

Millbrae Serra Station, LLC
1818 Gilbreth Road, Suite 123
Burlingame, CA 94010
(650) 692-5406

Millbrae Serra Station Project Description – January 26, 2017

Site:

This project proposes a mixed-use transit oriented development (TOD) including a mix of residential, office, retail, and public parking uses on 3.53 acres in Millbrae, CA, adjacent to the Millbrae BART/CalTrain station (Project). The site is about a quarter mile southwest of San Francisco International Airport. The Project is TOD #1 as defined in the Millbrae Station Area Specific Plan (MSASP). When TOD #1's is completed, it will contain three distinct parcels (developed to provide one, shared, new, common right of way to California Drive and one common, shared, below grade garage), each parcel will have a mix of uses, but the project for planning, zoning and building code purposes is one master planned development.

Existing Uses:

The site currently contains several existing structures all to be demolished and removed:

- 100 Serra Avenue: This property has been used as a parking lot under a lease to Millbrae Serra Convalescent Hospital for the past 50 years. It is owned by VAM Millbrae Linden, LLC. Mr. Muzzi is its sole managing member.
- 150 Serra Avenue: The current tenant is the Millbrae Serra Sanitarium, Inc., dba Millbrae Serra Convalescent Hospital which was founded in 1935 by Mr. Muzzi's parents. It has had a capacity of up to 165 beds, but was last licensed for 123 skilled nursing beds and now has its license in voluntarily suspension and is without patients, pending completion of a \$2,000,000 OSHPD approved remodel. It also had a three story 20 Unit apartment house for staff. Mr. Muzzi has been an owner since 1972 and a California licensed Nursing Home Administrator of the facility from 1986 to date. The property is owned by VAM Millbrae Serra, LLC. Mr. Muzzi is its sole managing member.
- 190 El Camino Real: This building was last occupied as a cabinet shop from the late 1940's until 2015. This property is owned by Millbrae El Camino LLC. Mr. Muzzi is its sole managing member.
- 200 El Camino Real: This site was used as a lumber yard with a small hardware store starting in the late 1940's until 2012, when the lumber yard closed. It has been used by the Hertz and Sixt car rental companies to store cars over the prior two years, but is currently vacant. This property is also owned by Millbrae El Camino LLC. Mr. Muzzi is its sole managing member.

Nearby Uses:

Retail and residential uses are across El Camino Real at 151 El Camino, the Belamor-Millbrae Paradise condos, which are 5-stories in height. The nearest Class A office buildings are located southeast along California Drive south of Millbrae Ave.

The closest Single Family zoned Residential parcels to the site are along the east side of Hemlock Ave adjacent to the north side of the site. Although still single-family in building typology, the west side of Hemlock Ave is zoned Commercial. There is a fast food outlet adjoining the site to the north on El Camino.

Civil:

There are approximately 20 trees, comprising of both evergreen and deciduous trees varying in size from 6-inch to 30-inches in diameter. Most of the existing trees are located on the 150 Serra Avenue at the

Southern portion of development. All the existing trees will be removed as part of the proposed development of the site, roads, parking garage, paseo and three new buildings.

The natural grade on the site will be changed within the project and the development of three new buildings along with their shared three (3) level below grade parking garage. The portions of the site that front El Camino Real, California Avenue and Serra Avenue will closely match the existing grades and roadway improvements that are adjacent to the project site.

Proposed parcelization of the project site will include the re-subdivision of three (3) existing parcels and various easements into three (3) new lots, including Lot 1 (119 Residential Units/ Retail and Public Parking Mixed Use), Lot 2 (325 Residential Units/Public Parking Mixed Use) and Lot 3 (Commercial Office/Retail and Public Parking Mixed Use)).

As part of the Project, California Drive will be extended, from the existing parking and drop off area located adjacent to the Caltrain Station at Linden Avenue, as two travel and two bike lanes in each direction extending from the southern project limits at Linden Avenue along the eastern and northern side of the Project to El Camino Real. This will result in a four-leg, signalized intersection with El Camino Real (North and South bound), Victoria Avenue and California Drive. California Drive, immediately north of the Caltrain/Bart Station Entrance, will propose to include a 120-foot long drop-off area to accommodate two 40-foot Transit/Bus Drop-offs. To accommodate this proposed drop-off area, the existing bus lockers (ex. 4 structures for bicycle storage) are to be relocated and expanded at the northerly end of the existing platform with a new concrete landing area adjacent to California Drive and the 7-foot wide public sidewalk. A 100% increase of Bike locker storage will be provided to offset the additional area need for the 120-foot long drop-off area, doubling the existing bicycle storage availability at the west station entrance. In addition, the portion of Victoria Avenue west of El Camino Real will be restriped from El Camino Real to Magnolia Avenue, previously proposed with an 11' drive aisle and 5' bike lane in either direction. Now to be restriped to match existing, a one-way 18' drive aisle with sharrows and 7' parking on either side.

Project Development:

The development includes 444 residential units, 290,100+/- sq-ft of office use and 13,200+/- sq-ft of retail contained within three buildings:

- Building C-1 (office, retail and public parking) at 100 California Drive.
- Building R-1 (residential and public parking) at 200 El Camino Real.
- Building R-2 (residential, retail and public parking) at 150 Serra Ave.

This results in an FAR of 5.61. Public open space is provided for 14.5% of the site area (10% is required).

Residential Buildings:

The Project includes 444 residential multi-family units within the two buildings, of which 67 are proposed as affordable below-market rate units, over three levels of underground parking. The project is projected by the City's consultants to have an average of 2.25 persons per household per unit, which generates a total population of 999+/- new residents. The residential building fronting on El Camino (R-1) will include 4,255+/- sq-ft of retail use along the El Camino frontage, 119 residential units (18 of which are affordable) and is 11-stories in height (10-stories of dwelling units, a one-story common area penthouse lounge). In addition, Building R-1 is designed to provide a special architectural gateway feature as part of the façade at the corner of El Camino Real and California Drive as per the MSASP

guidelines. This feature will include the 11th floor penthouse lounge (or “sky room”) which will be accessible for private events for the building’s residents and includes a roof top garden and activity deck.

The residential building lining the new California Drive extension (R-2) will contain 325 residential units (49 of these are proposed to be affordable) and is 10-stories in height. It also includes a 2,880+/- sq-ft fitness center as a residential amenity, and all built over three levels of parking. With opportunity for solar panels.

Each building has a unit mix of Studios, 1 Bedroom, 2 Bedroom and 3 Bedroom units:

UNIT MIX					
	3 Bedroom	2 Bedroom	1 Bedroom	Studio	TOTAL
Unit Size Range (sf):	1210 - 1400	1000 - 1200	800 - 900	600 - 700	
BUILDING ONE	10	156	143	16	325
BUILDING TWO	0	62	47	10	119
TOTAL	10	218	190	26	444
% Mix	2.25%	49.10%	42.79%	5.86%	100.00%

Bedroom types:

Affordability Mix (15%)	2	33	29	4	67
% Mix	2.25%	49.10%	42.79%	5.86%	100.00%

	3 Bedroom	2 Bedroom	1 Bedroom	Studio	TOTAL
Unit Size Ave. (sf):	1,323	1,168	824	631	1,020

Materials on the residential buildings include metal panel, vision glazing, and spandrel glazing and laminated glass railings. Both residential buildings would be Type 1 construction with post tensioned concrete slabs above grade. The foundation is anticipated to be spread footings or mat slab type. Depending on the geotechnical report findings, a deep foundation system may be required.

The construction schedule is estimated to be 24 months, beginning in April 2018. Typical construction hours of operation would be 7am to 8pm Monday thru Friday and 8am to 8pm Saturday and Sunday as needed.

Office Building:

The office building is 290,100+/- sq-ft with a 4,600+/- sq-ft open terrace on the roof, and 13,210+/- sq-ft of Galleria over 3 levels of parking. The Galleria includes of 8,960 sq-ft convenience retail use and a 4,250+/- sq-ft publicly accessible open space as the project’s “Transit Hub” design, which provides a pedestrian connection through the office building from Millbrae Station to Serra Ave and on to El Camino Real, to be open from 6 AM to 10 AM during periods of BART service.

Sustainable strategies for the office building includes frit for sunlight screening and maximizing insulated spandrel, thinner floor plate for better daylighting than larger lease depths, flat plate construction and MEP systems supporting active chilled beams or variable refrigerant flow technology. The building's form provides natural wind protection of the green roof terrace. The wind is mitigated by an extended parapet and trees at ground level.

Assuming a typical average square foot per employee factor used by the City's consultant of 250+/- sf per employee results in an estimated 1,190 new employees associated with the office uses.

The office employees would be expected to be predominately working during normal business hours of Monday through Friday, 8am to 6pm. Employees may occasionally work at night or on weekends depending on the tenants and their flex-work policies for employees.

Materials on the office building include Insulated vision glazing, spandrel glazing with a shadowbox, clear low-reflective storefront glazing, painted aluminum louvers for air intake, painted aluminum or steel channel to cover the edge of slab system, and laminated glass railings at tenant green roof locations. The Insulated vision glazing cover most of the building and provides visual variability through a gradient ceramic frit pattern applied directly to the inside of the glass. Tenant improvements are not included at this time.

The office building is Type 1 construction with post tensioned concrete slabs above grade. The foundation is anticipated to be spread footings or mat slab type. Depending upon the geotechnical report findings, a deep foundation may be required. The construction schedule is estimated to be 16 months for core & shell, beginning April 2018.

Retail:

With a total 13,200+/- sq-ft of retail space, the retail hours are expected to be between 6:00am and 10:00pm (at the latest), depending where they are located. The retail fronting on the extension of California Drive and at the end of the office building might serve the early morning commuters up to 7:00pm. The retail fronting on El Camino would likely stay open later – perhaps opening at 9:00am and closing as late as 10:00pm on weekdays with lesser hours on weekends. However, retail hours will depend on the type of tenants and what type of retail goods and services they offer. Retail uses will attract customers to the site at El Camino and adjacent to the Station.

For retail, the typical density factor is 400+/- sq-ft per employee, which would result in 33 new retail employees. It is not possible to predict exactly how many customers would visit the proposed retail spaces. However, using the traffic analysis prepared for the MSASP EIR, which assumes 203 vehicular (pm peak), near term (year 2020) trips for retail uses (based on 32,000+/- sq-ft) per day, we estimate that a reduced portion of these total TOD Site #1 shopping trips may be made by occupants of this project site. Therefore, using 13,200+/- sq ft of retail use we can estimate 84 PM peak hour retail trips for this project.

Landscape:

Open spaces are located throughout the project to promote a variety of environments, access, programming and connections. A majority of the open spaces are publicly accessible and range in type,

including: Gateway Plaza, Transit Plaza, Serra Plaza, Serra Alley, Serra Courtyard and the streetscapes that connect these open spaces to the broader Millbrae community.

Gateway Plaza and Transit Plaza:

At the northwestern and southeastern corners of the project are two publicly accessible plazas - currently referred to as Gateway Plaza and Transit Plaza accordingly - that serve to connect the Project with the surrounding community and transit opportunities. These plazas are designed to be open and inviting to accept pedestrian and bicycle circulation and arrival from multiple modes and directions. The plazas include hardscape, plantings, furnishings and lighting to promote safe, accessible and comfortable places for circulation and use.

Serra Plaza:

The Serra Plaza is a publicly accessible linear plaza located between the residential buildings, providing an important open space connection between El Camino and the proposed development. The Plaza terraces and slopes downward approximately 3' from El Camino to the residential building lobbies and includes storm water gardens, seating, lighting and opportunities for public art along its course. As the Plaza turns between the residential buildings it aligns to the community located to the north of the Project and may provide an opportunity for connection to the future Bay Trail Millbrae extension.

Serra Alley:

Serra Alley is located between the residential and commercial buildings and is designed to accommodate circulation between Serra Avenue and California Street. Designed as a publicly accessible 'living alley', this urban open space accommodates a variety of uses through seating areas, storm water gardens, public art opportunity areas, furnishings and lighting.

Serra Courtyard:

Located within the residential building, adjacent the lobby, this private open space serves as the main outdoor amenity area for residents. The Courtyard program includes swimming pool, seating area, sun deck, hot tub(s), gardens and an outdoor barbecue.

Streetscapes:

The Project's streetscapes design meets the City of Millbrae requirements for tree species spacing and type along all public streets within the property. The streetscape design is open and inviting to promote safe and accessible routes for pedestrians throughout the Project.

Signage:

Signage will be designed architecturally to fit within the overall building storefront, balance between uniformity and variety and allow both TOD #1 and the business owner to communicate their message through graphic identity. All permanent signs (window, wall, projecting, hanging, and free-standing), will adhere to the Millbrae Signage Guidelines.

Trash, recycling, and other waste:

Service and loading is handled within the parking garage for all three buildings on the site. These service areas are accessed off of California Drive. Each building will have a tri-sort chute for waste, recycling and compost serving all floors and terminating in an appropriately sized tri-sorter and bins for handling.

Rooftop Equipment:

The building MEP strategies proposes eliminating roof top equipment in favor of a central plant and floor by floor air handling units to service a hydronic cooling system. Where permitted and efficient solar panels will be used. Therefore, no rooftop equipment screening will be required.

Sustainability:

The residential and office buildings will achieve LEED Silver as a minimum with a goal to achieve LEED Gold for water and energy as a community benefit.

Parking:

Both vehicular and long term bicycle parking are proposed to take place in a shared 3-story below-grade parking garage. Vehicular parking has been design to accommodate 10% more parking beyond the 105% MSASP maximum parking allowance (for a total of 115.5% beyond the 100% MSASP parking requirement) which results in 1,023 spaces (93 spaces over the maximum number allowed by the MSASP). Of these, 513 spaces are for residential use, 487 spaces for office use, and 23 spaces for retail use. In addition, 341 Class 1 bike parking spaces are located in the residential portion of the garage, 29 Class 1 bike parking spaces are contained within the office portion of the garage, and 24 bicycle spaces are scattered between the two for retail use.

At grade, at the corner of California Drive and Linden there are 8 short term bicycle parking spaces for office and retail use. Between the two residential buildings there are 20 short term bicycle parking spaces for residential use, and at the corner of El Camino Real and California Drive there are 8 short term bicycle parking spaces for retail use. For on-street vehicular parking, there are 13 existing nearby spaces available along the western lane of Serra Ave, in addition to a small surface parking lot at Serra Ave and Linden Ave.

Community Benefits:

The Project will provide 444 residential units, 299,100+/- square feet of Class A offices and 13,200+/-square feet of retail uses and is designed to set the standard for Site One's revitalization and re-development as a landmark 21st Century Transit Oriented Development. The Project includes significant right-of-way dedication, by way of the California Drive extension, which will provide the community better access to BART, CalTrain, SamTrans, and shuttles for transit users.

These dedications also will provide drivers, bicyclists, and pedestrians' access to California Drive via the newly signalized Victoria intersection, which will allow convenient north and south access thus avoiding the crossing of El Camino and Millbrae Avenue. We will be upgrading City and utility services to Site One, as well as providing other community benefits that are described separately in a draft Term Sheet.

While it would be most advantageous to have TOD#1 at Site One develop all of Site One at one time as part of our Project, it has not been possible to date because of assemblage challenges. Importantly, however, the Project does not preclude other compatible TOD development of the remaining properties within Site One. Project allows the remaining privately owned parcels along El Camino and Serra Avenue, if assembled, to offer additional significant hotel, retail, office housing and public parking opportunities for the benefit of the community and the City's tax base should some of those parcels be merged into another TOD parcel. The Project is designed to be able to accommodate the inclusion of the SamTrans/BART and the City parking area on Linden Avenue and California Drive, which would comprise an area of about 35,000 square feet that offers the City the unique opportunity for both rental income and significant Transit Oriented Tax revenue from a potential 200+/- room hotel.

In addition to providing the required number of affordable housing units (15%) this Project enhances the community around it through several key contributions:

- Galleria in the 100 California Drive office building frontage at the side of Linden to allow access from Serra Avenue through to the new extension of California Drive with public access to the Galleria from 6 AM to 10 PM during BART Service.
- Provides 4.5% more publicly accessible open space within the Gateway Plaza, Serra Alley, and Transit Plaza than is required. If the Galleria is counted as publicly accessible open space, 7.5% more than required will have been provided within the project's site.
- Installs bike lanes on Victoria Ave, west of El Camino Real, from two blocks from El Camino Real to Magnolia Ave, outside of the project's site boundaries.
- Estimated trip reductions of an additional 16% beyond the 20% required reduction, for a total of a 36% trip reduction plan.
- Installs pedestrian enhancing streetscaping and landscaping measures on Serra Ave to transform existing right of way into a more pedestrian friendly environment.
- Provides approximately 13,400+/- sq-ft of landscaped green roofs on both the residential and office buildings.
- Public art opportunities offered, including dynamic artistic LED lighting of 200 El Camino wall above (entry & retail) and along top and side edges of building office building. And a cascading water fountain over river rocks inside Linden end of Galleria alongside the interior staircase.

Owner's Experience:

The following describes Millbrae Serra Station, LLC's sole managing member, Vincent A Muzzi's, experience in law, real estate development, financing, construction and management. From 1970 when he graduated from Hastings Law School, he has been involved with clients and his family's development and management of property in San Mateo and Marin Counties. He ended his private practice in 1993 devoting his full-time to his family's various businesses, property and investments. He served as a San Mateo County Planning Commissioner for six years, a Director of the Peninsula Healthcare District for four years and is currently completing eight years as a San Mateo County Assessment Appeal Board hearing officer.

- Office
 - Managed the remodeling of a 32,000+/- square foot Burlingame office building three times since 1978 for each of three major tenants costing several million dollars: Southern Pacific Trucking, San Francisco International Airport, and Mills Peninsula Foundation. The Muzzi family still owns and operates this property.
 - Managed a 50,000+/- square foot multi-tenant office building in Burlingame with approximately 30 office suites, from 2,000 to 2016 which underwent numerous, costly tenant improvements over those 16 years.
- Retail
 - Manages three neighborhood retail shopping centers located in San Bruno, Sacramento, and Folsom that total over 300,000+/- rentable square feet occupied by national, regional and local tenants, and he is responsible for negotiation and enforcement of all leases, including common area and tenant improvement contracting,
- HOA
 - Was elected three times and served for seven (7) years (2010-2017) as one of five directors of a 280 unit homeowners' association, and during that time he oversaw the reconstruction of 10 swimming pools and 10 spas, 5 storm retention basins, and numerous building repairs using funds recovered from the community's eight million dollar settlement of construction defect litigation that was resolved during his term.
- Residential Care
 - Oversaw the purchase, entitlement, design, construction, and licensing of the Magnolia of Millbrae, a 158 one and two bedroom unit residential care facility for the elderly at 201 Chadbourne.
 - Obtained City of Millbrae approval for \$30,000,000 in tax exempt non-recourse 30 year revenue bonds, which were paid off in 2010 when the property was privately refinanced.
 - Continues to own and operate the facility (currently at above 92% occupancy) with a staff of 115 employees.
 - Licensed RCFE Administrator for over 20 years.