



PORT OF OAKLAND

MEMO

TO: J. Christopher Lytle, Executive Director
FROM: Chris Chan, Director of Engineering
DATE: December 2, 2014
**SUBJECT: EXECUTIVE DIRECTOR'S PERMIT APPROVAL
for Work on Private Property**

The Port Permits Section and Environmental Programs and Planning staff have reviewed the subject Port Development Permit Application. We find the proposal generally meets the applicable standards of the Land Use and Development Code (LUDC) for the Oakland Airport Business Park. We have conducted public meetings as the Lead Agency under the California Environmental Quality Act (CEQA) and in association with sign variances under the LUDC. Five (5) variances from the LUDC for signs are recommended for approval by the Permit Hearing Officer. Detailed analysis and findings are set forth in the attachments.

It is recommended that the Executive Director approve the permit, including variances, environmental findings, conditions of approval, general plan conformity, and related findings described below. If you concur, please date and approve at bottom. Please note that the permit cannot be approved if the Final Environmental Impact Report (EIR) is not certified.

Port Permit No: 5016
Property Owner: Monarch Equity Investments
Permit Applicant: Mike Bhukhan and partners
Project Location: 195 Hegenberger Road, Oakland
Estimated Value: \$8,000,000
Environ. Assessment: Environmental Impact Report

Summary Description:

The applicant proposes a five-story, 140-room hotel on an approximately 1.95 acre (84,953 sq. ft.) vacant parcel. The proposed hotel would be a free-standing 65-foot tall structure and would include parking for 151 vehicles. The site is L-shaped, with access to Hegenberger Road and Pardee Drive. Five variances from the Oakland Airport Business Park Standards and Restrictions are required for the project as currently proposed. Further details are contained in the attachments as follows:

- Attachment 1- Project Description and LUDC Conformity Findings
- Attachment 2- Variances and Environmental Findings
- Attachment 3- Final Environmental Impact Report and Mitigation Monitoring and Reporting Program
- Attachment 4- Conditions of Approval
- Attachment 5- General Plan Conformity
- Attachment 6- Additional Traffic Circulation Analysis

RECOMMENDED:

Environmental Programs and Planning: _____ Date: _____

Port Permit Coordinator: _____ Date: _____

APPROVED:

Executive Director: _____ Date: _____

Project Description

[For the purpose of this discussion, Hegenberger Road is a north-south street with Oakland International Airport at the south end and the project on the west side.]

The project site is located in the southwestern portion of the City of Oakland, in the vicinity of Oakland International Airport and Interstate 880 (I-880). The address of the proposed project at 195 Hegenberger Road, which is on an interior parcel (Assessor's Parcel No. 042-4420-014) set back approximately 270 feet west of Hegenberger Road and approximately 390 feet north of Pardee Drive.

The project sponsor, Monarch Equity Investments, Inc., proposes to construct a 140-room hotel intended to serve patrons of Oakland International Airport, located about one mile south of the proposed project. The five-story hotel (65 feet in height) would occupy an 84,953-square-foot (sq. ft.) (1.95 acres) interior lot set back approximately 270 feet west of Hegenberger Road and approximately 390 feet northeast of Pardee Drive. Vehicular access to the site would be provided by recorded driveway easements from both Hegenberger Road and Pardee Drive.

The proposed building would have a footprint of 19,380 sq. ft. and would provide a total building area of 95,927 sq. ft. Based on the total area of the site the building would have a floor area ratio (FAR) of 1.13. In addition to 140 guest rooms, the hotel would include a 1,928 sq. ft. meeting room with a capacity of 69 seats, a full service restaurant with kitchen, a bar/lounge, a small gym with exercise equipment, a swimming pool, and an outdoor patio. The building would also provide an employee break room, laundry, offices, miscellaneous work areas, electrical and mechanical rooms, various storage rooms, and 151 vehicle parking spaces.

Surrounding Uses

The site is located within the "Port Area" of the City of Oakland, and within the Oakland Airport Business Park, originally established by Port Ordinance No.1343 by the Board of Port Commissioners in 1966. Development in the Business Park is currently regulated by the Land Use and Development Code (LUDC), adopted by the Board of Port Commissioners June 2011. It is also within the Coliseum/Hegenberger Planning District of the Coliseum Area Redevelopment Project Area established by the City of Oakland in 1995, and expanded to a total of 6,764 acres in 1997.

LUDC Design Conformity

With the exception of signs, the development proposed meets all the standards of the LUDC. The project has been given a Determination of No Hazard to Air Navigation for its height by the Federal Aviation Administration. The building design follows the standards set for SpringHill Suites by the Hilton Hotel chain, and will enhance the aesthetics of the vicinity. Given the setback from Pardee Drive and Hegenberger Road and potential viewing distances, the applicant requested variances to allow additional and larger signs than normally allowed under the LUDC. The Port held a first hearing on May 30, 2014 and made a recommendation regarding their proposal, which is further described in the next attachment. The applicant also submitted documents describing how the applicant intends to comply with the "full service restaurant" requirement of the LUDC. The description complies with the LUDC standard.

Permit Findings (from LUDC Section 5.5)

- B. General Development Permit Findings.** The Port approves this application for a Development Permit, either as submitted or as modified, with the following findings:
1. The proposed project will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons working in the Business Park or be detrimental or injurious to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City.
 2. The proposed project is consistent with the City of Oakland's General Plan.
 3. The proposed project complies with provisions of this Code, including the requirement to provide a "full-service restaurant" and other hotel specific requirements specified in the LUDC.
 4. The proposed project has been adequately evaluated under California Environmental Quality Act.
 5. The proposed project has been approved, or has a reasonable chance of being approved, by all outside agencies having jurisdiction over the project, including, but not limited to: the City of Oakland, FAA, Regional Water Quality Control Board, Airport Land Use Commission, Alameda County Health Department, and State Lands Commission.
 6. The proposed project will neither interfere with the operations of Oakland International Airport nor enable the establishment of uses that may be incompatible with the potential imposition of noise, light, smoke, air currents, electronic or other emissions, vibrations, discomfort, and/or inconvenience resulting from airport operations at Oakland International Airport.
 7. The Port has attached such conditions to issuance of the Development Permit as it deems reasonable or necessary to achieve the purposes of this Code, to reduce or to mitigate environmental impacts, and to address the project's anticipated burden on the Business Park and the Port, and which conditions otherwise promote the health, safety, and welfare of the surrounding community.
- C. Specific Development Permit Findings.** In addition to the General Findings required above, the Port may approve an application for a Development Permit within a specific land use area of the Business Park, either as submitted or as modified, only upon finding that:
1. For projects proposed in the Commercial Corridor, such projects are consistent with the purposes, use restrictions and development and design standards established by this Code for the Commercial Corridor area.
 2. For projects proposed in the Business Park Interior, such projects are consistent with the purposes, use restrictions and development and design standards established by this Code for the Business Park Interior area.
 3. For projects proposed in the Park and Open Space, such projects are consistent with the purposes, use restrictions and development and design standards established by this Code for the Park and Open Space area.

Variances

The applicant requested five variances for signs, as follows:

1. Section 4.2, A.1, to exceed limit of signs on no more than two building frontages;
2. Section 4.2, A.2, for height exceeding 10 ft. limit;
3. Section 4.2, A.5, for sign area exceeding 100 s.f. per sign (x2) and 200 s.f. total limit.

A public hearing was held on Friday, May 30, 2014, 1:00 p.m. The Port Executive Director's designated Public Hearing Officer (Richard Sinkoff, Director of Programs and Planning) received comments on the application for variance and made the recommendation to approve all five variances with the findings below.

Project Signage Description

The sign package includes a 15-foot pole sign and 7 foot high monument sign at the Hegenberger Road entrance, exceeding the 10-foot height limit for one sign and the limit of one sign per frontage. It also includes two building signs with the "SpringHill" logo that are each approximately 160 square feet, each exceeding the 100 square feet limit. In addition, a monument sign at the Pardee Drive entrance and two smaller building logo signs are included in the proposed package, bringing the total sign area to 590 square feet, exceeding the 200 square foot limit. Logo signs will be mounted on three sides of the building.

Justification

A variance is required from the 10 foot height limit for the pole sign on Hegenberger Road. The applicant feels this sign is necessary for visibility for traffic travelling along Hegenberger Road in both directions. The smaller monument sign will mark the entrance from Hegenberger Road, and will have limited distance visibility until vehicles are close to the driveway entrance. The two signs on Hegenberger Road will have some separation to avoid looking cluttered. The two large SpringHill logos are on the parapets at the top of the building that are part of the hotel's signature design. One is on the entrance façade; the other on the opposite recessed façade facing Pardee Drive. Two smaller logo signs are proposed for the façade facing Hegenberger Road and the projecting façade facing Pardee Drive. This proposal for signs on three facades exceeds the limit of two sides. Each of the three sides will be visible from some part of major streets (i.e., Hegenberger Road and Pardee Drive) surrounding the building. The building is set back approximately 270 feet from Hegenberger Road and 390 feet from Pardee Drive. The larger logo above the entrance will be mainly visible from the access driveway on Hegenberger Road, marking the building entrance. The large logo facing will be visible primarily from Hegenberger Road for visitors traveling from the airport to the intersection with Pardee Drive. This logo will be obscured from Pardee Drive by the projecting façade, so the smaller logo will improve visibility down Swan Way. The applicant has designed the sign package to provide visibility from various points approaching the hotel site.

Given the location and orientation of the site, and the need for visibility, the variances are justified. The Permit Hearing Officer will consider approval of the variances with the findings below.

Variance Findings

1. That because of special circumstances applicable to the subject property, including size, shape, topography, location or surroundings, the strict application of this Code will deprive such property of privileges enjoyed by other property in the Business Park within the same area of land use designation, as shown in Figure 2.1.

Specific Finding: The development site is set back considerable at a distance from the streets, and located between two buildings.

2. That granting of the variance will be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the Business Park within the same area of land use designation, as shown in Figure 2.1.

Specific Finding: This condition is unique for sites in the Business Park, and quite rare for any commercial site.

3. That granting of the variance will not authorize a use or activity which is not otherwise allowed within the applicable land use designation of the Business Park.

Specific Finding: Approval of the signs is conditioned on the approval of the development permit. Approving the development permit will confirm that the hotel use is an allowable use, consistent with the LUDC.

4. The proposed variance will neither interfere with the operations of Oakland International Airport nor enable the establishment of uses that may be incompatible with the potential imposition of noise, light, smoke, air currents, electronic or other emissions, vibrations, discomfort, and/or inconvenience resulting from airport operations.

Specific Finding: Signs are compatible with other uses in the area and will not impact airport operations. Any potential impacts from the hotel development project have been analyzed in the EIR.

5. The Port has attached such conditions to approval of the variance as it deems reasonable or necessary to achieve the purposes of this Code, to reduce or to mitigate environmental impacts, and to address the project's anticipated burden on the Business Park and the Port, and which otherwise promote the health, safety, and welfare of the surrounding community.

Specific Finding: The variance approval is conditioned on the approval of the development permit, so no signs would be installed until the associated Port Development Permit is approved.

Environmental Findings

The attached Final 195 Hegenberger Road Hotel EIR (Final EIR) has been prepared for the project and assesses the environmental impacts, mitigation measures, and alternatives associated with the proposed project. The Port consulted with other public agencies and the general public, and provided such agencies and the general public with the opportunity to provide written and oral comments on the project. The Port reviewed the comments received and responded to the environmental concerns raised during the review and consultation process. Port conducted a hearing on October 6, 2014.

In accordance with CEQA, the Executive Director is required to make a finding under Title 14 Cal. Code Regs §15091 for each significant impact shown in the Final EIR. The Executive Director finds that no significant, unavoidable environmental impacts have been identified in the Final EIR related to the proposed project. The general findings are defined below. Detailed findings and mitigation measures are described in the Final EIR and the associated Mitigation Monitoring and Report Program.

1. Aesthetics

Standard CEQA Guidelines: Would the proposed project potentially create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area?

Analysis: The proposed site does not currently have existing sources of light, therefore the proposed project could potentially have a significant impact from the construction and operation of the hotel. To minimize this impact, the Final EIR identifies Mitigation Measure AES-1, which requires the project applicant to design and install lighting that is fully shielded to minimize glare and obtrusive lighting.

Finding: The Executive Director finds that the identified impact is reduced to less than significant with this mitigation measure.

2. Air Quality

Standard CEQA Guidelines: Would the proposed project significantly violate air quality standards or contribute substantially to an existing or projected air quality violation?

Analysis: The Final EIR concludes in Impact 4.A-1 that construction of the proposed project would result in fugitive dust or PM10 emissions from excavation, trenching, and other construction activities. In addition, 4.B-1 concludes that construction of the project may result in temporary construction-related emissions of criteria pollutants from the use of heavy-duty construction equipment, haul truck trips, and vehicle trips generated from construction workers traveling to and from the site. To minimize this impact, the Final EIR identifies Mitigation Measure 4.A-1, which requires that the Project Applicant implement best management practices (BMPs) related to dust control, pursuant to the Bay Area Air Quality Management District's 2012 CEQA Guidelines, during soil movement, grading and demolition activities as well as vehicle and equipment movement on unpaved surfaces. Some of the provisions include, but are not limited to: periodic watering of exposed soil surfaces; haul trucks transporting loose material (i.e., soil, sand, etc) be covered; and no longer than 5 minutes of idling equipment. The Final

EIR also identifies Mitigation Measure 4.B-1, which requires the use of alternative fuels (at least 15% of fleet) and locally sourced building materials (at least 10%).

Finding: The Executive Director finds that the identified impacts are reduced to less than significant with these mitigation measures.

3. Biological Resources

Standard CEQA Guidelines: (a) Would the proposed project have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act through the direct removal, filling, hydrological interruption, or other means?

Analysis: There are no wetlands or other waters of the U.S. within the proposed project site. However, there are bioswales north of the project site designed to capture storm water runoff from the parking lot. Runoff from the proposed project could potentially increase pollutants into the bioswales. To minimize this potential impact, the Final EIR identifies Mitigation Measure HYD-1 and HYD-2, which includes preparation of Storm Water Pollution Prevention Plan (SWPPP) for construction activities and a project drainage plan. The implementation of the best management practices identified in the SWPPP will reduce construction-related water quality impacts. The project drainage plan will incorporate the operation and performance of the proposed project site drainage facilities, including the bioswales.

Standard CEQA Guidelines: (b) Would the proposed project substantially interfere with the movement of any native resident or migratory fish or wildlife species, migratory corridors, or native wildlife nursery sites?

Analysis: There are no migratory wildlife corridors, migratory stopover sites, or native wildlife nursery sites within the project site. Biological resources are present in the surrounding undeveloped areas, particularly in Martin Luther King, Jr. Park located north of the project site. To minimize this impact, the Final EIR identifies Mitigation Measure BIO-1, which requires preconstruction nesting bird surveys be conducted by a qualified biologist if removal of any vegetation and trees occur between February 1 to August 31. In addition, the Final EIR identifies Mitigation Measure BIO-2, which requires the project applicant to minimize night lighting by dimming lights in lobbies, perimeter circulation areas, and atria, turning off all unnecessary lighting by 11:00 PM, incorporating light-colored solar reflective window treatments, avoiding use of flood lights, and educating building management about dangers of night lighting to birds.

Finding: The Executive Director finds that these impacts are reduced to less than significant with these mitigation measures.

4. Cultural Resources

Standard CEQA Guidelines: a) Would the proposed project cause a substantial adverse change in the significance of an archaeological resource?

Analysis: The project site is located within the traditional territory of the Ohlone people.

Based on results of records and literature search, previous disturbance and geologic context in the project site, the project does not appear to have a potential impact to archaeological resources. However, the discovery of archaeological resources cannot be discounted during excavation. To minimize this impact the Final EIR identifies Mitigation Measure CUL-1, which requires all construction activities to halt within 100 feet and proper notification to the Port and local, state, and federal agencies be notified to determine if there is a potential archaeological resource and develop a treatment plan if required. To further ensure protection of cultural resources during construction, the Port's Emergency Plan of Action for Discoveries of Unknown Historic or Archaeological Resources shall be implemented.

b) Although there is no indication from the archival research that any part of the project site has been used for human burial purposes, however the possibility of inadvertent discovery cannot entirely be discounted. To minimize this impact, the Final EIR identifies Mitigation Measure CUL-3, which requires the contractor to cease construction within 100 feet of the human remains discovery and contact the Alameda County Coroner's Office and the Native American Heritage Commission to determine if the remains are of Native American descent.

Finding: The Executive Director finds that these impacts are reduced to less than significant with these mitigation measures.

5. Climate Change and Greenhouse Gas Emissions

Standard CEQA Guidelines: Would the proposed project have a significant impact to the environment from greenhouse gas emissions?

Analysis: The Final EIR concludes in Impact 4.B-1 that the proposed project would generate GHG emissions from construction vehicles and equipment. To minimize the impact, the Final EIR identifies Mitigation Measure 4.B-1, which requires the Project Applicant to use alternative fuels for construction vehicles and equipment (at least 15%) and locally sourced building materials (at least 10%), and recycle/reuse construction waste/demolition materials (at least 50%).

Finding: The Executive Director finds that the identified impact is reduced to less than significant with this mitigation measure.

6. Hazards and Hazardous Materials

Standard CEQA Guidelines: (a) Would the proposed project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Analysis: The Final EIR concludes in Impact 4.D-1 that the proposed project site may contain contaminants that could potentially adversely affect site workers, the public or the environment through ground disturbing activities or from improper handling, storage, or disposal of potentially contaminated soil. To minimize the impact, the Final EIR identifies Mitigation Measure 4.D-1a and 4.D-1b. Some of the provisions in the mitigation measures include: the Project Applicant notifying the Regional Water Quality Control Board of the planned construction activities, preparing and implementing a Soil Management Plan and a Health & Safety Plan, and characterizing the stockpile for off-site disposal.

Standard CEQA Guidelines: (b) Would the proposed project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions of hazardous materials used during construction?

Analysis: The Final EIR states in Impact 4.D-2 that construction activities typically include handling hazardous substances such as paints, fuels, and solvents. If a spill or leak were to occur, workers and the environment could potentially be exposed to a hazardous condition. To minimize the impact, the Final EIR identifies Mitigation Measure 4.D-2 which requires the Project Applicant to develop and implement a Storm Water Pollution Prevention Plan that includes addressing a spill plan and best management practices of hazardous materials.

Finding: The Executive Director finds that the identified impacts are reduced to less than significant with these mitigation measures.

7. Hydrology and Water Quality

Standard CEQA Guidelines: a) Would the proposed project potentially violate water quality standards or waste water discharge requirements?

Analysis: Project construction involves clearing, grading, and other earthwork related activities. If construction is not managed, there is potential for erosion and other pollutants to run-off or erode into storm drains systems or off-site. To minimize the impact, the Final EIR identifies Mitigation Measure HYD-1, where the project applicant will be required to prepare and implement a SWPPP as described in the Biological Resources section above.

The proposed project operations could also potentially violate water quality from runoff of the roofs, streets, parking areas and landscaped areas into the local drainage network. To minimize this impact, the Final EIR identifies HYD-2 and HYD-3, where the project applicant will be required to submit final hydrology/hydraulics calculations based on the final design plan and comply with the City of Oakland's National Pollutant Discharge Elimination System.

Standard CEQA Guidelines: b) Would the proposed project alter the storm drainage system from the result of erosion at the project site?

Analysis: The proposed project involves changes to the existing impervious surfaces due to the construction of buildings. Project impacts to erosion and siltation are primarily related to construction activities. To minimize the impact, the Final EIR identifies Mitigation Measures HYD-1, HYD-2, and HYD-3 as described above.

Standard CEQA Guidelines: c) Would the proposed project may alter the storm drainage system from the result of flooding from the site.

Analysis: The Proposed project is currently vacant with sparse vegetation. Project development would include new landscaping, however the new impervious surfaces would ultimately increase the peak discharges from the site. To minimize this impact, the Final EIR identifies Mitigation Measure HYD-2 to ensure project impacts associated with downstream flooding are reduced to less than significant levels.

Standard CEQA Guidelines: d) Would the proposed project may create or contribute to runoff or water or substantially degrade water?

Analysis: As described above, implementation of HYD-1, HYD-2, and HYD-3 would minimize impacts associated with construction-related water quality.

Finding: The Executive Director finds that these impacts are reduced to less than significant with these mitigation measures.

8. Noise

Standard CEQA Guidelines: Would the proposed project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

Analysis: Construction is expected to commence in Fall 2014 and last for 15 months. Construction of the proposed project would generate temporary and intermittent noise at and near the project site from excavation, auguring and concrete pumping, building construction, utility trenching, and landscaping. To minimize the impact from the temporary construction-related increase, the Final EIR identifies Mitigation Measures NOI-1a to NOI-1c, which requires the project applicant to comply with the City of Oakland's noise measures, which include, but not limited to limit standard construction activities times as required by the City of Oakland's Building Department, reduce daytime noise impacts due to construction, and complete noise attenuation measures under the supervision of a qualified acoustical consultant.

Finding: The Executive Director finds that this impact is reduced to less than significant with these mitigation measures.

9. Transportation/Traffic¹

Standard CEQA Guidelines: Would the proposed project have a significant conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system and an applicable congestion management program?

Analysis: The final EIR concludes in Impact 4.C-1 that traffic from construction workers, the delivery of materials, and off-hauling construction debris could result in temporary impacts to circulation and congestion on the public roadways. To minimize the impact, the Final EIR identifies Mitigation Measure 4.C-1, which requires the Project Applicant to prepare and implement a construction management plan that includes traffic control measures, haul route designation, adjacent property notification of the construction management plan, and street monitoring for construction debris and damage.

Finding: The Executive Director finds that the identified impact is reduced to less than significant with mitigation measure 4C-1.

Following the completion of the final EIR, an additional traffic circulation analysis was conducted (*Technical Memorandum - 195 Hegenberger Road Hotel: Traffic Circulation Analysis in Response to Comments on the Final EIR*, prepared by ESA, dated November 12, 2014) to respond to commenters' concerns regarding level of service to the access driveways (off

¹ As codified in the 2014 CEQA Guidelines, SB 743 (2013) requires the Office of Planning and Research to revise the CEQA Guidelines to move away from LOS as a measure of traffic impact, and include new metrics for traffic impacts in infill areas.

Hegenberger Road and Pardee Drive) and to on-site circulation. The additional analysis indicated that there is no significant impact to the concerns noted above (refer to Attachment 6).

To address concerns regarding outbound traffic and stacking (queuing) at the Hegenberger Road access driveway, the project applicant could:

- 1) Install onsite traffic signs directing employees and guests to exit at the Pardee Drive access driveway; and
- 2) Paint the standard traffic design markings stating "KEEP CLEAR" on the pavement at the Hegenberger Road driveway access entrance.
- 3) Install a "RIGHT TURN ONLY" sign facing exiting traffic at the Hegenberger driveway.

Attachment 3- Final Environmental Impact Report and Mitigation Monitoring and Reporting Program

[DOCUMENT INCLUDED UNDER SEPARATE COVER]

Permit Conditions

1. The Project's Port Development Permit will be valid for 365 days from the date of approval. Commencement of construction or grading must occur within that period and continue with a valid City of Oakland building permit until completion. If the work is discontinued at any time after the 365-day term of the permit for more than 365 days, a new Port of Oakland Development Permit will be required for any additional work.
2. The Project Applicant shall be responsible for compliance with all regulations of the LUDC, including all requirements for a full-service hotel. Applicant letter dated 10/10/14 is included herein to demonstrate details of compliance.
3. The Project Applicant shall be responsible for obtaining all other development-related permits required from other agencies, and is to be solely responsible for any conditions of such permits unless otherwise specified and agreed to by the Port.
4. The Project Applicant shall comply with all of the mitigation measures identified in the Mitigation Monitoring and Report Program (MMRP) for the Project, included in Attachment 3 and incorporated herein as a condition of approval of the Development Permit. The Project Applicant shall complete the MMRP Completion Checklist and submit to the Port within 45 days after project completion.
5. Final construction details, including landscaping plans, paving details, and building material samples, shall be submitted to the Port Permit Coordinator for review and approval prior to release of drawings for a City of Oakland application for a building permit for the Project, or any portion of the Project. Such review will insure consistency with this approval.
6. The Project Applicant shall obtain, at the Project Applicant's expense, all City of Oakland building permits required for the Project.
7. The Project Applicant and the Project Applicant's contractor shall construct the Project according to the plans approved under Port and City permits. Modifications made to comply with City of Oakland permit requirements shall be subject to verification of compliance with Port permit conditions prior to the start of construction.
8. The Project Applicant shall maintain the Project site in a clean and orderly condition during the entire term of the Development Permit. If there is a work stoppage at any time after construction has commenced for a period of more than 30 days, the Project Applicant shall secure any completed or uncompleted work and remove or screen any stored materials. The Chief Engineer of the Port may provide a 30-day notice and order to the Project Applicant to comply with this condition. If the Project Applicant fails to comply during that time period, or fails to present and implement an acceptable plan for compliance, the Port maintains the right at Port's discretion, to complete the necessary work and bill the Project Applicant for all related costs, or impose reasonable fines for violation of this condition of approval and/or the Port Chief Engineer's order. Any such fine shall be reasonably related to the nature of the violation and/or the cost to correct.
9. To the maximum extent permitted by law, the Project Applicant shall defend, hold harmless, and indemnify the Port and its respective officers, agents and employees (whether the action is on behalf of the Port, or otherwise) (the "Indemnified Parties") against any and all liability, damages, claims, demands, judgments or other losses (including, without limitation, attorneys fees, expert witness and consultant fees and other litigation expenses), referendum or initiative relating to, resulting from or caused

by, or alleged to have resulted from or caused by any action or approval associated with the Project. That this indemnity includes, without limitation, any legal or administrative challenge, referendum or initiative filed or prosecuted to overturn, set-aside, stay or otherwise rescind any or all approvals granted in connection with the Project, any environmental determination made for the Project, and granting any permit issued in accordance with the Project. This indemnity includes, without limitation, payment of all direct and indirect costs associated with any action specified herein. Direct and indirect costs as used herein shall include, without limitation, any attorneys' fees, expert witness and consultant fees, court costs and other litigation fees, Port Attorney time and overhead costs, and other Port Staff overhead costs and normal day-to-day business expenses incurred by the Port ("Litigation Expenses"). The Indemnified Parties shall have the right to select counsel to represent the Indemnified Parties, at the Project Applicant's expense, in the defense of any action specified in this condition of approval. The Indemnified Parties shall take all reasonable steps to promptly notify the Project Applicant of any claim, demand, or legal actions that may create a claim for indemnification under these conditions of approval.

10. The hotel shall provide shuttle service between Oakland International Airport, downtown Oakland, and the BART station. The service will be available 24 hours per day, seven days per week.
11. The hotel will provide valet parking service to off-site parking during conference events and at other times of heavy vehicle traffic accessing the facility. Off-site locations must be identified and communicated to the Port Of Oakland prior to occupancy.
12. The parking provided on the Project site shall be used only by employees, patrons, visitors, and current hotel guests to the Project. No parking spaces shall be used for airport passenger parking.
13. Any work to modify the streets, including driveway cuts and/or modifications will be subject to further review by the City of Oakland. Hegenberger Road and Pardee Drive are dedicated City of Oakland streets.
14. Mature landscaping shall be used to the extent feasible to provide benefits as soon as possible. The submitted Landscape Plan shows 88 trees at 24" box size and 11 at 15 gallon size. This shall be the minimum for the final plan. Shrubs shall be minimum 1 gallon.
15. The Project Applicant shall determine the use of existing pipes (PVC- polyvinyl chloride) that extend above ground. If determined inactive, the Project Applicant shall properly remove or destroy (if groundwater monitoring wells) and dispose off-site in compliance with local, state and federal regulations.
16. The applicant shall confirm that an aviation easement in favor of Oakland International Airport in a form approved by the Port Attorney has been recorded on the subject property. If not, the applicant shall grant and record an aviation easement.
17. These conditions of approval shall be printed on the first page of the Project plans submitted for grading and building permits to the City of Oakland. A copy of the final building permit plans shall be submitted to the Port Permit Coordinator for review for consistency with the Port Development Permit for the Project.
18. Any other conditions added by the Permit Hearing Officer as well as any other conditions listed in the LUDC not otherwise listed here.

Satish Narayan. PM.
DESIGN, ENTITLEMENTS & PROJECT MANAGEMENT
964 COLLINS COURT, HAYWARD, CA. 94544
(510)453.5942.
email: narayansatish@hotmail.com.

10/10/2014

To: Honorable Executive Director's Hearing Panel.
From: Satish Narayan. PM.
Monarch Equity Investment, Inc.
RE: Consideration of Project EIR and Development Permit Application.
195 Hegenberger Rd. Oakland.

Honorable Panel Members and Staff:

Provision for FULL SERVICE RESTAURANT at 195 Hegenberger Road, Proposed Springhill Hotel.
In an effort to comply with Port of Oakland's LUCD: Transient Lodging definition, we offer the following:

1. The Hotel Restaurant will provide 3 meals per day and room service as required. Project plan already includes outdoor patio and recreation space
2. It will provide a full service restaurant where hotel clients/patrons will be able to be seated and order food from menu.
3. The menu (see attached sample menus) will provide a variety of food selections which will be prepared at an on-site kitchen. Hotel Management may use one of these menus or prepare another (similar selections).
4. The main floor plan has been revised to reflect a restaurant that will enable hotel management to provide hotel guests with the preparation and food services ordered from the menu.
5. The revised Kitchen will have appropriate equipment(s) to service the food menu.
6. Restaurant Dining Room/Lounge/Communal Area services will be provided by restaurant staff who will provide menu and take orders for food and beverage services. Restaurant staff will prepare such food for service to guests.
7. Similarly, room services will be provided as and when needed as part of restaurant services.

With the provision of the above food and beverage services (item #'s 1 – 6), we believe we comply with the intent and requirements of the Port of Oakland's LUDC (Section 2.3).

Hotel restaurant food and beverage services: A Scenario.

Mr. & Mrs. Smith and son visit the Dining area/Lounge and get seated at a table. restaurant staff/table waiter requests what they would like and presents them with food menu.

Mr. Smith orders: Cheese plate and Italian Wrap + Beer

Mrs. Smith orders: Shredded BBQ Pork Sliders + Glass of red wine

Son orders: Pepperoni 8" Thick Crust Pizza + Coke

The order is received by restaurant staff. Food is prepared in the kitchen and served at the Smith table. Drinks are served from the bar. The Smiths' could have also ordered room service.

We hope this additional information clarifies our proposed food service requirement and qualifies our project as meeting LUDC definition of a Full Service Restaurant for our proposed Springhill Hotel.

Attached for your review:

1. Revised Kitchen Floor Plan and Restaurant Dining Area.
2. Three (3) copies of Sample Menu.

This General Plan Conformity Report was reviewed by the City of Oakland's Director of Planning for the development of the Holiday Inn, approved by the Port in 2006. A copy will be sent to the Director of Planning again with this approval, but there have been no relevant changes and it is expected that there would be no challenge to this conformity determination.

Project and Property Description: [See Attachment 1]

General Plan Land Use Designation:

The project site is designated as Regional Commercial by the Oakland General Plan and is located within the Port of Oakland land use jurisdiction. Per Table 2 of the Land Use Element, this activity and facility type conform to the General Plan Regional Commercial land use classification.

The FAR for the proposed project is 1.13. The maximum allowable FAR for this classification is 4.0.

The General Plan states that the Regional Commercial land use designation is to "maintain, support, and create areas of the City that serve as regional-drawing centers of activity". These Regional Commercial land uses "...are generally located adjacent to regional transportation facilities where they benefit from good access and visibility and are able to attract patrons from within and outside the City limits". The desired character of the Regional Commercial designation is "a mix of commercial, office, entertainment, arts, recreation, sports, visitor serving activities, residential mixed use development and other uses of similar character or supportive of regional drawing power."

Applicable General Plan Policies:

The following General Plan policies further support the Port's conformity determination.

Policy I/C 1.1: The City will strive to attract new businesses to Oakland which have potential economic benefits in terms of jobs and/or revenue generation. This effort will be coordinated through a citywide economic development strategy/marketing plan which identifies the City's existing economic base, the assets and constraints for future growth, target industries or activities for future attraction, and geographic areas appropriate for future use and development.

Policy I/C 4.2: The potential for new or existing industrial or commercial uses, including seaport and airport activities, to create nuisance impacts on surrounding residential land uses should be minimized through appropriate siting and efficient implementation and enforcement of environmental and development controls.

Policy N1.7: Hotels and motels should be encouraged to locate downtown, along the waterfront, near the airport, or along the I-880 corridor. No new hotels or motels should be located elsewhere in the city, however, the development of "bed-and-breakfast" type lodgings should be allowed in the neighborhoods, provided that the use and activities of the establishment do not adversely impact nearby areas, and parking areas are screened.

Policy T1.4: Encourage, promote, and support region-serving business, tourism industries, and businesses related to the transportation industry, to locate or relocate to Oakland.

Policy W7.2: Other commercial and industrial uses should be encouraged at appropriate locations (Port owned or not) where they can provide economic opportunity to the community at large.

General Plan Conformity Analysis and Determination:

The proposed project conforms to the General Plan per Table 2 of the Land Use Element. It also meets each of the policies listed above. The site is currently vacant, and has been since for a number of years. The previous improvements were demolished by the Port in preparation for new development. The Port of Oakland sold the property to a contractor, Hensel Phelps, in order to promote and allow private development of the site to benefit of the community. The contractor is selling Manchester Hotels, Inc., the applicant. This development culminates a number of years of effort to develop the vacant parcel to serve the needs of the City.

The development will include a four-story hotel with on-site amenities including a swimming pool, restaurant, and conference space. The General Plan is silent on the need to provide amenities, though the City has encouraged the developer to provide a full-service hotel, and has adopted such regulations in the Zoning Ordinance.

Attachment 6- Additional Traffic Circulation Analysis

[DOCUMENT INCLUDED UNDER SEPARATE COVER]