



REPORT NO. PC-14-043

DATE ISSUED: June 4, 2014

ATTENTION: Planning Commission, Agenda of June 26, 2014

SUBJECT: 11th & Broadway (block bounded by Broadway, E Street, Eleventh Avenue and Park Boulevard) – Centre City Development/Site Development Permit No. 2014-40 – East Village Neighborhood of the Downtown Community Plan Area

**OWNER/
APPLICANT:** Pinnacle International Development, Inc.

SUMMARY

Issue(s): “Should the Planning Commission (“Commission”) approve Centre City Development Permit/Site Development Permit (CCDP/SDP) 2014-40 for the 11th & Broadway project (“Project”)?”

Staff Recommendation: That the Commission approves CCDP/SDP 2014-40 for the Project.

Historical Resources Board Recommendation: On May 22, 2014, the City of San Diego (“City”) Historical Resources Board (HRB) voted 5-2 to recommend that the Commission grant CCDP/SDP 2014-40 for the Project.

Civic San Diego Board Recommendation: On April 30, 2014, the Civic San Diego (“CivicSD”) Board voted 4-0 to grant Design Review approval and recommend that the Commission grant CCDP/SDP 2014-40 for the Project.

Community Planning Group Recommendation: On April 23, 2014, the Downtown Community Planning Council (DCPC) voted 19-3 to support the Project and recommend that the Commission grant CCDP/SDP 2014-40.

Environmental Review: Development within the Downtown Community Plan (DCP) area is covered under the Final Environmental Impact Report (FEIR) for the DCP, Centre City Planned District Ordinance (CCPDO), and 10th Amendment to the Centre City Redevelopment Plan, certified by the Former Redevelopment Agency (“Former Agency”) and City Council (“Council”) on March 14, 2006 (Resolutions R-04001 and R-301265, respectively) and subsequent addenda to the FEIR certified by the Former

Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolutions R-04508 and R-04510), August 3, 2010 (Former Agency Resolution R-04544) and certified by the Council on February 12, 2014 (Resolution R-308724). The FEIR is a "Program EIR" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. An FEIR Consistency Evaluation for the Project has been prepared in accordance with suggested best practices outlined in CEQA Guidelines Section 15168. The Consistency Evaluation concluded that the Project is within the scope of the development program described in the FEIR and that the environmental impacts of the Project were adequately addressed in the FEIR; therefore, no further environmental documentation will be required for the Project under CEQA.

Fiscal Impact Statement: None.

Code Enforcement Impact: None.

Housing Impact Statement: The Project includes approximately 39 affordable units restricted at or below 80 percent Area Median Income (AMI) in order to comply with the City Inclusionary Housing Ordinance ("Inclusionary Ordinance").

SUMMARY: Pinnacle International Development, Inc. ("Applicant") is currently seeking approval of CCDP/SDP 2014-40 to allow the construction of a mixed-use Project containing two towers of 31 and 32 stories (approximately 310 and 319 feet tall, respectively), comprised of approximately 618 residential units (39 affordable units) including indoor and outdoor amenity space, approximately 11,361 square feet of street-level retail space, and 639 parking spaces in one level of above-grade parking and six levels of below-grade parking. The Project also includes the relocation and rehabilitation of the two-story 5,048 square-foot Hamilton Apartments; a locally designated historical building, on the Project site.

DEVELOPMENT TEAM

ROLE	FIRM/CONTACT	OWNERSHIP
Owner/Developer	Pinnacle International Development, Inc.	Michael DeCotiis, President (Sole Member and Manager) (Privately Owned)
Architect	Martinez and Cutri Architects Tony Cutri, Project Architect	Art Martinez, Tony Cutri (Privately Owned)

PROJECT DESCRIPTION

The following is a summary of the proposed Project design and program:

Site Area (development site)	40,000
Maximum FAR Minimum FAR Required Proposed FAR	10.0/14.0 (w/FAR Bonus/TDR's not including Affordable Housing Density Bonus) 6.0 15.8 *
FAR Bonuses	3.47 Affordable Housing 0.74 Eco-Roof 1.0 Three-Bedroom Units 0.5 Urban Open Space
Above-Grade Square Footage	636,360 square feet
Stories/Height	4-story/45 feet (podium); 31/32 stories, 310/319 feet (towers)
Amount of Retail Space	11,361 square feet
Amount of Office Space	N/A
Total Number of Housing Units	579 apartments 39 affordable apartments (80% AMI) 618 Total Units
Housing Unit and Bedroom Count	380 one-bedroom units 163 two-bedroom units 75 three-bedroom units
Projected Rental Rates (Estimated)	Market Rate (Rental) Affordable Rental (2014 Figures) One-bedroom – \$759-1,214 Two-bedroom – \$854-1,366 Three-bedroom – \$949-1,518
Number of Units Demolished	13 (located within the Hamilton Apartments)
Inclusionary Housing Ordinance Compliance	10% of Base Units will be affordable apartments
Parking Required (residential/commercial) Proposed (residential/commercial)	638 (1 per unit + 1 per 30 units for guest) 639 (618 residential + 21 units for guest)
Common Outdoor Open Space Required Proposed	8,000 square feet (20 percent of lot area) 10,630 square feet (26 percent of lot area)
Common Indoor Space Required Proposed	500 square feet 4,370 square feet

* Affordable Housing Density Bonus may exceed Maximum FAR limits.

DISCUSSION

Site Description

The site is an L-shaped parcel containing approximately 40,000 square feet and is located along Broadway, E Street, Eleventh Avenue, and Park Boulevard in the East Village neighborhood of the DCP area. The site is fairly flat, sloping approximately six feet from Broadway down to E Street along Eleventh Avenue. The site is also traversed by a high-pressure sewer interceptor pipe running through the southwest corner of the site, approximately 60 feet below grade.

The site is currently developed with surface-parking lots and a two-story locally designated historical resource (the Hamilton Apartments) located mid-block along Eleventh Avenue. The Applicant is proposing to temporarily remove, rehabilitate, and relocate the Hamilton Apartments as part of the Project and will require approval of a SDP by the Planning Commission. A thorough analysis pertaining to the historical resource portion of the Project is discussed further below.

Uses surrounding the site include a variety of commercial and residential buildings including the Smart Corner mixed-use project across the street to the north; a single-story auto repair warehouse to the south; a surface-parking lot to the west; and, the Salvation Army thrift store to the east across the trolley tracks. Other uses located on the block include the four-story Trolley Court Hotel, a 190-unit Single Room Occupancy (SRO) hotel directly adjacent to the Project along Park Boulevard, and two low-rise structures with commercial uses along Broadway, and a vacant commercial space on the corner of Broadway and Park Boulevard.

Under the CCPDO, the Land Use District for the site is Employment/Residential Mixed-Use (ER). This designation is intended to provide synergies between educational institutions and residential neighborhoods and a transition between the Core District and residential neighborhoods. The ER district allows a variety of uses including residential, office, hotel, research and development, educational, and medical facilities.

The CCPDO identifies Broadway as a View Corridor and requires a 15-foot setback at-grade from the edge of the public right-of-way. This setback creates a 29-foot-wide public sidewalk/plaza similar to the Smart Corner project across the street. Broadway is also considered a Commercial Street under the CCPDO and requires that a minimum of 60 percent of the street-level frontage provide active commercial uses. The Park Boulevard corridor, which is an integral part of the City's "Park-to-Bay Link," is also identified in the CCPDO as a Commercial Street. Along the west side of Park Boulevard the Planned District Ordinance requires that a minimum of 40 percent of the street frontage provide active commercial uses. The Project's entire street frontage along Broadway and Park Boulevard is devoted to retail/commercial space.

Floor Area Ratio (FAR) Bonus

The Base Maximum FAR for the Project site is 10.0, with the ability to earn an additional 4.0 FAR through the FAR Bonus programs (not including the Affordable Housing FAR bonus, which may exceed the maximum FAR established for a site). The Project increases the permitted

FAR from the Base 10.0 to 15.8 through the use of four FAR Bonus Programs including the Affordable Housing bonus as follows:

Eco-Roof – A landscaped eco-roof will be provided as part of the Project in order to qualify for an additional 0.74 FAR bonus. A total of 14,838 square feet of roof-top landscaping will be provided in the Project.

Three-Bedroom Units – The CCPDO provides an FAR Bonus for developments that provide a minimum of 10 percent of the total amount of dwelling units as three-bedroom units. The Project will contain approximately 75 three-bedroom units of which 61 units are eligible for an FAR Bonus of 1.0.

Urban Open Space – Under the CCPDO, developments that reserve a portion of their site for public Urban Open Space are eligible for an FAR Bonus of 0.5 or 1.0 based on the percentage of the Urban Open Space in relation to the site area. Developments that reserve 10 percent of their site area for public Urban Open Space, as the Applicant proposes, are eligible to receive 0.5 FAR Bonus.

Affordable Housing – Under the CCPDO, the Project is entitled to earn up to a 35 percent density bonus under the Affordable Housing bonus provisions, if 10 percent of the Base FAR units are restricted at 80 percent AMI for a minimum of 55 years. The Project proposes to utilize these bonus provisions to obtain an additional 3.47 FAR by providing 39 affordable low-income rental units, which is equivalent to 10 percent of the total units within the Base 10.0 FAR.

DESIGN REVIEW

The Project consists of a mixed-use development comprised of 31- and 32-story (310 and 319 feet tall, respectively) residential towers containing a total of 618 apartment units (including 39 affordable units) above a four-story, 45-foot-tall building base. The ground level of the Project consists of approximately 11,361 square feet of retail space, residential lobbies, building services, a relocated historical building, and urban open space along the Eleventh Avenue street frontage. Residents will access the building through residential lobbies fronting on Eleventh Avenue and E Street. The Project contains one level of at-grade parking and six levels of subterranean parking containing approximately 618 residential parking spaces, plus 21 spaces for residential guests (639 spaces total). Vehicular access for the Project is provided via a driveway from Eleventh Avenue and E Street.

The design of the towers is intended to be simple and similar in form and mass. Both towers are composed primarily of a light blue, glass window-wall system, metal, and a minimal amount of painted concrete in combination with light blue-colored mullions. The balconies are clad in dark metal around the slab edge as opposed to exposing the concrete as is typical in recent high-rise developments. The towers are articulated in five-floor vertical sections through the use of a darker horizontal metal band. Slight variations in fenestration, material, and plane offsets create visual interest by providing shadow and relief. Both towers include a four-foot wide vertical element extending from the ground floor to the top of the tower that also creates a frame element

over the roof. This vertical element is composed of Carrera marble to the top of the building base and then transitions into porcelainized metal panels.

The building-base design is simple and uniform, composed of large vertical frame elements clad with 12 inch by 24 inch dark grey ceramic tile for the entire length of the Project. The storefront windows extend the full 20-foot height of the retail and residential lobby space. The frame elements are designed to give the appearance of a series of vertical “colonnades,” the storefront windows are set back approximately two feet. Two horizontal bands of residential units complete the podium above the street level.

Historical Building Relocation

The Project also includes the temporary removal, relocation, and rehabilitation of the two-story, 5,084 square foot Hamilton Apartments, a locally designated historical resource. The Hamilton Apartment building is comprised of a two-story wood-framed building containing approximately 13 units. The original, eastern portion of the building was constructed in 1886 by the First Presbyterian Church of San Diego as a parsonage for the church’s pastor. The western portion of the building was built in 1907. The building also contains a small two-story non-original addition, which is proposed to be demolished as part of the Project.

In September 2005, the Hamilton Apartment building was designated and included in the San Diego Register as HRB Site No. 727. The building was designated after being included as Site No. 53 in the East Village Combined Historical Surveys in 2005, where it was evaluated as eligible for local listing. The building was designated for its local significance under two HRB criteria: HRB Criterion A for its social, economic, and architectural contributions to the history of the East Village neighborhood in that it exemplifies the physical evolution from a single-family home to its expansion into an SRO to accommodate the population boom generated by the 1915 Panama-Pacific Exposition in Balboa Park; and, HRB Criterion C as a good example of Italianate architecture.

As part of the Project, the Hamilton Apartments will be disassembled, removed, and temporarily stored at an off-site warehouse under the developer’s control during the construction of the underground parking garage. The walls and roof will be disassembled into the largest and fewest number of segments that can feasibly be managed. Rehabilitation of the structure will occur while the building is in storage and includes rehabilitation of the building’s doors, windows, walls, and roof panels. Once construction is complete, the building will be returned to the site and located approximately 50 feet south from its original location on Eleventh Avenue and will be surrounded by the tower podiums for buildings one and two. The historical building will be located adjacent to retail, a 2,120 square-foot plaza to the north, and main driveway entry to the south. A new foundation and simple concrete frame will be constructed and will serve as the structural framework for the rehabilitated building and utilities will be extended to the site. The building’s interior will be completely remodeled to accommodate retail on the ground level and residential amenity space on the second floor. All work proposed on the building will be consistent with the United States Secretary of the Interior Standards (“Standards”).

SDP

Under Chapters 11-14 of the Land Development Code (LDC), substantial alterations to a designated historical resource require approval of a SDP, a Process 4 decision by the Commission after a recommendation by the HRB. The proposed relocation of the Hamilton Apartments is considered a substantial alteration; therefore, the Project requires approval of a SDP.

SDP Findings – in order to approve a SDP, the Commission must make specific general findings in addition to supplemental findings for substantial alterations to a historical resource. The Applicant's consultant has submitted draft findings in support of this request (Attachment C).

General Findings – San Diego Municipal Code (SDMC) § 126.0504 (a):

1. The proposed development will not adversely affect the applicable land use plan

The DCP lists the following goals and policies for historical resources:

- a) For locally designated historical resources, "Whenever possible, retain resource on-site. Partial retention, relocation, or demolition of a resource shall only be permitted through applicable City procedures."
- b) Protect historical resources to communicate downtown's heritage.
- c) Encourage the rehabilitation and reuse of historical resources.
- d) Allow development adjacent to historical resources respectful of context and heritage, while permitting contemporary design solutions that do not adversely impact historical resources.
- e) Encourage the retention of historical resources on-site with new development. If retention of the historical resource on-site is found to be infeasible under appropriate City review procedures, the potential relocation of the historical resource to another location within downtown shall be explored and, if feasible, adopted as a condition of a SDP.

The Project meets the design goals of the DCP and CCPDO for new developments in this area. The Project will add vitality to the neighborhood and provide a variety of residential units including much needed three-bedroom units and affordable units. It will also rehabilitate a historical building and provide unique retail space for a small business and amenity space for residential tenants. The minor relocation of the Hamilton Apartments is a practical means of protecting a threatened resource and preserves its architectural heritage within the neighborhood.

2. The proposed development will not be detrimental to the public health, safety, and welfare; and,

The proposed Project will consist of a mixed-use development, including the temporary removal, relocation, and rehabilitation of a designated historical resource. The proposed Project will be consistent with the DCP and CCPDO with approval of the CCDP/SDP. The Project will be compatible with the nearby residential and commercial buildings and

consistent with the future planned development of the area without harming the public health, safety, and welfare.

3. *The proposed development will comply with the applicable provisions of the LDC*

The proposed Project will comply with the applicable provisions of the LDC for a historical resources deviation for relocation of designated historical resources with approval of the SDP. The proposed relocation and rehabilitation work on the building will be consistent with the Standards and will not create any adverse impacts to the designated building. Impacts related to the proposed relocation would be reduced through implementation of the required mitigation measures found in the FEIR and additional conditions of approval as required by the Historical Resources Guidelines of the City's LDC.

Supplemental Findings – Historical Resources Deviations for Relocation of Designated Historical Resource - SDMC§126.0504(h):

Findings for relocation of a designated historical resource are required for approval of the permit, consistent with the Municipal Code Section 126.0504(h) as follows:

1. *There are no feasible measures, including maintaining the resource on site, that can further minimize the potential adverse effects on historical resources.*

The purpose of the City Historical Resources Regulations is to protect, preserve, and where damaged, restore the historical resources of San Diego, which include historical buildings, historical structures or historical objects, important archaeological sites, historical districts, historical landscapes, and traditional cultural properties. These regulations are intended to assure that development occurs in a manner that protects the overall quality of historical resources and seeks to minimize the potential for any adverse effects on the historical resource.

As part of the proposed Project, the historical building would be removed from its current location and disassembled into façade and roof segments, braced with steel strong-backs and temporarily relocated to a secure off-site location where the building would be rehabilitated and protected during the construction of the underground parking structure. Upon completion of construction of the underground parking structure a new foundation and concrete frame is proposed to be constructed to serve as the structural framework for the rehabilitated building. In an effort to minimize potential adverse effects that could be caused by the proposed development, the Applicant evaluated two options for the building's relocation once it is time to return the building to the Project site. The first option (currently proposed) would be to relocate the rehabilitated building approximately 50 feet to the south of the building's original location. The second option would be to return the building to its original location. Based on an analysis of structural, building code, and economic feasibility factors, it was determined that implementation of the second option would be infeasible and would impact the development potential of the site. Therefore, the most feasible alternative is to relocate the building per the first option.

Although the Project proposes to move the historical building 50 feet south on the Project site, which normally could have an adverse effect, in this instance it is beneficial because the resource will be set apart from the new high-rise construction and surrounded on two sides by the building base which is lower in scale and more compatible with the historical building. In addition, the proposed relocation and rehabilitation of the historical resource will result in reduced physical impacts to the overall integrity of the resource while keeping it in close proximity to its original location with an increase in public visibility. A thorough explanation provided by the developer for each of the Options has been included in Attachment C.

2. *The proposed relocation will not destroy the historical, cultural, or architectural values of the historical resource and the relocation is part of a definitive series of actions that will assure the preservation of the designated historical resource.*

The temporary removal, relocation, rehabilitation and reuse of the Hamilton Apartments will not destroy the historical and architectural values of the resource. The building is proposed to be disassembled, removed, and temporarily stored at an off-site warehouse under the developer's control during the construction of the underground parking garage. The walls and roof will be disassembled into the largest and fewest number of segments that can feasibly be managed. Rehabilitation of the structure will occur while the building is in storage and includes rehabilitation of the building's doors, windows, walls, and roof panels. Once the construction of the garage is complete, the building will be returned to the site and located approximately 50 feet south from its original location on Eleventh Avenue. A new foundation and simple concrete frame will be constructed and will serve as the structural framework for the rehabilitated building and utilities will be extended to the site. With the exception of the relocation of the resource, the rehabilitation will be consistent with the Standards to ensure that historical and architectural values are maintained. A qualified historical architectural monitor will supervise the disassembly, relocation, and rehabilitation aspects of the Project. Once relocation and rehabilitation is complete, the designation status of the resource will be transferred to its relocation site and will remain a designated resource under the jurisdiction of the HRB.

The Applicant will also be required to implement measures identified in the FEIR Mitigation, Monitoring and Reporting Program for the relocation, rehabilitation, and reuse of a designated historic resource and will comply with the rules, regulations, and ordinances pertaining to the designation status and the conditions of the SDP as required by the SDMC. In addition, the Applicant will prepare a Historical American Building Survey (HABS) of the property site consistent with the National Park Service's Criterion Consideration B for moved properties and the City's Historical Resources Regulations. These measures ensure that the proposed relocation, rehabilitation, and reuse will not destroy the historical, cultural, or architectural values of the historical resource and the relocation will be part of a definitive series of actions to assure the preservation of the designated historical resource.

3. *There are special circumstances or conditions apart from the existence of the historical resource, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the historical resources regulations would deprive the property owner of reasonable use of the land.*


The DCP's goals for the surrounding neighborhood call for greater development intensity, especially on vacant and underdeveloped sites. Since the time during which the Hamilton Apartments were designated as a historical resource, the area surrounding the site has seen an increase in density and larger scale development consistent with these goals. Included in this growth are multi-story development projects including the Smart Corner Project located directly south of the Hamilton Apartments; the 9th & Broadway affordable housing development located to the west; and, a variety of mid- and high-rise mixed-use residential developments located to the east of the trolley tracks in the East Village neighborhood. The existing location of the historical resource and the overall setting and context of the neighborhood constitute special circumstances and conditions, which exist apart from the presence of the historical resource.

These special circumstances applying to the land, including the presence of a historical resource in the middle of the block along Eleventh Avenue, are peculiar to the land and are not of the developer's making. Therefore, the strict application of the provisions of the historical resources regulations would deprive the developer, as the property owner, of reasonable use of the land compared to other properties in the area and the goals and policies of the DCP.

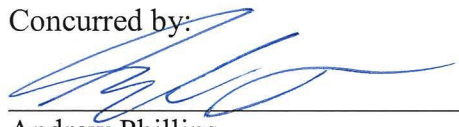
CONCLUSION


Staff recommends that the Commission grants CCDP/SDP 2014-40 for the Project.

Respectfully submitted,


Lucy Contreras
Senior Planner

Concurred by:


Andrew Phillips
Interim President


Brad Richter
Assistant Vice President, Planning

Attachments: A – Draft CCDP/SDP No. 2014-40
B – Draft Planning Commission Resolution
C – Applicant's Site Development Permit Findings
D – Treatment Plan
Basic Concept/Schematic Drawings

RECORDING REQUESTED BY:

Civic San Diego
Planning Department
401 B Street, Suite 400
San Diego, CA 92101

WHEN RECORDED MAIL TO:

Civic San Diego
401 B Street, Suite 400
San Diego, CA 92101

THIS SPACE FOR RECORDER'S USE ONLY

**NOTE: COUNTY RECORDER, PLEASE
RECORD AS RESTRICTION USE OR
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PROPERTY AFFECTING THE TITLE
TO OR POSSESSION THEREOF**

**CENTRE CITY
DEVELOPMENT PERMIT/SITE DEVELOPMENT PERMIT
2014-14**

**11TH & BROADWAY
(APN# 534-333-09 & 02)**

**11TH & BROADWAY
CCDP/SDP NO. 2014-14**

This Centre City Development/Site Development Permit No. 2014-14 is granted by the City of San Diego Planning Commission to PINNACLE INTERNATIONAL DEVELOPMENT, INC., Owner/Permittee, to allow: 1) the relocation and rehabilitation of Historical Resources Board (HRB) Site No. 727, as shown in the Treatment Plan dated April 22, 2014 and, 2) the construction of a mixed-use Project containing two towers of 31 and 32 stories (approximately 310 and 319 feet tall, respectively), comprised of approximately 618 residential units (39 affordable units) including indoor and outdoor amenity space, approximately 11,361 square feet of street-level retail space, and 639 parking spaces in one level of above grade parking and six levels of below-grade parking on the 40,000 square foot site bounded by Broadway, 11th Avenue, E Street and Park Boulevard in the East Village neighborhood of the Downtown Community Plan (DCP) area and more particularly described as Lots A, B, D, E, F, G, H of Block 50 of Horton's Addition, in the City of San Diego, County of San Diego, State of California, according to partition map thereof on file in the office of the county recorder of San Diego County.

Subject to the terms and conditions set forth in this Permit, permission is granted to the Owner/Permittee to construct and operate uses as described and identified by size, dimension, quantity, type and location as follows and on the approved exhibits dated April 8, 2014, on file in the Civic San Diego (CivicSD) Planning Department.

1. General

The Owner/Permittee shall construct, or cause to be constructed on the site, a residential mixed-use development consisting of two towers of 31 and 32 stories (approximately 310 and 319 feet tall) comprised of approximately 618 residential units (39 affordable units) including indoor and outdoor amenity space, approximately 11,361 square feet of commercial space and 639 parking spaces in one level of above grade parking and six levels of below-grade parking. The total Floor Area Ratio (FAR) of the development for all uses above ground shall not exceed 15.8 (includes all FAR Bonuses). The building shall not exceed a height of 319 feet above grade level, measured to the top of the parapet of the uppermost floor, with roof equipment enclosures, elevator penthouses, mechanical screening and architectural elements above this height permitted per the Centre City Planned District Ordinance (CCPDO).

2. Site Development Permit

The City of San Diego Planning Commission hereby grants a Site Development Permit (SDP) allowing the Relocation of a Designated Historical Resources as follows:

- a. City of San Diego HRB Site No. 727, the Hamilton Apartments located at 941 Eleventh Avenue will be relocated from its current location approximately 50 feet to the south on the same site as shown in the Treatment Plan dated April 22, 2014 and the Basic Concept Drawings dated April 8, 2014.

All modifications to, and rehabilitation of, the Hamilton Apartments, shall be performed in accordance with the National Park Service Standards for Relocation, U.S. Secretary of the Interior's Standards (Standards) for rehabilitation of historical structures, City of San Diego Historical Resources Guidelines and the Treatment Plan required under the FEIR Mitigation, Monitoring and Reporting Program (MMRP) Measures HIST A.1-1 and HIST A.1-2. In addition, the following conditions apply:

1. HABS Level III documentation shall be completed for the structure prior to issuance of building permits.
2. A qualified historical architectural monitor (approved by City of San Diego Plan-Historic Staff) will supervise the relocation, rehabilitation and reuse of the building.
3. A permanent plaque shall be provided on the exterior wall of the historic building describing the buildings original addresss/location. The design shall be approved by City of San Diego Plan-Historic staff prior to issuance of building permits and installation.
4. If any of the materials (exterior walls, window frames, roof and architectural details) are deteriorated and cannot be rehabilitated, and/or not permitted to be reinstalled by City of San Diego building officials, they may be recreated of new materials with the prior approval of the materials and execution methods of the City of San Diego Plan-Historic staff.

3. Floor Area Ratio (FAR) Bonus

An increase in the maximum allowable Base 10.0 FAR to 15.8 FAR is hereby granted under the following provisions of the CCPDO:

- a. Affordable Housing (Section 156.0309(e)(1)) - The development is entitled to an additional 3.47 FAR (138,800 square feet). The Owner/Permittee shall provide a minimum of 39 affordable units restricted to 51% -80% of Area Median Income (AMI) for a minimum of 55 years. An agreement with the San Diego Housing Commission shall be executed to enforce and monitor the affordability restrictions prior to issuance of any building permit for construction of any residential unit.
- b. Urban Open Space (Section 156.0309(e)(2)) - The development is entitled to up to 0.5 FAR (20,000 square feet) under the provisions of the CCPDO for the provision of 4,091 square feet (20% of total site area) of Urban Open Space designed as approved during the Design Review process and as shown in the Basic/Concept Drawings. Specifications for the design of the Urban Open Space shall be submitted with 100% Construction Drawings and approved by CivicSD prior to issuance of a Building Permit. The Urban Open Space shall also be subject to the following:

- i. The Urban Open Space shall be open to the general public at least between the hours of 6:00a.m. and 10:00p.m. every day. The open space area shall have signs indicating that the public is welcome and the hours of closure, if applicable.
 - ii. CC& R's shall be recorded on the property providing for the development and on-going maintenance of the open space area to City standards in perpetuity. These provisions shall be approved by CivicSD and the City Attorney's Office prior to issuance of a Building Permit.
- c. Three-Bedrooms Units (Section 156.0309(e)(3))- The development is entitled to 1.0 FAR (40,000 square feet) for the provision of 61 three-bedroom units, equivalent to equivalent to 10 percent of the total amount of dwelling units within the development. The development shall provide a minimum of 80 percent of the gross floor area for residential uses. Eligible three-bedroom units shall not exceed 1,200 square feet and shall contain a minimum of 700 square feet, with additional area for an enclosed closet. Covenants, Conditions and Restrictions (CC&R's) shall be recorded on the property to ensure the number of bedrooms in the units used to earn the FAR are not reduced. Such CC&Rs shall be in a form approved by CivicSD and the City Attorney's Office and shall be recorded prior to issuance of a Building Permit.
- d. Eco-Roof (Section 156.0309(e) (4)(A) through (C) – The development is entitled to up to 0.74 FAR (29,600 square feet). The FAR Bonus shall be granted with the provision of 14,838 square feet of the roof area above a height of 30 feet planted as an eco-roof in accordance with the CCPDO and as illustrated on the Basic Concept/Schematic Drawings. CC&R's shall be recorded on the property providing for the development and on-going maintenance, and replacement, if necessary, of the eco-roof to City standards for the life of the development. Such CC&Rs shall be in a form approved by CivicSD and the City Attorney's Office and shall be recorded prior to issuance of a Building Permit.

4. Parking

The development includes 639 parking spaces. A minimum of 618 spaces shall be dedicated to the development's residential component and 21 shall be dedicated to visitors/guests, and shall be designed to City Standards. These parking spaces shall be allocated to the development's residential units. If any additional residential parking spaces are designed with dimensions less than the City Standards, future buyers (if converted to condominium) of the residential units shall be informed of the dimensional size of their parking spaces prior to the sale of such units. Any subterranean parking facilities encroaching into the public right-of-way shall be located a minimum of six feet back from the face of curb to a depth of eight feet below sidewalk grade, measured to the outside of any shoring. An Encroachment Removal and Maintenance Agreement shall be obtained from the City to allow any encroachment of the garage into the public right-of-way.

5. Development Phasing

The Project may be constructed in two phases as follows: Phase I shall include the construction of the south tower and associated parking. Phase II on the southern 20,000 square feet of the site shall include the construction of the north tower and associated parking and include the relocation and rehabilitation of City of San Diego HRB Site No. 727, the Hamilton Apartments located at 941 Eleventh Avenue Hamilton Apartments on the northern 20,000 square feet of the site. Phase II shall be authorized under this development permit if building permits are issued for Phase II by the City of San Diego within three years from the issuance of final occupancy for Phase I under this development permit; otherwise, Phase II shall require an extension and/or amendment to this development permit or be authorized by a new development permit.

AIRPORT REQUIREMENTS

6. Airport Approach Overlay Zone

The Owner/Permittee shall comply with the procedures established by the City of San Diego Airport Approach Overlay Zone (and any successor or amendment thereto) for structures which exceed 30 feet in height (Chapter 13, Article 2, Division 2 of the San Diego Municipal Code) and shall be required to obtain a valid Federal Aviation Administration (FAA) "Determination of No Hazard to Air Navigation".

PLANNING AND DESIGN REQUIREMENTS

7. Residential Amenities and Facilities

The development includes the following residential amenities and facilities as illustrated on the approved Basic Concept/Schematic Drawings, which shall be required to be maintained within the development in perpetuity:

- a. Pet Open Space – A minimum of 100 square feet of contiguous area for use by pets and clearly marked for such exclusive use. The pet open space must contain permeable surface of gravel, sand, grass or similar, or a concrete surface connected to a drain in proximity to an outside faucet for washing down the surface. The development shall be responsible for daily cleaning and regular maintenance of this space. This open space shall be located within the interior of the development and shall not be located adjacent to public right-of-way areas.
- b. Common Outdoor Open Space – 10,630 square feet of common outdoor space. The dimensions of the common outdoor open space must not be reduced for the life of the development. A minimum of ten percent (10%) of each common outdoor open space area must be planted area and each area must be accessible to all residents of the development through a common corridor.

- c. Common Indoor Space – 4,370 square feet of common indoor amenity space. The spaces shall be maintained for use by residents of the development and must be accessible through a common corridor. The area may contain active or passive recreational facilities, meeting space, computer terminals, or other activity space.
- d. Off-Street Loading Bay – The development shall provide and maintain an off-street loading bay for use by the residents of the development. Loading bay dimensions shall be a minimum of 35 feet-deep, 13 feet-wide, and 13 feet-tall. The loading area shall have direct access to the internal circulation system and elevators.

8. Urban Design Standards

The proposed development, including its architectural design concepts and off-site improvements, shall be consistent with the CCPDO and Centre City Streetscape Manual. These standards, together with the following specific conditions, will be used as a basis for evaluating the development through all stages of the development process.

- a. Architectural Standards - The architecture of the development shall establish a high quality of design and complement the design and character of the East Village neighborhood as shown in the approved Basic Concept/Schematic Drawings on file with CivicSD. The development shall utilize a coordinated color scheme consistent with the approved Basic Concept/Schematic Drawings.
- b. Form and Scale - The development shall consist of a mixed-use Project containing two towers of 31 and 32 stories (approximately 310 and 319 feet tall) measured to the top of the roofline, with roof equipment enclosures, elevator penthouses, and mechanical screening above this height permitted per the CCPDO and the FAA. All building elements shall be complementary in form, scale, and architectural style.
- c. Building Materials - All building materials shall be of a high quality as shown in the Basic Concept/Schematic Drawings and approved materials board. All materials and installation shall exhibit high-quality design, detailing, and construction execution to create a durable and high quality finish. The base of the buildings shall be clad in upgraded materials and carry down to within 1 (one) inch of finish sidewalk grade, as illustrated in the approved Basic Concept/Schematic Drawings. Any plaster materials shall consist of a hard troweled, or equivalent, smooth finish. Any stone materials shall employ larger modules and full-corner profiles to create a substantial and non-veneer appearance. Any graffiti coatings shall be extended the full height of the upgraded base materials or up to a natural design break such a cornice line. All downspouts, exhaust caps, and other additive elements shall be superior grade for urban

locations, carefully composed to reinforce the architectural design. Reflectivity of the glass shall be the minimum reflectivity required by Title 24.

All construction details shall be of the highest standard and executed to minimize weathering, eliminate staining, and not cause deterioration of materials on adjacent properties or the public right of way. No substitutions of materials or colors shall be permitted without the prior written consent of the CivicSD. A final materials board which illustrates the location, color, quality, and texture of proposed exterior materials shall be submitted with 100% Construction Drawings and shall be consistent with the materials board approved with the Basic Concept/Schematic Drawings.

- d. Street Level Design - Architectural features such as awnings and other design features which add human scale to the streetscape are encouraged where they are consistent with the design theme of the structure. Exit corridors including garage/motor-court entrances shall provide a finished appearance to the street with street level exterior finishes wrapping into the openings a minimum of ten feet.

All exhaust caps, lighting, sprinkler heads, and other elements on the undersides of all balconies and surfaces shall be logically composed and placed to minimize their visibility, while meeting code requirements. All soffit materials shall be high quality and consistent with adjacent elevation materials (no stucco or other inconsistent material), and incorporate drip edges and other details to minimize staining and ensure long-term durability.

- e. Utilitarian Areas - Areas housing trash, storage, or other utility services shall be located in the garage or otherwise completely concealed from view of the public right-of-way and adjoining developments, except for utilities required to be exposed by the City or utility company. The development shall provide trash and recyclable material storage areas per Municipal Code Sections 142.0810 and 142.0820. Such areas shall be provided within an enclosed building/garage area and shall be kept clean and orderly at all times. The development shall implement a recycling program to provide for the separation of recyclable materials from the non-recyclable trash materials.
- f. Mail/Delivery Locations - It is the Owner/Permittee's responsibility to coordinate mail service and mailbox locations with the United States Postal Service and to minimize curb spaces devoted to postal/loading use. The Owner/Permittee shall locate all mailboxes and parcel lockers outside of the public right-of-way, either within the building or recessed into a building wall. A single, centralized interior mail area in a common lobby area is encouraged for all residential units within a development, including associated townhouses with individual street entrances. Individual commercial spaces shall utilize a centralized delivery stations within the building or recessed into a building wall, which may be shared with residential uses sharing a common street frontage address.

- g. Access - Vehicular access to the development's parking shall be limited to two driveways; one on 11th Avenue and one on E Street; the curbcuts for the vehicular access driveways shall not exceed 24 feet-in-width
- h. Circulation and Parking - The Owner/Permittee shall prepare a plan which identifies the location of curbside parking control zones, parking meters, fire hydrants, trees, and street lights. Such plan shall be submitted in conjunction with 100% Construction Drawings.

All subterranean parking shall meet the requirements of the Building Department, Fire Department and City Engineer. All parking shall be mechanically ventilated. The exhaust system for mechanically ventilated structures shall be located to mitigate noise and exhaust impacts on residential units, adjoining properties and the public right-of-way.

- i. Open Space/Development Amenities - A landscape plan that illustrates the relationship of the proposed on and off-site improvements and the location of water, and electrical hookups shall be submitted with 100% Construction Drawings.
- j. Roof Tops - A rooftop equipment and appurtenance location and screening plan shall be prepared and submitted with 100% Construction Drawings. Any roof-top mechanical equipment must be grouped, enclosed, and screened from surrounding views (including views from above).
- k. Signage - All signs shall comply with the City of San Diego Sign Regulations and the CCPDO.
- l. Lighting - A lighting plan which highlights the architectural qualities of the proposed development and also enhances the lighting of the public right-of-way shall be submitted with 100% Construction Drawings. All lighting shall be designed to avoid illumination of adjoining properties.
- m. Noise Control - All mechanical equipment, including but not limited to, air conditioning, heating and exhaust systems, shall comply with the City of San Diego Noise Ordinance and California Noise Insulation Standards as set forth in Title 24 of the California Code of Regulations. All mechanical equipment shall be located to mitigate noise and exhaust impacts on adjoining development, particularly residential. Owner/Permittee shall provide evidence of compliance at 100% Construction Drawings.
- n. Energy Considerations - The design of the improvements shall include, where feasible, energy conservation construction techniques and design, including cogeneration facilities, and active and passive solar energy design. The

Owner/Permittee shall demonstrate consideration of such energy features during the review of the 100% Construction Drawings.

- o. Street Address - Building address numbers shall be provided that are visible and legible from the public right-of-way.

9. On-Site Improvements

All off-site and on-site improvements shall be designed as part of an integral site development. An on-site improvement plan shall be submitted with the 100% Construction Drawings. Any on-site landscaping shall establish a high quality of design and be sensitive to landscape materials and design planned for the adjoining public rights-of-way.

PUBLIC IMPROVEMENTS, LANDSCAPING AND UTILITY REQUIREMENTS

10. Off-Site Improvements

The following public improvements shall be installed in accordance with the Centre City Streetscape Manual. The Manual is currently being updated and the Owner/Permittee shall install the appropriate improvements according to the latest requirements at the time of Building Permit issuance:

Off-Site Improvements	Broadway	Eleventh Avenue	Park Blvd.	E Street
Paving	Broadway Paving	Gateway Paving	Park to Bay Link	Gateway Paving
Street Trees	Southern Magnolia	Jacaranda	London Plane	Chinese Evergreen Elm
Street Lights	Gateway Lights	Gateway	Tear Drop Light	Gateway

All trees shall be planted at a minimum 36-inch box size with tree grates provided as specified in the Centre City Streetscape Manual, and shall meet the requirements of Title 24. Tree spacing shall be accommodated after street lights have been sited, and generally spaced 20 to 25 feet on center. All landscaping shall be irrigated with private water service from the subject property.

The Owner/Permittee will be responsible for evaluating, with consultation with the CivicSD, whether any existing trees within the right-of-way shall be maintained and preserved. No trees shall be removed prior to obtaining a Tree Removal Permit from the Development Services Department per City Council Policy 200-05.

- a. Street Lights - All existing lights shall be evaluated to determine if they meet current CivicSD and City requirements, and shall be modified or replaced if necessary.

- b. Sidewalk Paving - Any specialized paving materials shall be approved through the execution of an Encroachment Removal and Maintenance Agreement with the City.
- c. Litter Containers – The development shall provide four liter receptacles and shall be located as specified in Figure 7 of the Centre City Streetscape Manual.
- d. Landscaping - All required landscaping shall be maintained in a disease, weed and litter free condition at all times. If any required landscaping (including existing or new plantings, hardscape, landscape features, etc.) indicated on the approved construction documents is damaged or removed during demolition or construction, it shall be repaired and/or replaced in kind and equivalent in size per the approved documents and to the satisfaction of the CivicSD within 30 days of damage or Certificate of Occupancy.
- e. Planters - Planters shall be permitted to encroach into the right-of-way a maximum of two (2) feet for sidewalk areas measuring at least 12-feet and less than 14 feet-in-width. For sidewalk areas 14 feet or wider, the maximum permitted planter encroachment shall be three feet. The planter encroachment shall be measured from the property line to the face of the curb/wall surrounding the planter. A minimum 6-foot clear path shall be maintained between the face of the planter and the edge of any tree grate or other obstruction in the right-of-way.
- f. On-Street Parking - The Owner/Permittee shall maximize the on-street parking wherever feasible.
- g. Public Utilities - The Owner/Permittee shall be responsible for the connection of on-site sewer, water and storm drain systems from the development to the City Utilities located in the public right-of-way. Sewer, water, and roof drain laterals shall be connected to the appropriate utility mains within the street and beneath the sidewalk. The Owner/Permittee may use existing laterals if acceptable to the City, and if not, Owner/Permittee shall cut and plug existing laterals at such places and in the manner required by the City, and install new laterals. Private sewer laterals require an Encroachment Maintenance and Removal Agreement.

If it is determined that existing water and sewer services are not of adequate size to serve the proposed development, the Owner/Permittee will be required to abandon (kill) any unused water and sewer services and install new services and meters. Service kills require an engineering permit and must be shown on a public improvement plan. All proposed public water and sewer facilities, including services and meters, must be designed and constructed in accordance with established criteria in the most current edition of City of San Diego Water and Sewer Facility Design Guidelines and City regulations standards and practices pertaining thereto.

Proposed private underground sewer facilities located within a single lot shall be designed to meet the requirements of the California Uniform Plumbing Code and shall be reviewed as part of the Building Permit plan check. If and when the Owner/Permittee submits for a tentative map or tentative map waiver, the Water Department will require CC&Rs to address the operation and maintenance of the private on-site water system serving the development. No structures or landscaping of any kind shall be installed within 10 feet of water facilities.

All roof drainage and sump drainage, if any, shall be connected to the storm drain system in the public street, or if no system exists, to the street gutters through sidewalk underdrains. Such underdrains shall be approved through an Encroachment Removal Agreement with the City. The Owner/Permittee shall comply with the City of San Diego Storm Water Management and Discharge Control Ordinance and the storm water pollution prevention requirements of Chapter 14, Article 2, Division 1 and Chapter 14, Article 2, Division 2 of the Land Development Code.

- h. Franchise Public Utilities - The Owner/Permittee shall be responsible for the installation or relocation of franchise utility connections including, but not limited to, gas, electric, telephone and cable, to the development and all extensions of those utilities in public streets. Existing franchised utilities located above grade serving the property and in the sidewalk right-of-way shall be removed and incorporated into the adjoining development where feasible.
- i. Fire Hydrants - If required, the Owner/Permittee shall install fire hydrants at locations satisfactory to the City of San Diego Fire Department and Development Services Department.
- j. Water Meters and Backflow Preventers - The Owner/Permittee shall locate all water meters and backflow preventers in locations satisfactory to the Public Utilities Department and CivicSD. Backflow preventers shall be located outside of the public right-of-way adjacent to the development's water meters, either within the building, a recessed alcove area, or within a plaza or landscaping area. The devices shall be screened from view from the public right-of-way. All items of improvement shall be performed in accordance with the technical specifications, standards, and practices of the City of San Diego's Engineering, Public Utilities and Building Inspection Departments and shall be subject to their review and approval. Improvements shall meet the requirements of Title 24 of the State Building Code.

11. Removal and/or Remedy of Soil and/or Water Contamination

The Owner/Permittee shall (at its own cost and expense) remove and/or otherwise remedy as provided by law and implementing rules and regulations, and as required by appropriate governmental authorities, any contaminated or hazardous soil and/or water conditions on the Site. Such work may include without limitation the following:

- a. Remove (and dispose of) and/or treat any contaminated soil and/or water on the site (and encountered during installation of improvements in the adjacent public rights-of-way which the Owner/Permittee is to install) as necessary to comply with applicable governmental standards and requirements.
- b. Design construct all improvements on the site in a manner which will assure protection of occupants and all improvements from any contamination, whether in vapor or other form, and/or from the direct and indirect effects thereof.
- c. Prepare a site safety plan and submit it to the appropriate governmental agency, CivicSD, and other authorities for approval in connection with obtaining a building permit for the construction of improvements on the site. Such site safety plan shall assure workers and other visitors to the site of protection from any health and safety hazards during development and construction of the improvements. Such site safety plan shall include monitoring and appropriate protective action against vapors and/or the effect thereof.
- d. Obtain from the County of San Diego and/or California Regional Water Quality Control Board and/or any other authorities required by law any permits or other approvals required in connection with the removal and/or remedy of soil and/or water contamination, in connection with the development and construction on the site.
- e. If required due to the presence of contamination, an impermeable membrane or other acceptable construction alternative shall be installed beneath the foundation of the building. Drawings and specifications for such vapor barrier system shall be submitted for review and approval by the appropriate governmental authorities.

STANDARD REQUIREMENTS

12. Environmental Impact Mitigation Monitoring and Reporting Program (MMRP)

As required by the San Diego Municipal Code Section 156.0304 (f), the development shall comply with all applicable MMRP measures from the 2006 Final Environmental Impact Report (FEIR) for the Downtown Community Plan as applicable.

13. Development Impact Fees

The development will be subject to Centre City Development Impact Fees. For developments containing commercial space(s) the Owner/Permittee shall provide to the City's Facilities Financing Department the following information at the time of application for building permit plan check: 1) total square footage for commercial lease spaces and all areas within the building dedicated to support those commercial spaces including, but not limited to: loading areas, service areas and corridors, utility rooms, and commercial parking areas; and 2) applicable floor plans showing those areas outlined for

verification. In addition, it shall be responsibility of the Owner/Permittee to provide all necessary documentation for receiving any "credit" for existing buildings to be removed.

14. Construction Fence

Owner/Permittee shall install a construction fence pursuant to specifications of, and a permit from, the City Engineer. The fence shall be solid plywood with wood framing, painted a consistent color with the development's design, and shall contain a pedestrian passageway, signs, and lighting as required by the City Engineer. The fencing shall be maintained in good condition and free of graffiti at all times.

15. Development Identification Signs

Prior to commencement of construction on the Site, the Owner/Permittee shall prepare and install, at its cost and expense, one sign on the barricade around the site which identifies the development. The sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrian and vehicular traffic. The signs shall at a minimum include:

- Color rendering of the development
- Development name
- Developer
- Completion Date
- For information call _____.

Additional development signs may be provided around the perimeter of the site. All signs shall be limited to a maximum of 160 square feet per street frontage. Graphics may also be painted on any barricades surrounding the site. All signs and graphics shall be submitted to the CivicSD for approval prior to installation.

16. Tentative Map

The Owner/Permittee shall be responsible for obtaining all map approvals required by the City of San Diego prior to any future conversion of the residential units and/or commercial spaces to condominium units for individual sale.

17. This Centre City Development Permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this Permit is not utilized in accordance with Chapter 12, Article 6, Division 1 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time (EOT) has been granted. Any such EOT must meet all SDMC and CCPDO requirements in effect at the time of extension are considered by the appropriate decision maker.

18. Issuance of this Permit by CivicSD does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies.
19. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
20. This development shall comply with the standards, policies, and requirements in effect at the time of approval of this development, including any successor(s) or new policies, financing mechanisms, phasing schedules, plans and ordinances adopted by the City of San Diego.
21. No permit for construction, operation, or occupancy of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until this Permit is recorded in the Office of the San Diego County Recorder.
22. The Owner/Permittee shall defend, indemnify, and hold harmless the CivicSD and the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The CivicSD will promptly notify Owner/Permittee of any claim, action, or proceeding and, if CivicSD should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. CivicSD may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between CivicSD and Owner/Permittee regarding litigation issues, the CivicSD shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

This Centre City Development Permit/Site Development Permit is granted by City of San Diego Planning Commission on _____, 2014

CIVIC SAN DIEGO

OWNER/PERMITTEE SIGNATURE

Lucy Contreras Date
Senior Planner

Mike DeCotiis, President Date
Pinnacle 11th Avenue U.S. LLC.

PLANNING COMMISSION RESOLUTION NO. _____
CENTRE CITY DEVELOPMENT PERMIT/SITE DEVELOPMENT PERMIT NO. 2014-40

WHEREAS, Pinnacle International Development Inc., Owner/Permittee filed an application with Civic San Diego (CivicSD) for Centre City Development Permit/Site Development Permit No. 2014-40 to allow: 1) the relocation and rehabilitation of Historical Resources Board (HRB) Site No. 727, as shown in the Treatment Plan dated April 22, 2014 and, 2) the construction of a mixed-use Project containing two towers of 31 and 32 stories (approximately 310 and 319 feet tall, respectively), comprised of approximately 618 residential units (39 affordable units) including indoor and outdoor amenity space, approximately 11,361 square feet of street-level retail space, and 639 parking spaces in one level of above grade parking and six levels of below-grade parking.

WHEREAS, the project site is located on a 40,000 square foot parcel located on the block bound by Broadway, E Street, Eleventh Avenue, and Park Boulevard in the East Village Neighborhood of the Downtown Community Plan (DCP);

WHEREAS, the site is legally described as Lots A, B, D, E, F, G, H of Block 50 of Horton's Addition, in the City of San Diego, County of San Diego, State of California, according to partition map thereof on file in the office of the county recorder of San Diego County;

WHEREAS, on June 26, 2014, the City of San Diego Planning Commission considered Centre City Development/Site Development Permit No. 2014-40, including a staff report and recommendation, and public testimony, pursuant to the Centre City Planned District Ordinance (CCPDO) and the Land Development Code (LDC) of the City of San Diego;

WHEREAS, Development within the DCP area is covered under the FEIR for the DCP, CCPDO, and 10th Amendment to the Centre City Redevelopment Plan, certified by the Former Redevelopment Agency ("Former Agency") and City Council ("Council") on March 14, 2006 (Resolutions R-04001 and R-301265, respectively) and subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolutions R-04508 and R-04510), August 3, 2010 (Former Agency Resolution R-04544) and certified by the Council on February 12, 2014 (Resolution R-308724). The FEIR is a "Program EIR" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. An FEIR Consistency Evaluation for the Project has been prepared in accordance with suggested best practices outlined in CEQA Guidelines Section 15168. The Consistency Evaluation concluded that the Project is within the scope of the development program described in the FEIR and that the environmental impacts of the Project were adequately addressed in the FEIR; therefore, no further environmental documentation will be required for the Project under CEQA

BE IT RESOLVED, by the Planning Commission of the City of San Diego as follows:

The Planning Commission adopts the following written findings dated January 26, 2014.

FINDINGS

DEVELOPMENT PERMIT FINDINGS

1. *The proposed development is consistent with the Downtown Community Plan, Centre City Planned*

District Ordinance, San Diego Land Development Code, and all other adopted plans and policies of the City of San Diego pertaining to the Centre City Planned District.

The proposed development is consistent with the DCP, Centre City Planned District Ordinance (CCPDO), Land Development Code (LDC), and all other adopted plans and policies of the City of San Diego pertaining to the Centre City Planned District as the development advances the goals and objectives of the DCP and Centre City Planned District by:

- Adding the range of downtown housing opportunities;
- Contributing to the vision of downtown as a major residential neighborhood;
- Increasing the downtown residential population;
- Protecting historical resources to communicate downtown's heritage; and,
- Allowing development adjacent to historical resources respectful of context and heritage, while permitting contemporary design solutions that do not adversely impact historical resources.

In addition, with approval of the Centre City Development Permit/Site Development Permit, the development will be consistent with the requirements of the LDC and CCPDO.

SITE DEVELOPMENT PERMIT FINDINGS

General Findings – San Diego Municipal Code (SDMC) § 126.0504 (a):

1. The proposed development will not adversely affect the applicable land use plan

The DCP lists the following goals and policies for historical resources:

- For locally designated historical resources, “Whenever possible, retain resource on-site. Partial retention, relocation, or demolition of a resource shall only be permitted through applicable City procedures.”
- Protect historical resources to communicate downtown's heritage.
- Encourage the rehabilitation and reuse of historical resources.
- Allow development adjacent to historical resources respectful of context and heritage, while permitting contemporary design solutions that do not adversely impact historical resources.
- Encourage the retention of historical resources on-site with new development. If retention of the historical resource on-site is found to be infeasible under appropriate City review procedures, the potential relocation of the historical resource to another location within downtown shall be explored and, if feasible, adopted as a condition of a SDP.

The Project meets the design goals of the DCP and CCPDO for new developments in this area. The Project will add vitality to the neighborhood and provide a variety of residential units including much needed three-bedroom units and affordable units. It will also rehabilitate a historical building and provide unique retail space for small business and amenity space for residential tenants. The minor relocation of the Hamilton Apartments is a practical means of protecting a threatened resource and preserves its architectural heritage within the neighborhood.

2. The proposed development will not be detrimental to the public health, safety, and welfare; and,

The proposed Project will consist of a mixed-use development, including the temporary removal, relocation, and rehabilitation of a designated historical resource. The proposed Project will be consistent

with the DCP and CCPDO with approval of the CCDP/SDP. The Project will be compatible with the nearby residential and commercial buildings and consistent with the future planned development of the area without harming the public health, safety, and welfare.

3. *The proposed development will comply with the applicable provisions of the LDC*

The proposed Project will comply with the applicable provisions of the LDC for a historical resources deviation for relocation of designated historical resources with approval of the SDP. The proposed relocation and rehabilitation work on the building will be consistent with the Standards and will not create any adverse impacts to the designated building. Impacts related to the proposed relocation would be reduced through implementation of the required mitigation measures found in the FEIR and additional conditions of approval as required by the Historical Resources Guidelines of the City's LDC.

Supplemental Findings – Historical Resources Deviations for Relocation of Designated Historical Resource -SDMC§126.0504(h):

Findings for relocation of a designated historical resource are required for approval of the permit, consistent with the Municipal Code Section 126.0504(h) as follows:

1. *There are no feasible measures, including maintaining the resource on site, that can further minimize the potential adverse effects on historical resources.*

The purpose of the City Historical Resources Regulations is to protect, preserve and, where damaged, restore the historical resources of San Diego, which include historical buildings, historical structures or historical objects, important archaeological sites, historical districts, historical landscapes, and traditional cultural properties. These regulations are intended to assure that development occurs in a manner that protects the overall quality of historical resources and seeks to minimize the potential for any adverse effects on the historical resource.

As part of the proposed Project, the historical building would be removed from its current location and disassembled into façade and roof segments, braced with steel strong-backs and temporarily relocated to a secure off-site location where the building would be rehabilitated and protected during the construction of the underground parking structure. Upon completion of construction the underground parking structure a new foundation and concrete frame is proposed to be constructed to serve as the structural framework for the rehabilitated building. In an effort to minimize potential adverse effects that could be caused by the proposed development, the applicants evaluated two options for the building's relocation once it is time to return the building to the Project site. The first option (currently proposed) would be to relocate the rehabilitated building approximately 50 feet to the south of the building's original location. The second option would be to return the building to its original location. Based on an analysis of structural, building code, and economic feasibility factors, it was determined that implementation of the second option would be infeasible and would impact the development potential of the site. Therefore, the most feasible alternative is to relocate the building under the first option.

Although the Project proposes to move the historical building 50 feet south on the Project site, which normally could have an adverse effect, in this instance it is beneficial because the resource will be set apart from the new high-rise construction and surrounded on two sides by the building base which is lower in scale and more compatible with the historical building. In addition, the proposed relocation and rehabilitation of the historical resource will result in reduced physical impacts to the overall integrity of the resource while keeping it in close proximity to its original location with an increase in public

visibility.

2. *The proposed relocation will not destroy the historical, cultural, or architectural values of the historical resource and the relocation is part of a definitive series of actions that will assure the preservation of the designated historical resource.*

The temporary removal, relocation, rehabilitation and reuse of the Hamilton Apartments will not destroy the historical and architectural values of the resource. The building is proposed to be disassembled, removed, and temporarily stored at an off-site warehouse under the developer's control during the construction of the underground parking garage. The walls and roof will be disassembled into the largest and fewest number of segments that can feasibly be managed. Rehabilitation of the structure will occur while the building is in storage and includes rehabilitation of the building's doors, windows, walls and roof panels. Once the construction of the garage is complete, the building will be returned to the site and located approximately 50 feet south from its original location on Eleventh Avenue. A new foundation and simple concrete frame will be constructed and will serve as the structural framework for the rehabilitated building and utilities will be extended to the site. With the exception of the relocation of the resource, the rehabilitation will be consistent with the Standards to ensure that historical and architectural values are maintained. A qualified historical architectural monitor will supervise the disassembly, relocation, and rehabilitation aspects of the Project. Once relocation and rehabilitation is complete the designation status of the resource will be transferred to its relocation site and will remain a designated resource under the jurisdiction of the HRB.

The Applicant will also be required to implement measures identified in the Final Environmental Impact Report (FEIR) Mitigation, Monitoring and Reporting Program (MMRP) pertaining to the relocation, rehabilitation, and reuse of a designated historic resource and will comply with the rules, regulations, and ordinances pertaining to the designation status and the conditions of the SDP as required by the SDMC. In addition, the Applicant will prepare a Historical American Building Survey (HABS) of the property site consistent with the National Park Service's Criterion Consideration B for moved properties and the City's Historical Resources Regulations. These measures ensure that the proposed relocation, rehabilitation, and reuse will not destroy the historical, cultural, or architectural values of the historical resource and the relocation will be part of a definitive series of actions to assure the preservation of the designated historical resource.

3. *There are special circumstances or conditions apart from the existence of the historical resource, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the historical resources regulations would deprive the property owner of reasonable use of the land.*

The DCP's goals for the surrounding neighborhood call for greater development intensity, especially on vacant and underdeveloped sites. Since the time during which the Hamilton Apartments were designated as a historical resource, the area surrounding the site has seen an increase in density and larger scale development consistent with these goals. Included in this growth are multi-story development projects including the Smart Corner Project located directly south of the Hamilton Apartments; the 9th & Broadway affordable housing development located to the west; and, a variety of mid- and high-rise mixed-use residential developments located to the east of the trolley tracks in the East Village neighborhood. The existing location of the historical resource and the overall setting and context of the neighborhood constitute special circumstances and conditions, which exist apart from the presence of the historical resource.

These special circumstances applying to the land, including the presence of a historical resource in the middle of the block along Eleventh Avenue, are peculiar to the land and are not of the developer's making. Therefore, the strict application of the provisions of the historical resources regulations would deprive the developer, as the property owner, of reasonable use of the land compared to other properties in the area and the goals and policies of the DCP.

BE IT FURTHER RESOLVED that, based on the findings, hereinbefore adopted by the Planning Commission, CCDP/PDP No. 2014-40 is hereby **GRANTED** by the Planning Commission to the referenced Owner/Permittee, in the form, exhibits, terms and conditions set forth in the CCDP/SDP No. 2014-40 a copy of which is attached hereto and made part hereof.

Lucy Contreras
Senior Planner
Civic San Diego

Adopted on: June 26, 2014

11TH & BROADWAY RESIDENTIAL PROJECT



Prepared by:

Marie Burke Lia, Attorney at Law, on behalf of the Project Applicants

April 15, 2014

FINDINGS

Site Development Permit for Relocation – Section 126.0504 (h)

(a) Findings for all Site Development Permits

1. The proposed development will not adversely affect the applicable land use plan. The proposed development of 40,000 square feet of Block 50 in Horton's Addition will be developed as a single project. The south 20,000 square feet of the project site will house a 31 story residential tower, hereinafter referred to as "building one." The north 20,000 square feet of the project site, Lots A – D, will house another 31 story tower with residential and retail uses, hereinafter referred to as "building two." One underground parking garage would serve all of the above ground uses on the project site.

The proposed project would result in the relocation of a designated historic resource, #727, Hamilton Apartments, from its current location on Lot C of Block 50 of Horton's Addition, to its new location on Lot D of Block 50 to permit new development on Lots A, B and C, and to retain the historic resource for rehabilitation and reuse 50 feet south of its original location. These four Lots on Block 50 are located in the East Village Subarea of the Centre City Planned District, which is subject to the Downtown Community Plan. The project was initiated by the current property owner, Pinnacle International Development Inc., after it acquired the project site, which comprises the northwest quadrant of the block bounded on the north by Broadway, on the east by 12th Avenue, on the south by E Street and on the west by 11th Avenue.

Land use and housing issues are addressed in Chapter 3 of the Downtown Community Plan. As shown on the Plan's Land Use Map, Figure 3-4, this block is designated for Employment Residential Mixed-Use. According to the Plan, page 3-7, "This classification provides synergies between educational institutions and residential neighborhoods, or transition between the Core and residential neighborhoods. It also encompasses Horton Plaza. The classification permits a variety of uses, including office, residential, hotel, research and development, and educational and medical facilities."

The desired development intensity for the area is described on page 3-17 where the Plan establishes intensity standards for various parts of downtown. Intensity is measured as Floor Area Ratio (FAR), obtained by dividing gross floor area by lot area. Figure 3-9 of the Plan shows the allowable minimum and maximum FARs for various sites. The minimum FAR for the subject property is 6.0 and the maximum is 10.0. "Proposed base development intensities in the Community Plan range from 2.0 to 10.0, modulated to provide diversity of scale, as well as high intensities in selected locations." The subject property has a maximum FAR of 10.0, and it is within a selected location for high intensity development.

The Plan contains Goals and Policies to establish Development Intensities, Incentives, and the Plan Build out. Goal 3.2-G-2 is to 'Maintain a range of development intensities to provide diversity, while maintaining high overall intensities to use land efficiently and permit population and employment targets to be met.' Policy 3.2-P-3 allows "intensity bonuses for development projects in specific locations established by this Plan that provide public amenities/benefits beyond those required for normal development approvals." The proposed project will comply with several of the Density Bonus provisions provided for by the Centre City Planned District Ordinance in accordance with this Plan

Policy. These Bonuses will ultimately result in a FAR of 16.34 for this site. The proposed project will comply with Chapter 3 of the Downtown Community Plan and is consistent with the Employment Residential Mixed Use classification.

Historic Preservation is addressed in Chapter 9 of the Downtown Community Plan. The existing structure on the project site is a locally designated historical resource, the Hamilton Apartments, San Diego Historical Landmark #727. As indicated in Table 9-1 of the Plan, locally designated resources are to be retained on-site whenever possible. "Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures." The applicable City procedures are established in San Diego Municipal Code Chapter 14, Article 3, Division 2, entitled "Historical Resources Regulations." §143.0210 (2) (C) requires a Site Development Permit in accordance with Process Four for any development that proposes to deviate from the development regulations for historical resources described in this division. Substantial alteration of a designated resource by relocation or other means is a deviation from the historical resources regulations and therefore a Site Development Permit, as authorized by Chapter 12, Article 6, Division 5, entitled "Site Development Permit Procedures," is required. The decision maker, in this instance the Planning Commission, must make all of the Findings in §126.0504(a) and §126.0504(h) before the relocation of a locally designated historical resource can occur. Therefore, the processing of this Site Development Permit application is in compliance with and will not adversely affect this aspect of the applicable land use plan.

The Mitigation Monitoring and Reporting Program (MMRP) for the Downtown Community Plan requires the implementation of Mitigation Measure *HIST- A.1-3* if a designated historical resource would be relocated. That Mitigation Measure requires the submission of a Documentation Program that must include Photo Documentation and Measured Drawings of the resource to the Historical Resources Board Staff for review and approval. Implementation of this Mitigation Measure will be required as a Condition of this Permit.

2. The proposed development will not be detrimental to the public health, safety and welfare.

On the north portion of the project site, the proposed project will construct building two, a high density, mixed use, mixed income 31 story residential apartment high-rise tower with retail, lobbies and handicapped parking on the ground floor, and parking below grade on 6 levels. The 31 stories will contain 312 residential units, including one, two and three bedrooms units. The first floor will contain 16,144 square feet and include retail, circulation, utilities, trash, parking, and the building core. The second floor will contain 11,515 square feet and include 11 affordable units in addition to the core, circulation and utilities. The third floor will contain 12,103 square feet and include 9 affordable units in addition to the core, circulation and utilities. The fourth floor will contain 10,141 square feet and include 9 units in addition to the core, circulation, utilities and trash facilities. The fifth through twenty-fourth levels will contain 10,141 square feet and include 12 units in addition to the core, circulation and utilities. The twenty-fifth through the thirtieth levels will contain 9,826 square feet and 6 units in addition to core, circulation and utilities. The thirty-first level will include 9,926 square feet and 4 units in addition to the core, circulation and utilities. The base FAR for the project site permits 200,000 square feet of development, but the bonus FAR allowed for the Three bedroom units, Eco Roofs, Open Space, Affordable Housing and Ground Floor Retail bring the FAR up to 326,791 square feet. The project will occupy 323,933 square feet. (Source: Project Plan Sheet A02.)

The site is impacted by a high pressure sewer interceptor pipe running through the southwest corner of the site. The proposed development is consistent with the Downtown Community Plan, the Centre City Planned District Ordinance, and all other applicable provisions of the San Diego Municipal Code. The north portion of the project site, which contains the historical resource, is 20,000 square feet fronting on 100' on Broadway and 200' on 11th Avenue, occupying the northwest quadrant of the block and Lots A, B, C and D in Block 50 of Horton's Addition. The construction of will be Type 1, fire rated and sprinklered, meeting occupancy classification R1 as required by the California Building Code CBC 2010.

The Development Regulations of the Centre City Planned District Ordinance (§156.0310) include Residential Development Regulations, (§156.0310 (g)), that apply to developments containing more than 50 units. These regulations require common open space of specified dimensions that are accessible to all residents. This open space must equal a specified percentage of the lot size. While 3,000 square feet of open space is required for building two, the project will provide 5,895 square feet of common open space, all at 15 feet above grade. Each development containing more than 50 units must also provide common indoor space including at least one community room of at least 500 square feet that is accessible to the common open space. Building two will provide 2,070 square feet of common indoor space accessible to all residents. At least 50 % of the dwelling units shall provide private open space of a balcony, patio or roof terrace with specified minimum dimensions. Building two will also provide balconies meeting these criteria for 90% of the units. Each development shall provide a specified size of pet open space with permeable surfaces and a hose bib that drains to the public sewer system. This project provides that. (Source: Project Plan Sheet A02)

The proposed development complies with the Urban Design Regulations of the Planned District Ordinance (§156.0311), the Performance Standards of the Planned District Ordinance (§156.0312) and the Residential Off-Street Parking Space Requirements of the Planned District Ordinance (§156.0313). The proposed development specifically complies with the FAR Bonus Regulations (§156.0309) in that it will provide Affordable Housing, Urban Open Space, Three-Bedroom Units, Eco-Roofs and Employment Uses.

The proposed development will revitalize the east end of Broadway, which was once an elegant urban avenue as it connected the San Diego Bay to grand homes on Golden Hill. The project design brings retail, lobby and public plaza activity to Broadway and 11th Avenue and adds hundreds of residences with their "eyes on the streets" on both street frontages. The proposed development complies with all San Diego Municipal Code and Uniform Building Code provisions intended to ensure that the public health, safety and welfare are protected and enhanced by this construction.

3. The proposed development will comply with the applicable regulations of the Land Development Code.

The proposed project will consist of a transit and pedestrian oriented, high density, high rise, mixed use and mixed income residential apartment development with retail, lobbies and handicapped parking on the ground floor and six levels of underground parking. A high pressure sewer interceptor pipe is running through the southwest corner of the site.

The proposed development will comply with the applicable provisions of the Centre City Planned

District Ordinance in the following manner. It is located within the Employment Residential Mixed Use District that specifically calls for this type of property use. The development will comply with the PDO's FAR regulations that call for a maximum floor area ratio of 10 at this site and with the FAR Bonus regulations for the inclusion of an Eco-Roof, Three bedroom units, Urban Open Space and Affordable Housing. It will comply with the PDO's Development Regulations pertaining to lot size, minimum building setbacks, building heights, building bulk, building base, ground floor heights, commercial space depth and residential development regulations. It will comply with the PDO's Urban Design Regulations pertaining to building orientation, façade articulation, street level design, pedestrian entrances, transparency, blank walls, tower design, glass and glazing, exterior projecting balconies, rooftops, encroachments into public rights-of-way, building identification, regulations pertaining to historical resources requiring a Site Development Permit, additional standards for residential developments, additional standards for main streets, and urban open space design guidelines. It will comply with the PDO's Off Street Parking and Loading Standards.

The relevant Land Development Code's Planning and Development Regulations for topics not addressed in the Centre City Planned District Ordinance are contained in that Code's Chapter 14 and include: Grading Regulations, Draining Regulations, Landscape Regulations, Parking Regulations, Refuse and Recyclable Materials Storage, Mechanical and Utility Equipment Storage Regulations, Loading Regulations, Building Regulations, Electrical Regulations and Plumbing Regulations. The proposed development will comply with all of these regulations, as will be required by the building permit to be issued for this project. Therefore, the proposed development will comply with all applicable regulations of the Land Development Code

(h) Supplemental Findings – Historical Resources Deviation for Relocation of a Designated Historical Resource

1. There are no feasible measures, including maintaining the resource on site, that can further minimize the potential adverse effects on the historical resource.

The existing two-story building on this site was originally constructed of wood in 1886 as a single family residence. A later two-story addition to the front of the residence in 1907 converted the building into a sixteen unit apartment house, and it is now a single room occupancy facility. It has the original wood frame and wood siding. The combined buildings occupy approximately 3102 square feet in land area and contain 5048 square feet of gross floor area. A recent structural engineering analysis of the building found that the condition of the wood structure appears to be reasonably good based on limited observed conditions, but it is assumed to require repair to some areas as is typical of a building of similar vintage. In addition to these structural repairs, the building is expected to require extensive architectural repair and modification and electrical, mechanical and plumbing upgrades. The building occupies a 5,000 square foot lot, Lot C, on 11th Avenue in the north 20,000 square foot portion of the project site.

Base Project

After an extensive analysis of structural, building code, and economic feasibility factors, it has been determined that the building can be incorporated into the proposed 31 story high rise residential and retail tower project, (building two), planned for the north portion of this site by temporarily relocating

the components of the building to a nearby warehouse for rehabilitation and then returning those components for installation on a new structural frame on Lot D, 50 feet south of its current location on Lot C, for reuse as a two story retail and residential amenity space for the proposed project. The temporary relocation of the building's components off site for rehabilitation will be required because once the project's construction begins, the surface of both Lots C and D will disappear while the site is excavated for a six level underground parking garage.

Alternative Project

The City's Site Development Permit process and Environmental Review process require the development and analysis of any less environmentally damaging alternatives that could further minimize the potential adverse effects to the designated historical resource that would follow from the Base Project. It has been determined that the only less environmentally damaging Alternative Project would be the temporary removal of the components of the building to a nearby warehouse for rehabilitation and then returning those components for installation on a new structural frame on Lot C, its original location. However, this alternative would preclude new above ground construction on Lot C. Since a Site Development Permit is required for permanent or temporary relocations of designated historical resources, one would be required for the Alternative Project as well.

The Treatment Plan

Implementation of a Site Development Permit for Relocation requires the development of a detailed, step by step Treatment Plan that will govern what happens to the resource from start to finish, and the approval of this Plan by Historical Resources staff and Development Services staff. In this project, the Base Project and the Alternative Project will be subject to the same Treatment Plan, the difference between the two options is where the resource will end up eventually, on Lot D or on Lot C.

The Treatment Plan must describe in detail how the resource will be prepared for its removal from the current site, how it will be transported to the temporary site, how it will be rehabilitated at the temporary site, how the eventual receiving site will be prepared to incorporate the rehabilitated resource into the new development on that site, and how the relocated resource will be ultimately finished on the interior and exterior to serve as a component of the proposed new development.

The building is not only too large to move in one piece, it also lacks continuous lateral spans across its width and two-story vertical stabilization to allow it to be relocated in cubes or in two-story wall pieces. Also, the building's current floor plan layout as an SRO, with its interior walls and spaces, will ultimately need to be removed to accommodate the proposed new retail and residential amenity uses. Therefore, the project's Historic Architect, Tim Martin, and its Historic Structural Engineer, Anthony B. Court, have developed a disassembly, rehabilitation and reassembly Treatment Plan. Using the Historic American Building Survey (HABS) drawings prepared by Architect John Eisenhart, the project's Qualified Architectural Monitor, Martin and Court have prepared the architectural graphics that identify 11 wall panels that would be removed from the building, after being braced with steel strong-backs, for relocation to a nearby enclosed warehouse for rehabilitation. The size and dimensions of each panel were determined by the separations between the 1886 and 1907 wall surfaces, the two floor levels, window locations and other factors. Each panel would be approximately 12 feet wide and various dimensions long and capable of being transported to the warehouse on a

flatbed truck. The hipped roof of the 1886 building consists of 6 separate panels, as shown on the architectural graphics, and these roof panels would be treated and rehabilitated in a similar manner. All window frames will be retained within the wall panels wherever possible and the sashes and glass will be removed and protected for separate rehabilitation. Strong steel backs will be affixed to all roof and wall components including doorways and other elements. The flat wood trim boards on all the corners will be removed, rehabilitated and ultimately reinstalled.

While the new construction is proceeding the site, all of the resource's exterior components will be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation. Once the new construction has reached an appropriate stage, a new Type 1 concrete structural frame will be constructed on the relocation site and thereafter, the rehabilitated wall panels will be reinstalled as a "curtain wall" on the new structural frame and the roof panels and other components will follow. The rehabilitated resource will be connected to the new development to provide handicapped access to the new retail and residential amenities in place. As mentioned above, this Treatment Plan would be implemented for the Base Project (Lot D) and the Alternative Project (Lot C), The architectural graphics for the Treatment Plan are attached as Exhibit A.

Development Impacts of the Base Project

The Martinez + Cutri Corporation serves as Project Architects for the proposed project. In order to analyze the physical impacts of the Base Project, they have prepared a series of drawings to illustrate the manner in which the building would be incorporated into the north portion of the proposed project. The Base Project Sheets A12 through A15 show the relocated and rehabilitated building on Lot D sited in such a manner that it has no adverse impact of the development potential of Lots A, B and C to the north in this portion of the project. The Enlarged Plan – North & South Plazas, Sheet A09.1, shows the compatibility of the two-story resource with adjacent low scale new development to the south and east. These architectural graphics for the Base Project are attached as Exhibit B.

Development Impacts of the Alternative Project

In order to analyze the development impacts of the Alternative Project, the architects have prepared a series of drawings to illustrate the extent that the proposed north portion's development would be reduced by the Alternative Project, which would return the building to Lot C. Sheet A12 shows the impact on the ground floor. The footprint of the designated building and the required 25' Fire Code setback on the north would eliminate approximately half of the high rise tower. The 25' Fire Code setback on the south will eliminate approximately half of the low rise building on the south portion of the site. Sheet A14 shows the continuation of that impact on the Level 3 Podium. Sheet A16 shows the continuation of that impact on levels 5 through 24 of the tower. These Alternative Project architectural graphics are attached in Exhibit C.

Economic Feasibility Analysis of the Base Project

This economic feasibility analysis has been conducted by The London Group, a long-established San Diego real estate consulting and feasibility firm. The Base Project would construct 312 apartment units in building two on the north portion of the project site, including 20 affordable units, in 1, 2 and 3 bedroom options, along with 5,632 square feet of retail uses as encouraged by the Community Plan.

All residential and retail uses would be provided with the required off street parking. The total construction cost of the Base Project would be \$97,614,718 and the total profit to the developer would be \$12,982,204. The London Group's calculations and analysis for the Base Project are included in Exhibit D to these Findings.

Economic Feasibility Analysis of the Alternative Project

The London Group has utilized all of the above reports and relevant information to develop the economic feasibility analysis of this Alternative Project under which the Base Project could not be constructed as designed because Lot C would need to be reserved for the return of the historical resource for rehabilitation as a stand-alone building. Under Alternative Project, only 137,716 square feet of development could be constructed in building two as opposed to 309,734 in the Base Project, and only 2,504 square feet of retail development could be constructed as opposed to 5,632 in the Base Project. While the Base Project would result in a profit of \$12,982,204, the Alternative Project would result in a profit of only \$4,426,454, a 68.9% reduction in profit. The London Group's calculations and analysis for the Alternative Project are also included in Exhibit D to these Findings.

The London Group's analysis compares the Base Project with the Alternative Project and establishes that the Alternative Project is not economically feasible.

Finding 1 Conclusion: This Finding calls for identifying feasible measures to minimize the potential adverse effects on the historical resource. Although the Base Project moves the resource 50' south on the project site, which normally might be an adverse effect, in this instance it is beneficial because the resource is set apart from the new high rise tower and is wrapped on two sides by lower scale and more compatible development. The Base Project reduces the potential adverse effects on the resource. In addition, the Base Project is economically feasible and the Alternative Project is not.

2. The proposed relocation will not destroy the historical, cultural, or architectural values of the historical resource and the relocation is part of a definitive series of actions that will assure the preservation of the resource.

This deviation from the standard protective historical resource regulations is the minimum necessary to afford relief and accommodate the development of the site in accordance with the density and other provisions of the Planned District Ordinance. Feasible measures to mitigate for the Base Project's short distance relocation of the historical resource will be implemented pursuant to the Centre City Mitigation, Monitoring and Reporting Program (MMRP), which requires the preparation of a Documentation Program consisting of a Historic American Buildings Survey (HABS) for the property prior to the start of construction. This Documentation Program will include professional quality photo documentation with 35mm black and white photographs, 4x6 standard format, of all four elevations with close ups of selected elements, and measured drawings of the exterior elevations.

The relocation of a designated historical resource is permitted in the City pursuant to SDMC - §126.0504(h), which requires a discretionary Site Development Permit for that purpose. Such a Permit also requires that the relocated resource be subsequently rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation as part of an approved Treatment Plan under the supervision of appropriate City Staff. Consequently, the proposed relocation will not destroy the

historical, cultural, or architectural values of the historical resource and the relocation is part of a definitive series of actions that will assure the preservation of the resource. Since 1972, thirteen designated San Diego historical resources have been relocated pursuant to this SDMC section or its predecessors.

Finding 2 Conclusion: This Finding calls for the protection of the values of the resource and the implementation of a definitive series of actions that will assure its preservation. The Historical Resources Regulations of the San Diego Municipal Code are designed to ensure that these objectives are met and compliance with the Site Development Permit provisions, as proposed in this project, will accomplish that.

3. There are special circumstances or conditions apart from the existence of the historical resource, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the historical resources regulations would deprive the property owner of reasonable use of the land.

SDMC §156.0311 (j) of the Centre City Planned District Ordinance (CCPDO) provides that historical resources should be retained and integrated into larger development projects, with adaptive reuse, where feasible. If a proposed development may have a significant impact on a historical resource and the City determines that no feasible alternative exists that would preserve the historical resource on its existing site, the City will determine if relocation of the historical resource to a site within the Centre City Planned District is feasible. In this instance, the relocation of the historical resource 50 feet south, from Lot C to Lot D on the same block is feasible.

The Mitigation Monitoring and Reporting Program (MMRP) for the Downtown Community Plan acknowledges that local historical resources should be retained on-site whenever possible and that partial retention, relocation or demolition of a resource shall only be permitted according to Chapter 14, Article 3, Division 2 of the historical resources regulations of the Land Development Code. The instant proceedings are in accordance with those Land Development Code regulations.

The third finding for this Site Development Permit for Relocation requires a determination that there are special circumstances or conditions apart from the existence of the historical resource, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the historical resources regulations would deprive the property owner of reasonable use of the land.

The special circumstances pertaining to this project are as follows. The designated building occupies most of Lot C, therefore, it occupies 25% of the north portion of the project's buildable land area and the retention of this building on the site would have significant impacts, since no new construction could occur above or immediately adjacent to it. The north portion of the project site is 20,000 square feet and is zoned for the high density residential development. The current development on Lot C can best be described as low density. Because of a variety of land development factors, including off-street parking requirements and the existence of a high pressure sewer interceptor pipe underneath, this overall project site is best served by two high-rise residential towers separated by low scale development in the middle. If the historical resource is temporarily relocated from Lot C and subsequently returned to Lot C for rehabilitation and reuse, the development potential of all four Lots

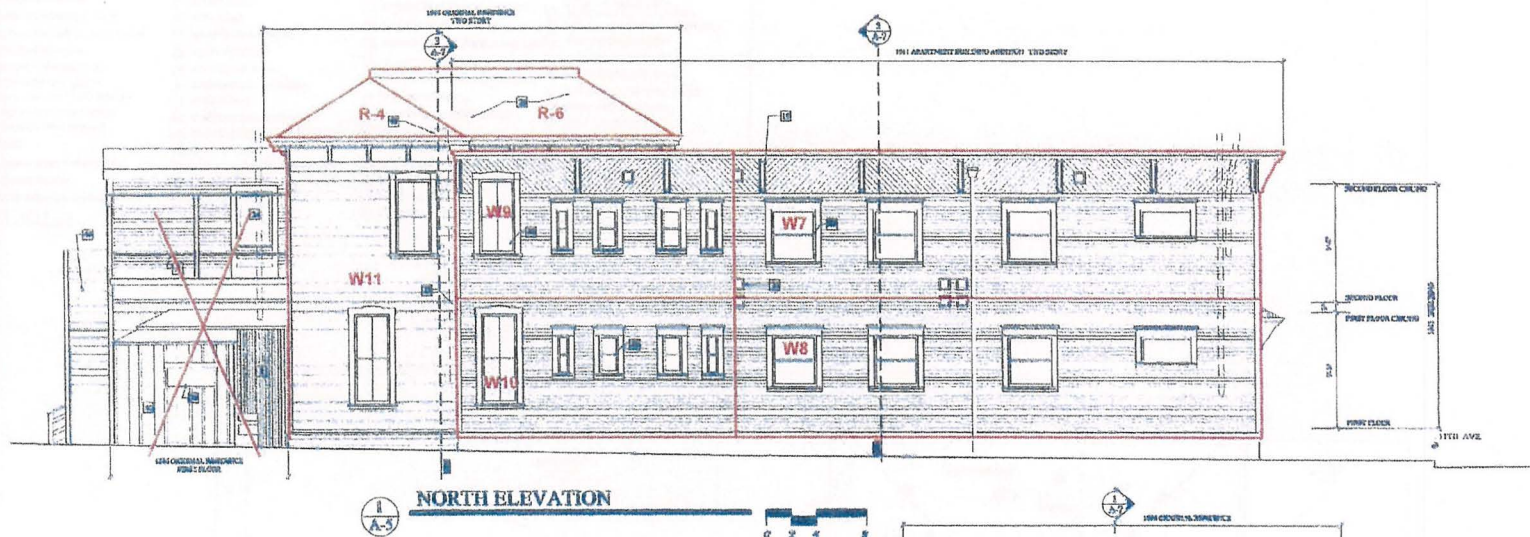
in the north portion of this project would be substantially reduced. But if the historical resource was temporarily removed from Lot C and subsequently relocated to Lot D for rehabilitation and reuse as proposed, that placement would not reduce the development potential of the north portion of the project site and the historical resource would be adjacent to a low scale, four-story portion of the proposed development to the south allowing greater visibility of the resource and a more compatible setting. Consequently, the strict application of the provisions of the historical resources regulations would deprive the property owner of reasonable use of the land as addressed by this Finding.

Finding 3 Conclusion: The special circumstances or conditions apart from the historical resource, that are peculiar to this land and not of the applicant's making include: the fact that Lot C is in the middle of the remaining developable north portion of the project site, which reduces the development potential of this portion by 25%; the fact the site is zoned for high density residential development, which is inconsistent with the existing density on Lot C; the fact that there is a high pressure sewer interceptor pipe under the southwestern corner of the site that precludes extensive below ground development; and the fact that the overall project site is best served by two high-rise towers separated by low scale development in the middle, where the resource will be maintained on Lot D.

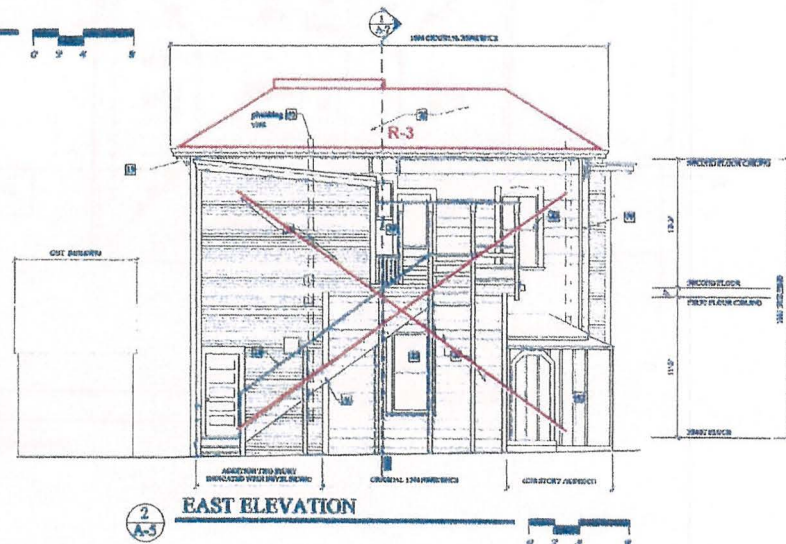
Attachments:

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| Exhibit A | Martin Architecture's architectural graphics of the proposed Treatment Plan that can be used for both the Base Project and the Alternative Project. |
| Exhibit B | Martinez + Cutri Corporation's Plans showing Base Project's impacts on the site's development potential |
| Exhibit C | Martinez + Cutri Corporation's Plans showing Alternative Project's impacts on the site's development potential |
| Exhibit D | The London Group's Economic Feasibility Analysis of the Base Project and the Alternative Project |

EXHIBIT A



NORTH ELEVATION



EAST ELEVATION

KEYNOTES

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|---|------------------------------|--------------------------------|---|
| 1 METAL SIDING (IRON-PIPING) | 24 WOOD VINYL Siding | 32 1/2" WOOD WINDOW | 40 PLASTER ON WOOD LATH |
| 2 WOOD SIDED WALL | 25 WOOD PANEL DOOR 6'-6" HT. | 33 SCRAMBLED OPENING | 41 WOOD STAIRCASE |
| 3 ORIGINAL WOOD-ON-CHIMNEY | 26 WOOD SHUTTER 1'-2" HT. | 34 WOOD SHUTTER BOARD | 42 WOOD PANEL DOOR (HARVEST BIRD) |
| 4 BRACKET | 27 WOOD SHUTTER 1'-2" HT. | 35 WOOD CORNER / OUTLET | 43 BUILT UP ROOFING (SHEDDING) |
| 5 CONCRETE WALL ON BESSA | 28 WOOD BRACKET | 36 WOOD FINCH / WALL | 44 VENTERS |
| 6 RIVOLTA WALL CONSTRUCTION | 29 WOOD SHUTTER 1'-2" HT. | 37 SCRAMBLED YARD | 45 METAL DOWNPOUT |
| 7 CEMENT PLASTER (ON-PIPING) | 30 WOOD SHUTTER 1'-2" HT. | 38 JACOBY WINDOW (FIRST FLOOR) | 46 ROOF ACCESS HATCH |
| 8 WOOD SLAT (IRON-PIPING) | 31 WOOD SHUTTER 1'-2" HT. | 39 WOOD SHUTTER BOARD | 47 WOOD PANEL DOOR 6'-6" HT. |
| 9 WOOD SHUTTER (IRON-PIPING) | 32 WOOD SHUTTER 1'-2" HT. | 40 WOOD SHUTTER BOARD | 48 WOOD PANEL DOOR 7'-6" HT. |
| 10 TERN OVER WOOD FLOOR | 33 WOOD SHUTTER 1'-2" HT. | 41 WOOD SHUTTER BOARD | 49 WOOD PANEL DOOR 6'-6" HT. |
| 11 METAL SHUTTER / ROOF / BALKON / ROOF | 34 WOOD SHUTTER 1'-2" HT. | 42 WOOD SHUTTER BOARD | 50 NON-FRAME STUD WALL |
| 12 WOOD FLOOR ABOVE PLANKING | 35 WOOD SHUTTER 1'-2" HT. | 43 WOOD SHUTTER BOARD | 51 WOOD TONGUE-GROOVE WOOD-FLOOR |
| 13 WOOD BALLING PLANK | 36 WOOD SHUTTER 1'-2" HT. | 44 WOOD SHUTTER BOARD | 52 WOOD PANEL DOOR 6'-6" HT. |
| 14 WOOD SHUTTER BOARD | 37 WOOD SHUTTER 1'-2" HT. | 45 WOOD SHUTTER BOARD | 53 WOOD PANEL DOOR 6'-6" HT. |
| 15 PLASTER FOR ATTACH / ROOF ACCESS | 38 WOOD SHUTTER 1'-2" HT. | 46 WOOD SHUTTER BOARD | 54 SECRET VENTIL FLOOR ON WOOD FLOORING |
| | 39 WOOD SHUTTER 1'-2" HT. | 47 WOOD SHUTTER BOARD | 55 VINYL FLOOR ON WOOD FLOORING |
| | 40 WOOD SHUTTER 1'-2" HT. | 48 WOOD SHUTTER BOARD | |
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| | 82 WOOD SHUTTER 1'-2" HT. | 90 WOOD SHUTTER BOARD | |
| | 83 WOOD SHUTTER 1'-2" HT. | 91 WOOD SHUTTER BOARD | |
| | 84 WOOD SHUTTER 1'-2" HT. | 92 WOOD SHUTTER BOARD | |
| | 85 WOOD SHUTTER 1'-2" HT. | 93 WOOD SHUTTER BOARD | |
| | 86 WOOD SHUTTER 1'-2" HT. | 94 WOOD SHUTTER BOARD | |
| | 87 WOOD SHUTTER 1'-2" HT. | 95 WOOD SHUTTER BOARD | |
| | 88 WOOD SHUTTER 1'-2" HT. | 96 WOOD SHUTTER BOARD | |
| | 89 WOOD SHUTTER 1'-2" HT. | 97 WOOD SHUTTER BOARD | |
| | 90 WOOD SHUTTER 1'-2" HT. | 98 WOOD SHUTTER BOARD | |
| | 91 WOOD SHUTTER 1'-2" HT. | 99 WOOD SHUTTER BOARD | |
| | 92 WOOD SHUTTER 1'-2" HT. | 100 WOOD SHUTTER BOARD | |

ARCHITECT: UNION

1335 BRIGGS AVE. SAN DIEGO, CA 92102
JOHN B. BERENHART ARCHITECT

PROJECT: HAMILTON APARTMENTS, CITY OF SAN DIEGO HISTORIC REBORN #70
941 BAYVIEW AVENUE, SAN DIEGO, CA 92101

OWNER: PINNACLE INTERNATIONAL INC.
140 ISLAND AVENUE, SAN DIEGO, CA 92101

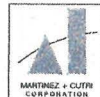
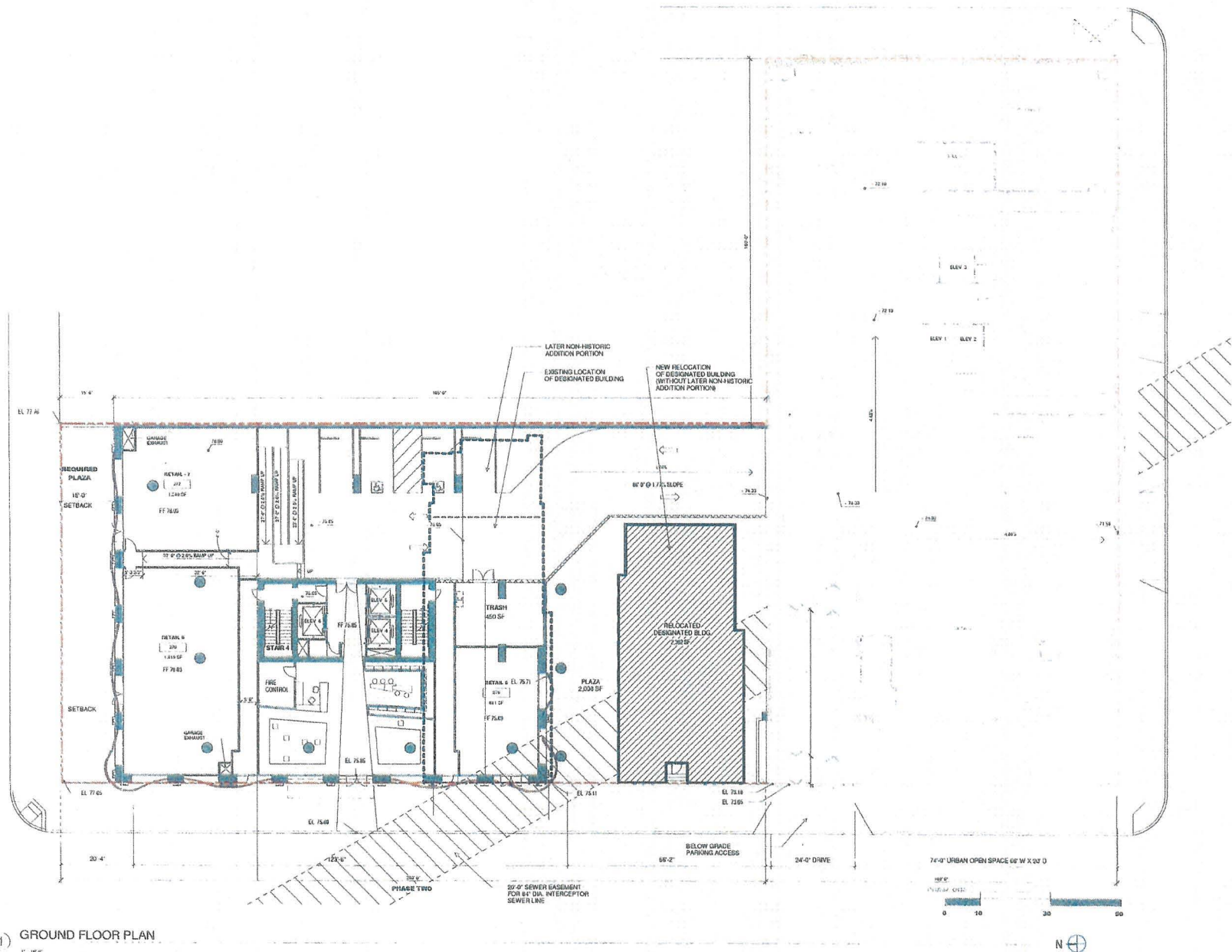
DISASSEMBLY OPTION

REVISION: 12-04
REV. 307

A-5
JANUARY 1, 1995

EXHIBIT B

(1) GROUND FLOOR PLAN



MARTINEZ & CUTLER CORPORATION
 Architects - Planning
 Interior - Urban Design
 4070 Broadway, Suite 2000
 San Diego, CA 92101
 Tel: 619 533 8857
 Fax: 619 533 7417

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REVISIONS

NO.	DATE	DESCRIPTION
1	01/15/2010	ISSUED FOR PERMIT
2	01/15/2010	ISSUED FOR PERMIT
3	01/15/2010	ISSUED FOR PERMIT
4	01/15/2010	ISSUED FOR PERMIT
5	01/15/2010	ISSUED FOR PERMIT

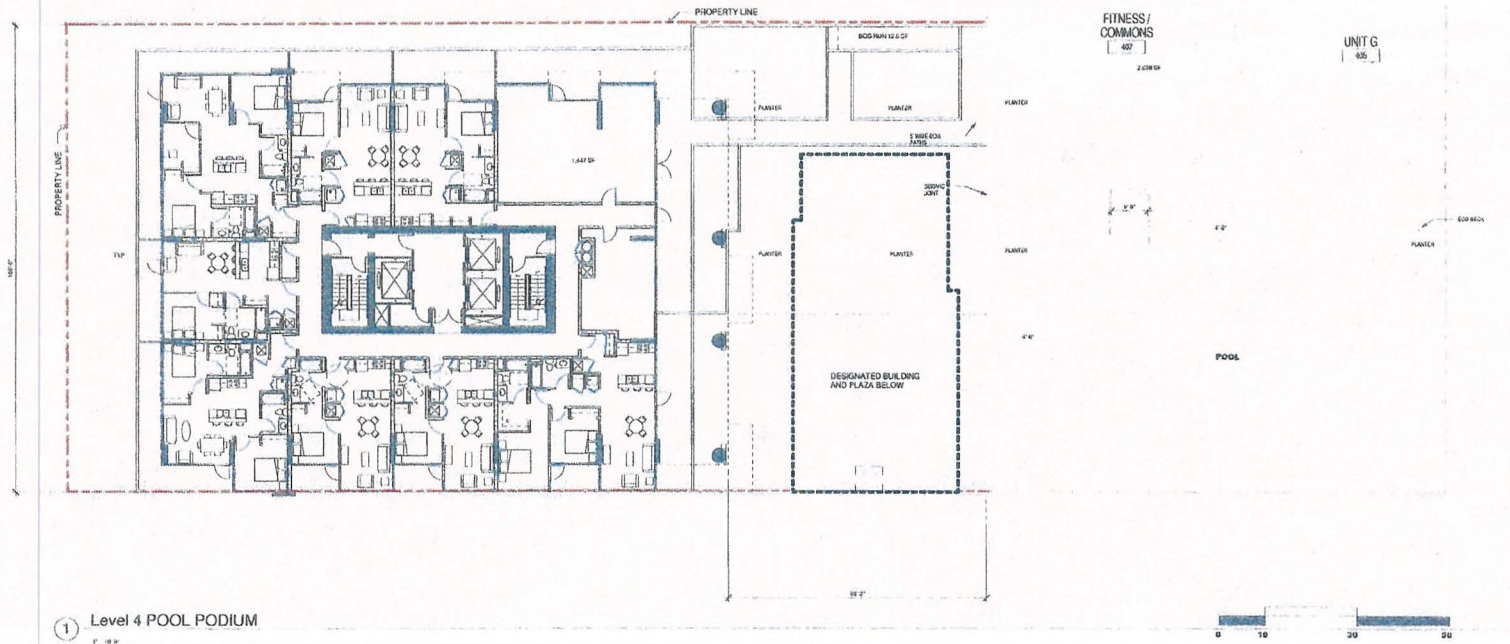
CIVIC SAN DIEGO PHASE TWO SUBMITTAL AMENDMENT
 11TH AND BROADWAY RESIDENTIAL DEVELOPMENT - PHASE
 SEAL



SHEET TITLE	
GROUND FLOOR PLAN	
DATE	01/15/2010
SCALE	1" = 10'-0"
DRAWN BY	Author
JOB No	3004
SHEET No	A12

NOTE:
FOR ECO DECK INFORMATION
SEE SHEET A26 ECO DECK

INDOOR COMMONS 4,370 SF
OUTDOOR COMMONS 10,830 SF
INC. DOG RUN 12.5 SF
*OUTDOOR COMMONS INCLUDE
ECO DECK, POOL AREA & DOG RUN



① Level 4 POOL PODIUM
1" = 10' 0"



MARTINEZ + GUTIERREZ CORPORATION
Architectural Planning
Interior Urban Design
440 W. Broadway, Suite 1000
San Diego, CA 92101
Tel: 619.594.2200
Fax: 619.594.7417

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REVISIONS

NO.	DATE	DESCRIPTION
1	01/11/11	ISSUED FOR PERMIT

CIVIC SAN DIEGO PHASE TWO SUBMITTAL AMENDMENT
11TH AND BROADWAY RESIDENTIAL DEVELOPMENT - PHASE TWO



SEAL
SHEET TITLE
LEVEL 4 POOL PODIUM
DATE
SCALE As Indicated
DRAWN BY Author
JOB No 2004
SHEET No A15



REVISION



BUILDING ONE

(1) NOR



11TH AND BROADWAY RESIDENTIAL DEVELOPMENT

PINNACLE
INTERNATIONAL

CIVIC SAN DIEGO PHASE TWO SUBMITTAL AMENDMENT

55

SHEET TITLE:

ENLARGED PLAZAS

DATE FEB 18 2014

SCALE 4 indicated

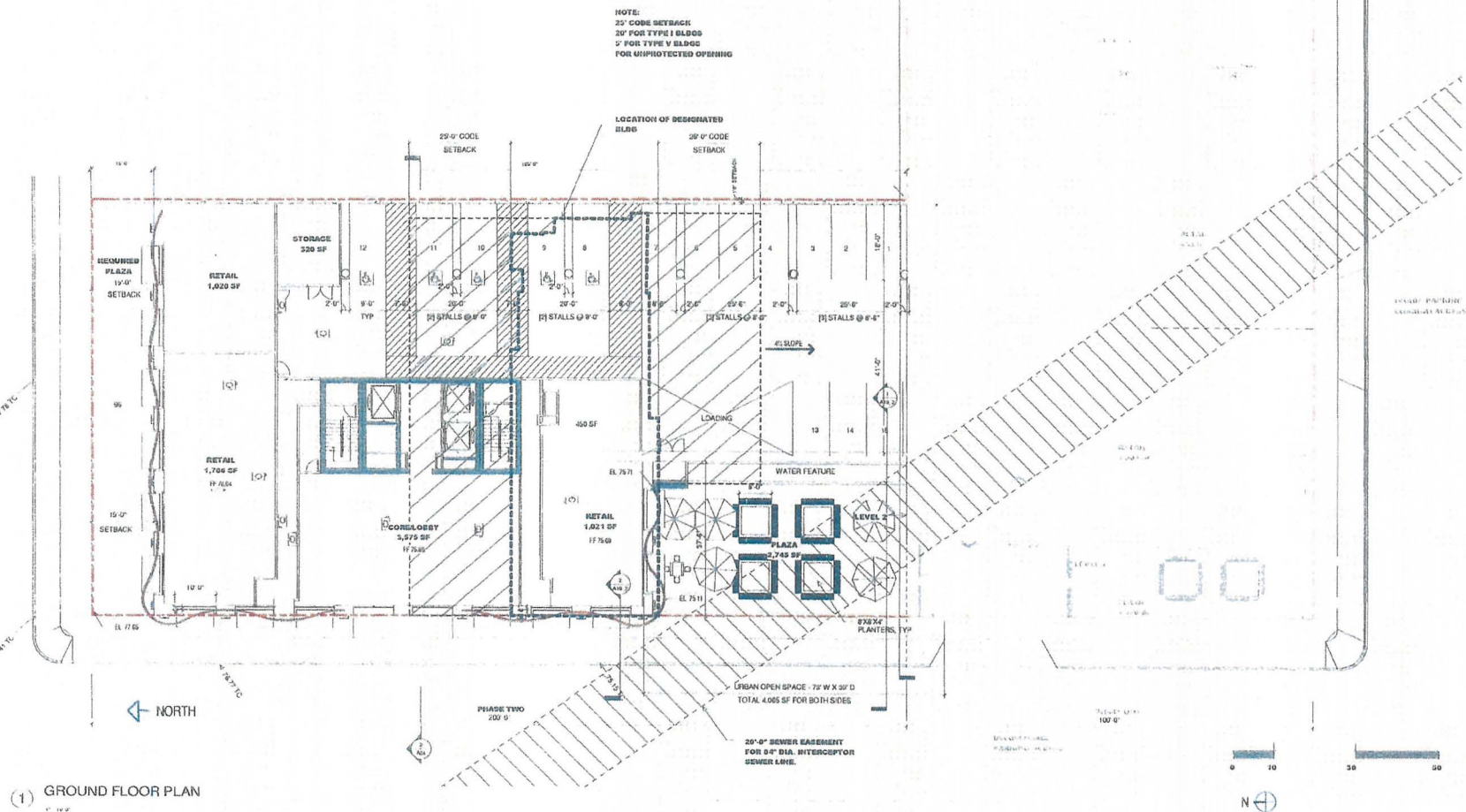
DRAWN BY

Author

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A09.1

EXHIBIT C





THE LONDON GROUP
Realty Advisors

January 21, 2014

Mr. Michael De Cotiis
Chairman & CEO
Pinnacle International Development, Inc.
Suite 300-911 Homer Street
Vancouver, B.C. Canada V6B 2W6

Via email: md@pinnacleinternational.ca

RE: Economic Alternative Analysis for Hamilton Apartments Site

The London Group Realty Advisors has completed a financial analysis of the two development options prepared by Martinez + Cutri Architects pertaining to the Hamilton Apartment and the surrounding developable property.

We have analyzed the two alternatives for the development of the property, which includes:

- The Base project: Historic Structure is Relocated 50 feet south to Lot D
- Alternative: Historic Structure Stays on Lot C

This memorandum details our proforma for each alternative and the resulting impact to profit.

Conclusions of Economic Alternatives

We analyzed the financial performance of the Base Project that is proposed for the subject property. The Base Project assumes that the Hamilton Apartment structure is cleared from its current site on Lot C and a total of 312 rental apartments are constructed. The total square footage of the Base Project is 309,734 square feet, which includes 5,632 square feet of retail and 357 parking spaces.

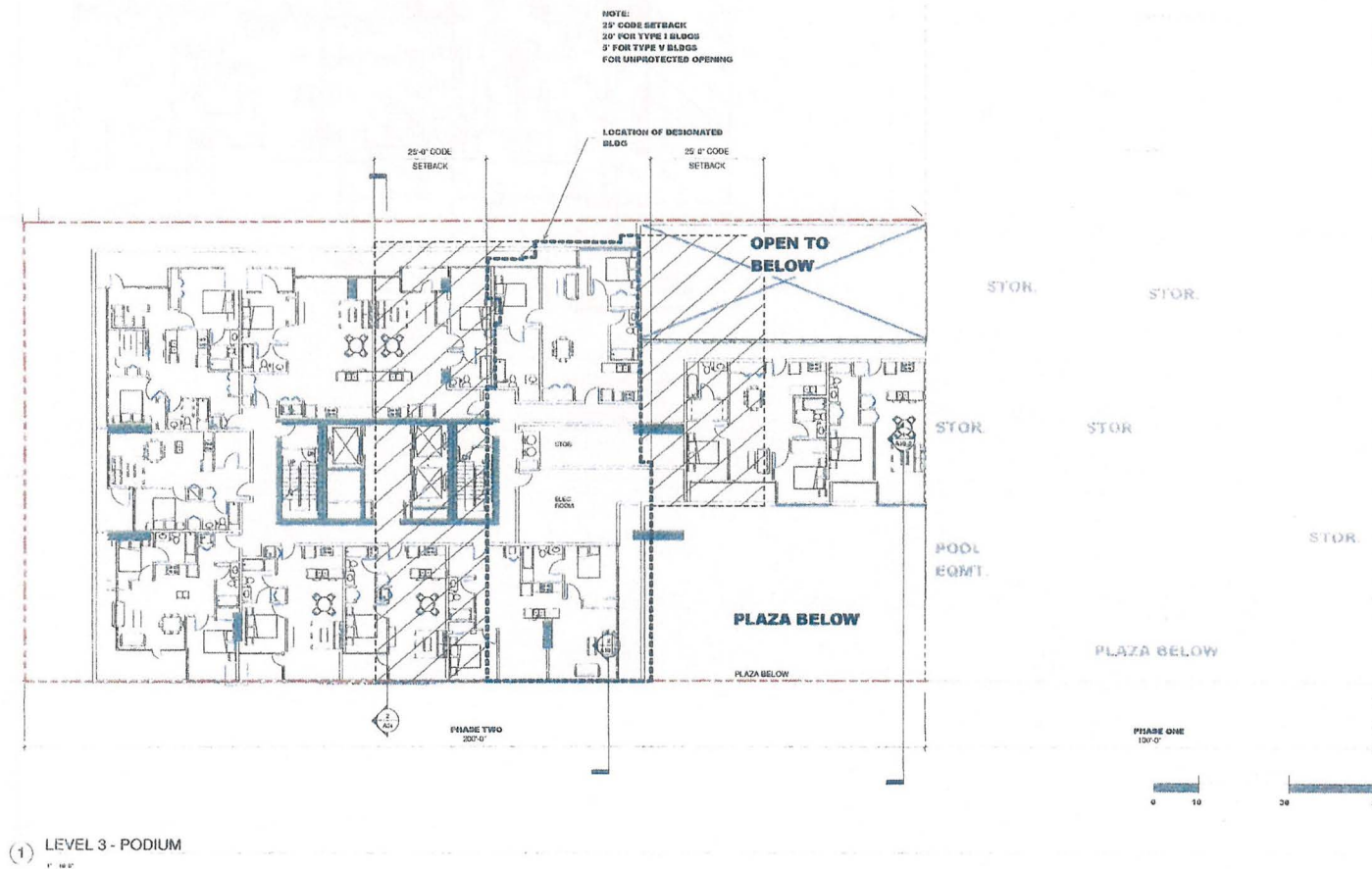
We have assumed a two-year construction period and that the apartment asset is held for a period of 5 years after completion. The resulting profit to the developer over the 7-year period is estimated at \$12,982,204.

El Cortez Building
702 Ash Street, Suite 101
San Diego, CA 92101

(619) 269-4010 | www.londongroup.com

DS

EXHIBIT D



(1) LEVEL 3 - PODIUM
1" = 10'

MARTINEZ & GUTRI
CORPORATION
Architects Planning
Interior Urban Design
101 W. Broadway, Suite 2000
San Diego, CA 92101
Tel: 619.231.2800
Fax: 619.231.2817
www.martinezgutri.com

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REVISIONS

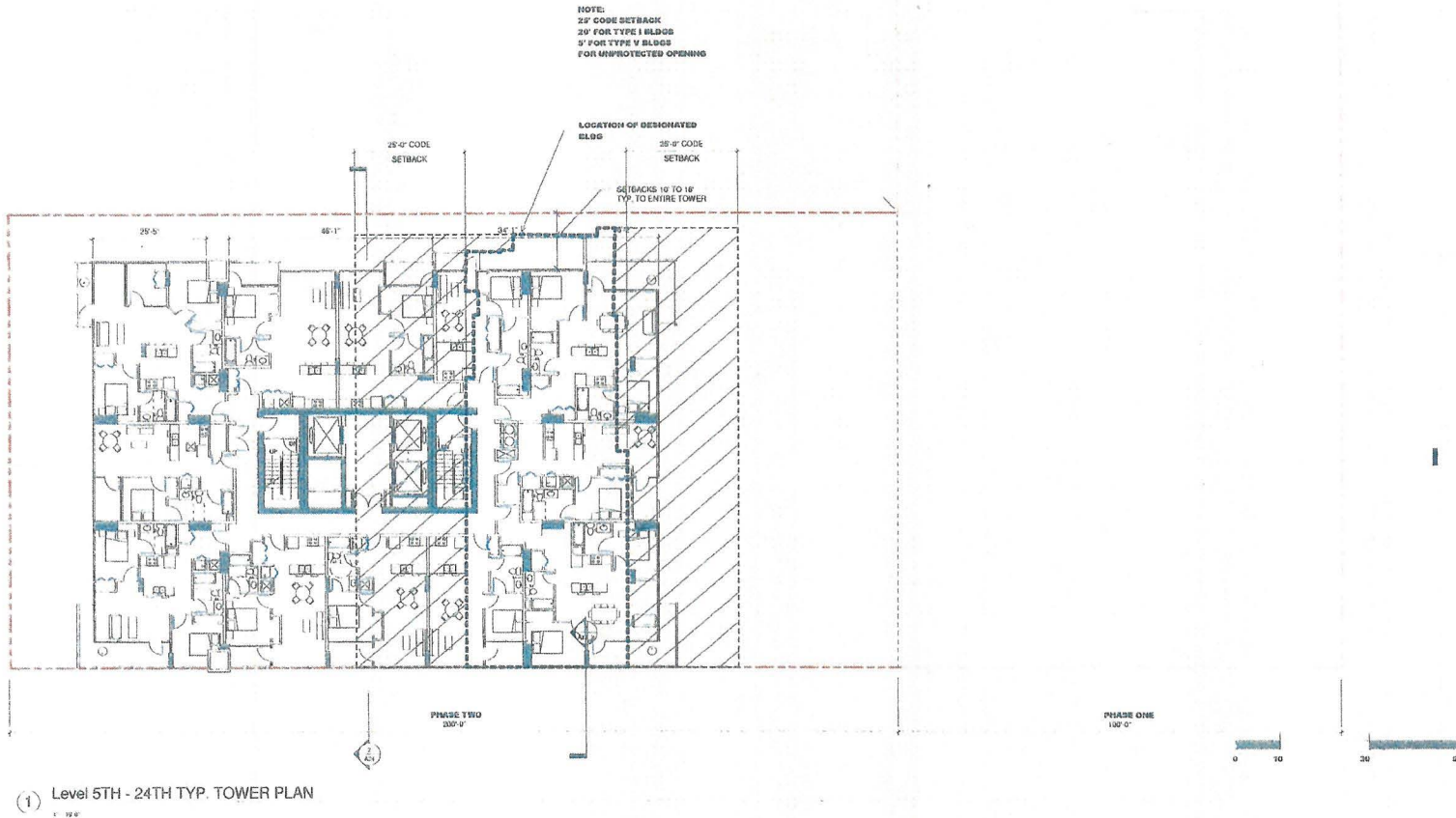
11TH AND BROADWAY RESIDENTIAL DEVELOPMENT



CIVIC SAN DIEGO SUBMITTAL AMENDMENT

SEAL

PROJECT: 11TH AND BROADWAY RESIDENTIAL DEVELOPMENT
SUBMITTAL AMENDMENT
DATE: 11.15.2012
SCALE: 1" = 10'-0"
DRAWN BY: Author
JOB No: 3004
SHEET No: A14



**MARTINEZ & GUTH
CORPORATION**
Architecture Planning
Interiors Urban Design
442 W. Broadway Suite 2000
San Diego, CA 92101-2887
Tel: 619 238-2887
Fax: 619 238-7417

THE FIRM'S LICENSED ARCHITECTS AND PLANNERS ARE REGISTERED PROFESSIONALS IN THE STATE OF CALIFORNIA. ALL WORK IS SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD OF ARCHITECTS AND PLANNERS. THE FIRM'S LICENSED ARCHITECTS AND PLANNERS ARE REGISTERED PROFESSIONALS IN THE STATE OF CALIFORNIA. ALL WORK IS SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD OF ARCHITECTS AND PLANNERS.

REVISIONS

11TH AND BROADWAY RESIDENTIAL DEVELOPMENT



CIVIC SAN DIEGO SUBMITTAL AMENDMENT	SCA
SHEET TITLE	LEVEL 5TH - 24TH TYPICAL LEVEL FLOOR PLAN
DATE	11.15.2012
SCALE	As Indicated
DRAWN BY	Author
JOB No	3304
SHEET No	A16



The following table demonstrates the impact to profit under each of the two alternatives:

11th & Broadway Apartments Summary of Scenarios			
Base Project (312 Units)		Alternative Structure Stays (138 Units)	
Rentable:		Rentable:	
Residential	244,701	Residential	108,801
Retail	5,632	Retail	2,504
Level 2 - Storage	4,264	Level 2 - Storage	1,896
Level 3 - Storage	<u>3,160</u>	Level 3 - Storage	<u>1,405</u>
Total Net Useable	257,757	Total Net Useable	114,606
Gross S.F.	309,734	Gross S.F.	137,716
% Efficiency	83.22%	% Efficiency	83.22%
Total Profit:	\$12,982,204	Total Profit:	\$4,426,454
Total Profit Difference from Base (\$)		-\$8,555,750	
Total Profit Difference from Base (%)		-65.9%	

Source: The London Group Realty Advisors

Approach to Analysis

To determine the impact to profit, we prepared a financial proforma for the Alternative and compared the performance to the Base Project proforma. In each proforma, we assumed the following:

- 2 year construction period
- 5 year asset holding period after project completion
- Asset is refinanced after stabilization (end of Year 4)
- Asset is sold at the end of Year 7
- All cost factors related to the temporary relocation and/or rehabilitation of the Historic Structure were excluded



The following summarizes the financial proformas we have prepared for analyzing total profit, which are included in the [Appendix](#).

Base Project

The Base Project assumes that the Historic Structure will be relocated 50 feet south to Lot D on the overall project site for future rehabilitation and reuse. Therefore, it will not impact the Base Project which will include 312 rental apartments, 5,632 square feet of retail and 357 parking spaces. The gross square footage of the project is 309,734.

The 312 rental apartments average 784 square feet in size with an average initial rental rate of \$1,997 per month (in 2014 dollars).

Total project costs are estimated at \$97,614,718. **The estimated total profit from this development over the 7-year period is \$12,982,204.**

Alternative: Historic Structure Stays on Lot C

The Alternative assumes that the historic resource will be returned to its original site after the underground parking is constructed and it will be rehabilitated to serve as a two story retail and residential amenity use. As a result, the future development must be built around the structure, which results in less developable square footage for the project.

The future development could build to 137,716 square feet, which would include 138 rental apartments, 2,504 square feet of retail, and 159 parking spaces.

The 138 rental apartments would average 788 square feet in size with an average initial rental rate of \$1,997 per month (in 2014 dollars).

Total project costs are estimated at \$44,966,910, with relocation and rehabilitation costs excluded.

The estimated total profit from this development and the historical structure is \$4,426,454. Compared to the Base Project, this represents a profit reduction of \$8,555,750 or 65.9%

Should you have any questions regarding this analysis, please contact us.

Sincerely,

Gary H. London

Nathan Moeder



APPENDIX

11th & Broadway Apartments (312 units)

Base Project

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	7
Cap Rate On Sale (Residential):	5.50%
Cap Rate On Sale (Retail):	10.00%
Commissions & Closing Costs:	0.75%
Value at Time of Sale (Year 7)	\$106,758,231
Asset Value PSF	\$426

FINANCING

Construction Financing:	
Loan Amount	\$73,211,039
Loan to Cost	75%
Interest Rate	6.0%
Term (Months)	24
Refinance:	
YES	
Refinance at End of Year:	4
Next Year NOI	\$5,095,671
Cap Rate	5.0%
Project Value	\$101,913,410.65
Permanent Loan Amount	\$77,454,192
Less: Construction Loan	(\$73,211,039)
Less: Loan Fees	0.5% (\$387,270.96)
Net Proceeds From Refinance	\$3,855,882
Permanent Loan Info:	
Loan Amount	\$77,454,192
LTV	76%
Amortization	30
Interest Rate	4.0%
Annual Debt Service	\$4,437,338
Debt Coverage Ratio	1.15

PROJECT SUMMARY

Floor Plan	# of Units	% of Mix	Unit Size	Total Net Rentable
1-BR	193	62%	608	117,412
2-BR	92	29%	1,066	98,115
3-BR	27	9%	1,081	29,174
Total/Av. Wt.	312	100%	784	244,701
Retail S.F.	5,632			
Total Project Gross S.F.	309,734			
Parking Spaces	312			
Retail & Guest Spaces	45			
Total Parking Spaces	357			
S.F. Per Parking Space	392			
Total Parking S.F.	139,943			

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Net S.F.
Land Cost	\$2,740,000	\$8,782	\$8.85
Parking	\$13,387,500	\$42,909	\$43.22
Hard Costs	\$61,139,827	\$195,961	\$197.39
Soft Costs	\$14,436,694	\$46,271	\$46.61
Financing	\$5,910,697	\$18,945	\$19.08
Total Project Costs	\$97,614,718	\$312,868	\$315.16
Less: Loan Amount	\$73,211,039	\$234,651	\$236.37
Initial Investment:	\$24,403,680	\$78,217	\$78.79
Total Cost Per Net SF	\$315		
Permanent Loan Per Net SF	\$317		
Stabilized Value Per Net SF	\$416		

INVESTMENT PERFORMANCE

Stabilized NOI			\$5,095,671
Total Project Costs			\$97,614,718
Stabilized Yield On Cost			5.22%
	<u>Equity Invested</u>	<u>Cash On Cash</u>	<u>Cash Flow</u>
Year 1	\$12,201,840	-100.0%	(\$12,201,840)
Year 2	\$24,403,680	-50.0%	(\$12,201,840)
Year 3	\$24,403,680	-7.8%	(\$1,896,953)
Year 4	\$24,403,680	16.9%	\$4,122,258
Year 5	\$20,547,797	3.2%	\$658,333
Year 6	\$20,547,797	3.9%	\$793,523
Year 7	\$20,547,797	164.1%	\$33,708,723
Year 8	\$20,547,797	0.0%	\$0
Year 9	\$20,547,797	0.0%	\$0
Year 10	\$20,547,797	0.0%	\$0
Total Profit			\$12,982,204
Before Tax IRR			8%
Equity Multiple			1.5

11th & Broadway Apartments (312 units)

Base Project

Construction Costs

Units	312
Net Rentable SF	244,701
Total Project Gross S.F.	309,734
Res Parking Spaces (Excl. Shared Parking)	312
Retail & Guest Parking Spaces	45
Total Parking Spaces	357
Total Parking S.F.	139,943
S.F. / Space	392

		<u>Costs</u>	<u>\$/Unit</u>	<u>\$/SF</u>
Land Costs		\$2,740,000	\$8,782	\$8.85
Parking: \$/RSF		\$13,387,500	\$37,500/space	\$95.66
<u>Hard Costs</u>				
Sitework		\$200,000	\$641	\$5.00
Building Core/Shell/Interiors		\$57,746,807	\$185,086	\$186.44
Retail TI's (\$50 psf)		\$281,600	\$902.56	\$0.91
Contingency	5.0%	\$2,911,420	\$9,331	\$9.40
Subtotal Hard Costs		\$61,139,827	\$195,961	\$197.39
<u>Soft Costs</u>				
Permits & Fees		\$6,117,525	\$19,607	\$25.00
Affordable In-Lieu Fee (incl. 17.5% Core Factor)		\$0	\$0.00	\$0.00
A&E and Legal	6.6%	\$4,894,020	\$15,686	\$20.00
Property Taxes (2 years)		\$1,011,389	\$3,242	\$3.27
Construction Cost Escalation	2.5%	\$1,863,183	\$5,971.74	\$6.02
Contingency	5.0%	\$550,577	\$1,765	\$1.78
Subtotal Soft Costs		\$14,436,694	\$46,271	\$46.61
<u>Financing Costs</u>				
Construction Loan Interest		\$5,364,685	\$17,195	\$17.32
Loan Fee	0.75%	\$546,011	\$1,750	\$1.76
Subtotal Financing Costs		\$5,910,697	\$18,945	\$19.08
Total Construction Costs		\$97,614,718	\$312,867.69	\$315.16

11th & Broadway Apartments (312 units)

Base Project

Unit Mix and Rental Rates

Market Rate Units

<u>Floor Plan</u>	<u># of Units</u>	<u>% of Mix</u>	<u>Average Unit Size</u>	<u>Total Net Rentable</u>	<u>Monthly Rent</u>	<u>\$/S.F. Rent</u>	<u>Parking Per Unit</u>	<u>Required Parking</u>
1-BR	181	62%	609	110,205	\$1,600	\$2.63	1.00	181
2-BR	86	29%	1,076	92,498	\$2,600	\$2.42	1.00	86
3-BR	25	9%	1,087	27,184	\$2,800	\$2.58	1.00	25
Total/Av. Wt.	292	100%	787	229,887	\$1,997	\$2.54		292

Affordable Units

<u>Floor Plan</u>	<u># of Units</u>	<u>% of Mix</u>	<u>Average Unit Size</u>	<u>Total Net Rentable</u>	<u>Monthly Rent 50% AMI</u>	<u>\$/S.F. Rent</u>	<u>Parking Per Unit</u>	<u>Required Parking</u>
1-BR	12	4%	601	7,207	\$806	\$1.34	1.00	12
2-BR	6	2%	936	5,617	\$908	\$0.97	1.00	6
3-BR	2	1%	995	1,990	\$1,008	\$1.01	1.00	2
Total/Av. Wt.	20	7%	741	14,814	\$857	\$1.16		20

Total	312	784	244,701
--------------	------------	------------	----------------

Retail S.F.	5,632
Monthly Rent (NNN) \$/S.F.	\$2.00

Source: The London Group Realty Advisors

11th & Broadway Apartments (312 units)
Base Project
Cash Flow Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Units			312	312	312	312	312
Units Leased (Market Rate)			150	260	276	276	276
Units Leased (Affordable)			20	20	20	20	20
Units Vacant	Construction	Construction	142	32	16	16	16
Occupancy Rate			54.5%	89.7%	94.9%	94.9%	94.9%
Vacancy Rate			45.5%	10.3%	5.1%	5.1%	5.1%
Monthly Rent (Market Rate)	\$1,997	\$2,047	\$2,098	\$2,151	\$2,205	\$2,260	\$2,316
Monthly Rent Per S.F. (Market Rate)	\$2.55	\$2.61	\$2.68	\$2.74	\$2.81	\$2.88	\$2.95
Annual Increase In Rent (Market Rate)		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Gross Rental Income (Market Rate Units)	\$0	\$0	\$7,352,694	\$7,536,511	\$7,724,924	\$7,918,047	\$8,115,998
Gross Rental Income (Affordable Units)	\$0	\$0	\$205,632	\$205,632	\$205,632	\$205,632	\$205,632
Retail Income (NNN)	\$0	\$0	\$142,011	\$145,561	\$149,200	\$152,930	\$156,753
Less: Vacancy & Credit Loss (Residential)	\$0	\$0	(\$3,346,418)	(\$772,976)	(\$396,150)	(\$406,054)	(\$416,205)
Net Rental Income	\$0	\$0	\$4,353,918	\$7,114,729	\$7,683,606	\$7,870,556	\$8,062,179
	<u>Per Unit</u>	<u>% Increase</u>					
Less: Operating Expenses ¹	(\$4,800)	2.0%	\$0	\$0	(\$848,966)	(\$1,426,264)	(\$1,537,920)
Less: Property Taxes ²	(\$3,109)	2.0%	\$0	\$0	(\$1,009,243)	(\$1,029,428)	(\$1,050,016)
Operating Expenses Per Unit	(\$7,909)		\$0	\$0	(\$1,858,209)	(\$2,455,691)	(\$2,587,936)
Operating Expense Ratio					(\$0.34)		
Net Operating Income	\$0	\$0	\$2,495,709	\$4,659,038	\$5,095,671	\$5,230,861	\$5,369,690
Less: I/O (interim) financing	\$0	\$0	(\$4,392,662)	(\$4,392,662)	\$0	\$0	\$0
Less: Permanent Debt Service	\$0	\$0	\$0	\$0	(\$4,437,338)	(\$4,437,338)	(\$4,437,338)
Subtotal	\$0	\$0	(\$4,392,662)	(\$4,392,662)	(\$4,437,338)	(\$4,437,338)	(\$4,437,338)
Net Proceeds from Refinance:	\$0	\$0	\$0	\$3,855,882	\$0	\$0	\$0
Cash Flow From Operations	\$0	\$0	(\$1,896,953)	\$4,122,258	\$658,333	\$793,523	\$932,352
Cash On Cash			-7.8%	16.9%	2.7%	3.3%	3.8%
Disposition							
<u>Residential</u>							
Cap Rate							5.50%
Next Year NOI							\$5,783,333
Asset Value							\$105,151,509
Asset Value PSF							\$430
Asset Value Per Unit							\$360,108
<u>Retail</u>							
Cap Rate							10.00%
Asset Value							\$160,672
Asset Value PSF							\$1,606,723
Sale Price							\$285
Less: Commissions & Closing Costs							\$106,758,231
Less: Principal Balance of Loan O/S							(\$788,636)
Net Proceeds from Disposition							(\$73,193,224)
							\$32,776,371
Total Cash Flow Before Taxes	(\$12,201,840)	(\$12,201,840)	(\$1,896,953)	\$4,122,258	\$658,333	\$793,523	\$33,708,723
IRR	8%						

Notes:
¹ \$400 per unit per month

² 1.1% of 90% of construction costs

11th & Broadway Apartments (138 units)

Alternative 2: Structure Stays

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	7
Cap Rate On Sale (Residential):	5.50%
Cap Rate On Sale (Retail):	10.00%
Commissions & Closing Costs:	0.75%
Value at Time of Sale (Year 7)	\$46,744,134
Asset Value PSF	\$420

FINANCING

Construction Financing:	
Loan Amount	\$31,476,837
Loan to Cost	70%
Interest Rate	6.0%
Term (Months)	24
Refinance: YES	
Refinance at End of Year:	4
Next Year NOI	\$2,231,631
Cap Rate	5.0%
Project Value	\$44,632,622
Permanent Loan Amount	\$33,474,467
Less: Construction Loan	(\$31,476,837)
Less: Loan Fees 0.5%	(\$167,372.33)
Net Proceeds From Refinance	\$1,830,257
Permanent Loan Info:	
Loan Amount	\$33,474,467
LTV	75%
Amortization	30
Interest Rate	4.0%
Annual Debt Service	\$1,917,747
Debt Coverage Ratio	1.16

PROJECT SUMMARY

Floor Plan	# of Units	% of Mix	Unit Size	Total Net Rentable
1-BR	85	62%	612	52,055
2-BR	41	30%	1,068	43,773
3-BR	12	9%	1,081	12,974
Total/Av. Wt.	138	100%	788	108,801
Retail S.F.	2,504			
Total Project Gross S.F.	137,716			
Parking Spaces	138			
Retail & Guest Spaces	21			
Total Parking Spaces	159			
S.F. Per Parking Space	392			
Total Parking S.F.	62,222			

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Cost	\$2,740,000	\$19,855	\$19.90
Parking	\$5,952,440	\$43,134	\$43.22
Hard Costs	\$27,301,027	\$197,834	\$198.24
Soft Costs	\$6,422,679	\$46,541	\$46.64
Financing	\$2,550,765	\$18,484	\$18.52
Total Project Costs	\$44,966,910	\$325,847	\$326.52
Less: Loan Amount	(\$31,476,837)	\$228,093	\$228.56
Initial Investment:	\$13,490,073	\$97,754	\$97.96
Total Cost Per Net SF	\$327		
Permanent Loan Per Net SF	\$308		
Stabilized Value Per Net SF	\$410		

INVESTMENT PERFORMANCE

Stabilized NOI			\$2,231,631
Total Project Costs			\$44,966,910
Stabilized Yield On Cost			4.96%
	Equity Invested	Cash On Cash	Cash Flow
Year 1	\$6,745,037	-100.0%	(\$6,745,037)
Year 2	\$13,490,073	-50.0%	(\$6,745,037)
Year 3	\$13,490,073	-0.6%	(\$86,120)
Year 4	\$13,490,073	15.7%	\$2,115,539
Year 5	\$11,659,816	2.7%	\$313,884
Year 6	\$11,659,816	3.2%	\$373,181
Year 7	\$11,659,816	130.4%	\$15,200,043
Year 8	\$11,659,816	0.0%	\$0
Year 9	\$11,659,816	0.0%	\$0
Year 10	\$11,659,816	0.0%	\$0
Total Profit			\$4,426,454
Before Tax IRR			6%
Equity Multiple			1.3

11th & Broadway Apartments (138 units)

Alternative 2: Structure Stays

Construction Costs

Units	138
Net Rentable SF	108,801
Total Project Gross S.F.	137,716
Res Parking Spaces (Excl. Shared Parking)	138
Retail & Guest Parking Spaces	21
Total Parking Spaces	159
Total Parking S.F.	62,222
S.F. / Space	392

	<u>Costs</u>	<u>\$/Unit</u>	<u>\$/S.F.</u>	<u>Comments</u>
Land Costs	\$2,740,000	\$19,855	\$19.90	
Parking: \$/RSF	\$5,952,440	\$37,500/space	\$95.66	
<u>Hard Costs</u>				
Sitework	\$200,000	\$1,449	\$5.00	
Building Core/Shell/Interiors	\$25,675,771	\$186,056.31	\$186.44	
Retail TI's (\$50 psf)	\$125,207	\$907.30	\$0.91	
Contingency 5.0%	\$1,300,049	\$9,421	\$9.44	
Subtotal Hard Costs	\$27,301,027	\$197,834	\$198.24	
<u>Soft Costs</u>				
Permits & Fees	\$2,720,025	\$19,710	\$25.00	
Affordable In-Lieu Fee (incl. 17.5% Core Factor)	\$0	\$0.00	\$0.00	
A&E and Legal 6.5%	\$2,176,020	\$15,768	\$20.00	
Property Taxes (2 years)	\$450,495	\$3,264	\$3.27	
Construction Cost Escalation 2.5%	\$831,337	\$6,024.18	\$6.04	
Contingency 5.0%	\$244,802	\$1,774	\$1.78	
Subtotal Soft Costs	\$6,422,679	\$46,541	\$46.64	
<u>Financing Costs</u>				
Construction Loan Interest	\$2,315,922	\$16,782	\$16.82	
Loan Fee 0.75%	\$234,843	\$1,702	\$1.71	
Subtotal Financing Costs	\$2,550,765	\$18,484	\$18.52	
Total Construction Costs	\$44,966,910	\$325,847	\$326.52	

Notes:

Fire rated glass is not utilized in this development because of the cost. It costs \$125 per square foot of glass compared to \$35 psf. The incremental cost is $\$2,573,000 / 28,589 = \90 psf. While it would add 29,700 SF to the project, the added structure cost plus the premium cost of the fire glass would actually lower the profit even more.

11th & Broadway Apartments (138 units)

Alternative 2: Structure Stays

Unit Mix and Rental Rates

Market Rate Units

<u>Floor Plan</u>	<u># of Units</u>	<u>% of Mix</u>	<u>Average Unit Size</u>	<u>Total Net Rentable</u>	<u>Monthly Rent</u>	<u>\$/S.F. Rent</u>	<u>Parking Per Unit</u>	<u>Required Parking</u>
1-BR	80	62%	613	49,052	\$1,600	\$2.61	1.00	80
2-BR	38	29%	1,078	40,964	\$2,600	\$2.41	1.00	38
3-BR	11	9%	1,089	11,979	\$2,800	\$2.57	1.00	11
Total/Av. Wt.	129	100%	791	101,995	\$1,997	\$2.53		129

Affordable Units

<u>Floor Plan</u>	<u># of Units</u>	<u>% of Mix</u>	<u>Average Unit Size</u>	<u>Total Net Rentable</u>	<u>Monthly Rent 50% AMI</u>	<u>\$/S.F. Rent</u>	<u>Parking Per Unit</u>	<u>Required Parking</u>
1-BR	5	4%	601	3,003	\$806	\$1.34	1.00	5
2-BR	3	2%	936	2,809	\$908	\$0.97	1.00	3
3-BR	1	1%	995	995	\$1,008	\$1.01	1.00	1
Total/Av. Wt.	9	7%	756	6,806	\$862	\$1.14		9

Total	138	788	108,801
Retail S.F.	2,504		
Monthly Rent (NNN) \$/S.F.	\$2.00		

Source: The London Group Realty Advisors

11th & Broadway Apartments (138 units)
Alternative 2: Structure Stays
Cash Flow Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7		
Total Units	Construction	Construction	138	138	138	138	138		
Units Leased (Market Rate)			105	122	122	122	122		
Units Leased (Affordable)			9	9	9	9	9		
Units Vacant			24	7	7	7	7		
Occupancy Rate			82.6%	94.9%	94.9%	94.9%	94.9%		
Vacancy Rate			17.4%	5.1%	5.1%	5.1%	5.1%		
Monthly Rent (Market Rate)	\$1,997	\$2,047	\$2,098	\$2,150	\$2,204	\$2,259	\$2,316		
Monthly Rent Per S.F. (Market Rate)	\$2.53	\$2.60	\$2.66	\$2.73	\$2.80	\$2.87	\$2.94		
Annual Increase In Rent (Market Rate)		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%		
Gross Rental Income (Market Rate Units)	\$0	\$0	\$3,247,692	\$3,328,884.30	\$3,412,106	\$3,497,409	\$3,584,844		
Gross Rental Income (Affordable Units)	\$0	\$0	\$93,144	\$93,144	\$93,144	\$93,144	\$93,144		
Retail Income (NNN)	\$0	\$0	\$63,142	\$64,720	\$66,338	\$67,997	\$69,697		
Less: Vacancy & Credit Loss (Residential)	\$0	\$0	(\$564,816)	(\$168,856)	(\$173,078)	(\$177,405)	(\$181,840)		
Net Rental Income	\$0	\$0	\$2,839,162	\$3,317,892	\$3,398,511	\$3,481,145	\$3,565,845		
	Per Unit	% Increase							
Less: Operating Expenses ¹	(\$4,800)	2.0%	\$0	\$0	(\$569,307)	(\$667,288)	(\$680,633)	(\$694,246)	(\$708,131)
Less: Property Taxes ²	(\$3,255)	2.0%	\$0	\$0	(\$467,365)	(\$476,712)	(\$486,246)	(\$495,971)	(\$505,891)
Operating Expenses Per Unit	(\$8,055)		\$0	\$0	(\$1,036,672)	(\$1,144,000)	(\$1,166,880)	(\$1,190,217)	(\$1,214,022)
Operating Expense Ratio									
Net Operating Income	\$0	\$0	\$1,802,490	\$2,173,892	\$2,231,631	\$2,290,928	\$2,351,823		
Less: I/O (interim) financing	\$0	\$0	(\$1,888,610)	(\$1,888,610)	\$0	\$0	\$0	\$0	\$0
Less: Permanent Debt Service	\$0	\$0	\$0	\$0	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)
Subtotal	\$0	\$0	(\$1,888,610)	(\$1,888,610)	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)	(\$1,917,747)
Net Proceeds from Refinance:	\$0	\$0	\$0	\$1,830,257	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations	\$0	\$0	(\$86,120)	\$2,115,539	\$313,884	\$373,181	\$434,077		
Cash On Cash			-0.6%	15.7%	2.3%	2.8%	3.2%		

Disposition

<u>Residential</u>	
Cap Rate	5.50%
Next Year NOI	\$2,531,636
Asset Value	\$46,029,742
Asset Value PSF	\$423
Asset Value Per Unit	\$356,820
<u>Retail</u>	10.00%
Cap Rate	\$71,439
Asset Value	\$714,392
Asset Value PSF	\$285
Sale Price	\$46,744,134
Less: Commissions & Closing Costs	(\$345,223)
Less: Principal Balance of Loan O/S	(\$31,632,945)
Net Proceeds from Disposition	\$14,765,966

Total Cash Flow Before Taxes	(\$6,745,037)	(\$6,745,037)	(\$86,120)	\$2,115,539	\$313,884	\$373,181	\$15,200,043
IRR	6%						

Notes:
¹ \$400 per unit per month

² 1% of 90% of construction costs



CORPORATE PROFILE

THE LONDON GROUP
Realty Advisors

REPRESENTATIVE SERVICES

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TREATMENT PLAN

April 22, 2014

PROJECT: HAMILTON APARTMENTS
941 11TH AVENUE, SAN DIEGO
HISTORIC RESOURCE #727

SUBJECT: TREATMENT PLAN

PROJECT TEAM:

DEVELOPER:	Pinnacle International Development Inc.
PROJECT ARCHITECT:	Martinez + Cutri Corporation, Tony Cutri NCARB
PRESERVATION ARCHITECT:	Martin Architecture, Tim Martin, AIA
QUALIFIED HISTORICAL MONITOR:	Union Architecture, John Eisenhart
HISTORICAL CONSULTANT:	Marie Burke Lia
GENERAL CONTRACTOR:	To be determined

PROJECT DESCRIPTION:

The Hamilton Apartments building is comprised of the original 1886 2 story sloped roof building, a larger 2 story flat roofed addition at the front of the building constructed in 1907, and a small non-historic 2 story addition at the rear. The original 1886 structure is L-shaped with a hip roof over a small cornice; the 1907 addition is flat roofed with a balloon framed parapet and a large cornice. Both are of raised floor construction.

INTRODUCTION:

The Hamilton Apartments building rests on a 40,000 sf site slated for redevelopment. The new 11th & Broadway Apartment project is a high density, mixed use / mixed income apartment building, consisting of twin 31 story towers over 7 levels of underground parking. The project has been designed to allow the retention of the Hamilton Apartment building, but to facilitate redevelopment, it must be temporarily removed from the site, to be returned after construction of the new development and shifted 50' south of its current location. The twin towers are linked by a 4 story element east and south of the resource. The ground floor of the resource is to serve as retail, retaining its original entry porch to the west but also connected to the new development from the east side, providing accessible access. The upper level is to serve as common area amenities for the adjacent apartments, also connected at the east side to the adjacent apartments, providing accessible access.

Several alternatives for temporary removal and storage of the resource were studied. Removal of the structure as a whole was proven undesirable and infeasible. Given its size, the resource would have to be cut into at least 3 segments and separated from its foundation. As no temporary storage site is available within the immediate vicinity, Trolley lines would have to be cut for both the removal to and the return from an available storage site. Given the logistics of relocation, the Trolley lines would have to be cut on separate days for each individual building segment, resulting in disruption of Trolley service at least 6 times. In addition, the proposed adaptive reuse dictates that interior bearing walls be removed, causing the need to replace the second floor and roof framing while maintaining the integrity of the exterior envelope.

The more feasible option of disassembly was adopted, where the exterior walls and sloped roof elements are to be removed in panels and ultimately reassembled on a new concrete structural frame. This Treatment Plan documents the method of disassembly, transport, rehabilitation and reassembly of the resource.

The Treatment Plan is to be accompanied by a copy of the HABS drawings of the property prepared by the Qualified Historical Monitor, and drawings that outline the proposed disassembly, stabilization and preparation of the structure for relocation. This Treatment Plan and its related drawings will be included in all subsequent plans for the discretionary permit processing and construction documents. This Treatment Plan will comply with the Centre City Mitigation, Monitoring and Reporting Program (MMRP) for Historical Resources.

PREPARATION / DISASSEMBLY OF STRUCTURE:

PRE-CONSTRUCTION MEETING:

Monitoring of the preparation, disassembly, transport, storage, rehabilitation and reassembly shall be performed by the Qualified Historical Monitor. Prior to the start of the demolition / removal process, the Contractor and Monitor will meet on site to review the scope of demolition / removal work and the method of disassembly. During the demolition / removal work, Contractor to inform Monitor of discovery of any architectural elements (brackets, posts, casing, etc.) to evaluate the relevance of these materials. Consistent with Standards # 5, 6, 7 and 9.

PREPARATION OF STRUCTURE PRIOR TO DISASSEMBLY:

The non-historic rear addition is to be removed, including the exterior stair. Exterior piping and conduit are to be removed and discarded. Gutters and downspouts and vertical corner trim boards are to be carefully removed and protected for later rehabilitation and reinstallation. The horizontal bevel siding is to be removed only at the lines of both the first and second floors, cataloged and protected for later rehabilitation and reinstallation, as the walls will be cut in these locations. If feasible, siding is to be separated rather than removed at these horizontal cuts. All exterior doors and window sash are to be removed from their frames, cataloged, protected and carefully crated for later rehabilitation. With the door and window frames remaining in place, all openings are to be boarded up with $\frac{3}{4}$ " plywood sheathing secured to the remaining exterior casings with minimal screws. At the sloped roof over the original building, each sloped roof segment is to be strong-backed with a pair of continuous 4 x 6 timbers, attached at each rafter with lag bolts or A35 clips near both the top and bottom of the rafters. Consistent with Standards #5, 6, 7 and 9.

DISASSEMBLY OF STRUCTURE:

The sloped roof over the original 1886 building is to be dismantled, first carefully separated from the cornice below, and then cut into segments at each hip and ridge (a total of 6 segments) with the small, central flat roof being demolished. Each segment is to be cataloged, then eye hooks are to be lagged into the upper strong-backs to allow each segment to be lifted off the structure and lowered to a flat bed truck and transported to the rehabilitation facility. The flat roof over the 1907 addition is then to be carefully demolished so as not to damage the balloon framed perimeter parapet and cornice.

Interior walls are to be disconnected from the perimeter walls, and interior plaster and wood lath are to be removed from the interior face of the perimeter wood stud walls. Proposed building cut lines are to be marked at both the interior and exterior faces of walls. The interior face of the perimeter walls at each floor is to be secured with $\frac{1}{2}$ " plywood sheathing. Two steel strong-backs are then to be secured horizontally to the interior face of each planned segment attached to the existing stud framing, one top and one bottom. Two vertical steel strong-backs with eye-hooks at the top are then to be welded to the horizontal strong-backs. Existing cornices are to be braced as required so that they remain intact with the wall segment below. Upper level wall panels (with attached cornices) are to be cataloged, then cut at the floor line where the siding has been removed or separated to allow each wall panel with cornice to be lifted off the building from the eye-hooks attached to each vertical strong-back. The length of the wall panels on the 1907 portion of the north side are too long to be removed and transported without a single, full height cut. As the siding is horizontal, a single, clean vertical full height cut is to be made where the downspout was removed so the seam can be concealed at reassembly. Wall panels will then be lowered to a flat bed truck and transported to the rehabilitation facility. Individual wall panels are labeled on the disassembly drawings.

After disassembly of all upper level wall panels, the upper level floor framing is to be removed and lower level wall panels are to be prepared, reinforced with strong-backs, cataloged, cut from the main level floor framing, and removed in like manner to the upper level panels, then transported to the rehabilitation facility. Consistent with standards #5, 6 and 7.

TRANSPORTATION / STORAGE OF PANELS:

Each roof and wall panel will be protected and transported by flatbed truck to a rehabilitation facility for storage and rehabilitation. Facility to be a secure, climate controlled warehouse, where each building panel and component can be rehabilitated in a controlled interior environment, under the supervision of the Qualified Historical Monitor. Consistent with Standards #6 and 7.

REHABILITATION OF WALL PANELS:

REHABILITATION / RECONSTRUCTION:

The cleaning of all historic materials shall occur through the use of the gentlest means possible. Historic fabric shall be retained as much as possible. Do not sandblast or power wash materials. The character defining massing and form of the structure is a two story building with horizontal bevel siding and large cornices with corbels and flat soffits. The original 1886 structure and the 1907 addition are distinguished from each other by the exposure (width) of the siding boards, the changes of plane between the two, and the sloped roof over the original. The character defining material elements are bevel siding, wood windows and casing, wood corbels and diagonal siding at the cornices and trim boards. Should reconstruction be required as a result of damage during this program, it shall be undertaken in accordance and conformance with the Secretary of the Interior's Standards for the Treatment of Historic Properties under the direction of the Qualified Historical Monitor.

PAINTING:

Historical photos or paint scrapings will be used in order to replicate the original colors and appearance of the structures. Existing paint to be tested for presence of lead based paint. If detected, follow current abatement regulations. Monitor and staff to approve final paint scheme. Consistent with Standard #6.

EXISTING WALL FRAMING:

All existing 2 x perimeter wood stud wall framing is to remain intact with each individual wall panel, to form the structural curtain wall frame. Temporary 1/2" plywood sheathing may be removed as required for rehabilitation, but must be replaced to reinforce the panels while being transported back for reinstallation. Consistent with Standard #6.

DOORS and WINDOWS:

The existing wood doors and wood window sash which have been removed from their frames (which are to remain and be rehabilitated in place), are to be rehabilitated and reinstalled in their original frames. Consistent with Standards #5 and 6.

EXTERIOR FINISHES:

All existing siding, cornices and trim, and all door and window frames are to be rehabilitated in place. Consistent with Standards #5, 6, 9 and 10.

REASSEMBLY OF PANELS:

REASSEMBLY OF ROOF PANELS:

The sloped roof segments (which have yet to be rehabilitated) will be returned to the site and reinstalled on top of the new concrete structure, surrounding a small new section of flat roof. The existing composition roofing shingles will be removed, rafters will be reattached to common hip and ridge members, the roof will be re-sheeted with plywood roof sheathing, and new "Highland Slate" composition shingles by CertainTeed (color: Granite Black) will be installed, with roll type roofing on the flat section. Consistent with Standards #5 and 6.

REASSEMBLY OF WALL PANELS:

During off-site rehabilitation, the 11th & Broadway Apartment project will be constructed, including underground parking, new apartment construction, and a new concrete structure to receive the relocated wall and roof panels of the Hamilton Apartment building. At the appropriate time near the completion of the project, the rehabilitated wall and roof panels will be wrapped, protected, and returned to the site on a flatbed truck for reinstallation as a curtain wall system. After wall panels have been installed the temporary interior plywood sheathing and strong-backs will then be removed to facilitate insulation, wiring, piping, and new interior wall finish, all a part of new construction. The original, rehabilitated corner trim boards will be reinstalled and the bevel siding will be repaired at the horizontal seams between and below the wall panels. Rehabilitated gutters and downspouts will be reinstalled (covering a cut seam in the north elevation). Consistent with Standards 5 and 6.

PAINTING:

Exterior touch-up painting will be performed as required, as all returning rehabilitated wall panels will have already been painted. Consistent with Standard #6.

NEW CONSTRUCTION:

INTERIOR FINISHES:

All interior finishes are part of the new construction.

ELECTRICAL & LIGHTING:

All electrical and lighting will be new construction.

HVAC:

All Heating and Air Conditioning will be the new construction.

PLUMBING:

All Plumbing will be new construction.

FIRE SPRINKLERS:

All Fire Sprinklers will be new construction.

Tim Martin, AIA
Martin Architecture