo County. On-site concentrations of carbon monoxide result primarily from traffic on Airport Boulevard; these concentrations do not exceed Federal standards.

Project-generated emissions would be insignificant when compared to total regional emissions, and would not noticeably change regional air quality. Traffic created by the project would increase concentrations of carbon monoxide by two to four percent, but these concentrations would remain well within the applicable standards.

NOISE

Most of the noise on the project site is produced by two sources: aircraft and, to a lesser extent, traffic on Airport Boulevard. On-site noise from San Francisco International Airport operations is less than 65 dBA CNEL, though aircraft flying near the site occasionally cause noticeable short-term noise at the site.

During construction, ambient noise levels would increase. Construction noise could interfere with communication in adjacent buildings. Project-generated traffic would not noticeably increase noise levels on properties adjacent to US 101. Traffic generated by cumulative development (not including the proposed project) would increase noise levels along Airport Boulevard to 72 dBA. Project traffic would increase noise levels by one dBA to 73 dBA. A one dBA increase in ambient noise is generally not perceptible to the untrained human ear. Aircraft noise, the major noise source at the site, is not expected to increase significantly in the future. The site therefore would remain within a 65 dBA value for CNEL. The hotel would be insulated to reduce interior noise levels to below 45 dBA, to insure that noise would not interfere with sleep.

VISUAL RESOURCES

The site is generally flat and devoid of significant visual and topographic features and vegetation. It is inconspicuous to motorists using US 101 because intervening landscape features and buildings dominate the foreground and screen the ground plane from view. Topography and existing development limit visual access through the site to the Bay from US 101. The site can be clearly viewed from adjacent buildings and public areas. Views from the upper floors of the adjacent Seabreeze and Four Seas Buildings include the site, Bay shoreline, and the Bay. Viewed from the Burlingame Hills the site is a minor element.

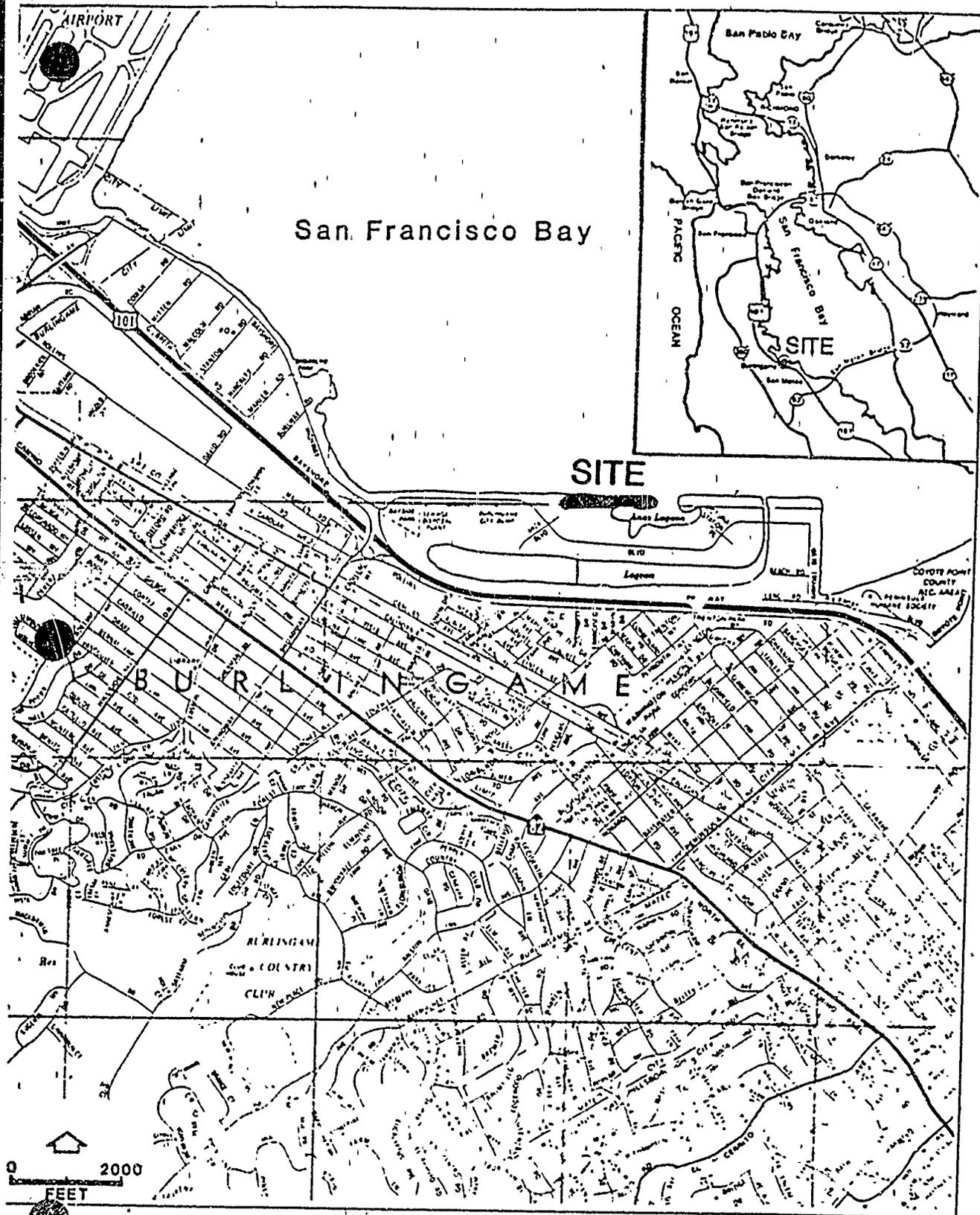
From the upper floors of adjacent buildings, development would greatly alter the appearance of the site and obscure views of the Bay. Close-range views of the site would be dominated by the hotel structure. Bay views from adjacent buildings would be obstructed by all three project buildings. Views from US 101 would be little changed since the hotel, restaurant, and parking structure would be mostly blocked by existing buildings. The proposed structures would be visible from the Burlingame Hills but would not substantially alter existing long-distance views.

The project would be generally consistent with City and BCDC guidelines relating to visual resources for this area. A landscaped park on the eastern portion of the site would improve the short and long-distance views of the site, as well as preserve a view corridor across the site to the Bay from US 101.

ENERGY

The site is currently vacant with no associated energy consumption. Constructing the project would consume about 485 billion Btu. Total annual project consumption would be about 65.4 billion Btu. The project would meet or exceed the energy conservation design criteria contained in Title 24 of the California Administrative Code. Containers for recyclable materials and trash compactors would help reduce energy consumption, and a trash compactor would reduce the volume of solid waste for storage and transport.

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San Francisco Bay

SITE

BURLINGAME

0 2000
FEET

FIGURE 1: Site Location

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