



SAN FRANCISCO PLANNING DEPARTMENT

Notification of Project Receiving Environmental Review

Date: June 29, 2010
Case No.: 2010. 0420E
Project Address: 3155 Scott Street (aka 3151 Scott Street)
Zoning: NC-3 (Moderate-Scale Neighborhood Commercial) District
40-X Height and Bulk District
Block/Lot: 0937/001
Lot Size: 3,436 square feet
Staff Contact: Andrea Contreras – (415) 575-9044
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CA 94103-2479

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415.558.6378

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Information:
415.558.6377

PROJECT DESCRIPTION:

The project site is located at the southwest corner of Lombard and Scott Streets in the Marina District of San Francisco, on the block bounded by Lombard Street to the north, Scott Street to the east, Greenwich Street to the south, and Divisadero Street to the west. The approximately 3,436 square-foot project site is currently occupied by a three-story, 40-foot-tall, 8,125-square-foot tourist hotel with 275 square feet of ground-floor retail. The proposed project involves a change of use from a 31-room tourist hotel to 23-25 units of supportive housing for homeless youth and youth emancipating out of foster care, and one manager's unit. The project would entail minor alterations to the interior and exterior of the building, and the establishment of a special use district overlay to allow a higher density of group housing units (24) than currently permitted under NC-3 zoning (16). The proposed project would not expand the existing building envelope. The project site is located within the NC-3 zoning district and a 40-X Height and Bulk district.

PURPOSE OF NOTICE:

The project is being studied by the Planning Department's Major Environmental Analysis section to determine its potential environmental effects. No environmental documents have been issued for this project. ~~Public comments concerning the potential environmental effects of this project are welcomed.~~ In order for your concerns to be fully considered or to ensure your receipt of future environmental review documents for this project, please contact the staff identified above by July 13, 2010. This notice is routinely sent to community organizations, tenants of the affected property and properties adjacent to the project site, and those persons who own property within 300 feet of the project site. Anyone receiving this notice is encouraged to pass on this information to others who may have an interest in the project.

Environmental review provides information on physical environmental effects and does not make recommendations on the project itself. Other review or approval actions may be required for the project. These actions may involve further public notification and public hearings. If you have comments on the proposed project that pertain to matters other than physical environmental effects, please note the file number and call (415) 558-6377.

Dear Hotel Owners:

I want to congratulate all of you on surviving the downturn in the hotel market in San Francisco. It looks like we are finally turning the corner from late 2008, 2009 and early 2010. Believe me I know how everyone feels as being the owner of two properties in San Francisco, the La Luna Inn on Lombard Street, www.lalunainn.com and the Crescent Hotel on Union Square, www.crescentsf.com. I watched our hotel revenues erode from the US economic slump and the recession but I am seeing a rebound in revenues this year and am looking forward to a great summer. There has been a dramatic decrease in hotel sales and getting a deal done during this time has been very difficult. Owners have been unable to obtain the value they want for their properties and financing has been to say the least, extremely difficult to secure. However with all of these issues we are still getting deals done.

As founder of The Marcus & Millichap National Hospitality & Gaming Group and as a First Vice President of Investment Sales I am proud to announce the following sales, pending sale and property for sale all located in the City of San Francisco.

SOLD PROPERTIES

The **Vantaggio Suites** is located at 580 O'Farrell Street. The property is a 70 room hotel that caters to foreign language students visiting the United States and is located in the Union Square area of San Francisco. The Seller was a real estate partnership based in Hawaii and San Diego and the Buyer was a local real estate partnership. The Buyer negotiated a lease with the Seller at close of escrow who continues to operate the property. We were able to secure financing from a local lender. **The property sold for \$4,700,000 all cash to the Seller in the second quarter 2008.**

67,143 per room

The **Verona Hotel** is located at 317 Leavenworth Street. The property is a 65 room hotel plus three commercial spaces which catered to the budget minded traveler. The Seller was a local real estate owner and the Buyer was also a local real estate partnership which owns and operates other hotels in San Francisco. The Buyer changed the use of the property and negotiated a long term lease to the City of San Francisco to house people in need. We were also able to secure financing from a local lender. **The property sold for \$4,700,000 all cash to the Seller in the fourth quarter 2008.**

72,308 per room

The **Mosser Financial Hotel** is located at 640 Clay Street. The property is a 124 room hotel plus one commercial space leased to a National Tenant located in the Financial District / Chinatown area of San Francisco. The Seller was a local real estate owner and the Buyer was also a local real estate owner who owns and operates other hotels in San Francisco. We were able to find competitive financing from two local lenders and choose the best lender and loan for the needs of our client. **The property sold for \$6,210,000 all cash to the Seller in the first quarter 2009.**

50,082 per room

The **Fitzgerald Hotel** is located at 620 Post Street. The property is a 46 room boutique hotel plus one commercial space leased to a wine bar located in the Union Square area of San Francisco. The Seller was a local real estate owner and the Buyer was also a local real estate partnership which owns and operates other hotels in San Francisco. We also were able to find competitive SBA financing from two local lenders, choosing the best lender and loan for the needs of our client. **The property sold for \$4,600,000 all cash to the Seller in the second quarter 2010.**

100,000 per room

IN CONTRACT / SALE PENDING

Edward Ann

** 116,667 per room*

The property is a 30 room boutique hotel located in the Cow Hollow / Lombard Corridor area of San Francisco. The Seller is a local real estate owner and the Buyer is a non profit agency located in San Francisco. The Buyer will change the use of the property and it will be operated as housing for 18 to 24 years old youths who where previously housed in foster homes. The property is currently in escrow with contingencies removed and is scheduled to close in late July. The property is being sold on an all cash basis to the Seller.

FOR SALE

The **Leslie Hotel** is located at 581-585 Eddy Street. The property is a 68 room hotel with four commercial spaces. The property is located at the corner of Larkin and Eddy in the Little Saigon / Polk Gulch area of San Francisco. The property consists of 48 tourist rooms, 20 residential rooms and a managers unit. All the rooms have private baths. The property has three leased commercial tenants and one vacant space. The property lends itself to a tourist business, student housing or long term housing. The property has no long term tenants in the residential rooms. The property has a lender who has shown interest in financing the deal and the Seller has also indicated they will provide secondary financing on the property for a qualified Buyer. **For more information please contact me.**

As you can see even though we are in challenging times we are still able to get results for our clients. Here at the Hospitality Group we have the expertise in marketing your property to find qualified Buyers, negotiate difficult transactions with many moving parts and secure financing with Lenders who want to do deals in today's market. If you are interested in finding out more about these transactions, in buying or selling a hospitality asset or refinancing your property please feel free to contact me at 415-963-3000 extension #2108 or email me at rehmer@marcusmillichap.com. I look forward to talking with you. We will also provide you with a Broker's Opinion of Value for your property so you are well informed in the changes of value in the hospitality market in San Francisco.

Best Regards,



Richard C. Ehmer
First Vice President
Senior Director
National Hospitality & Gaming Group