

# **CITY OF DALY CITY**

## **SPECIAL MEETING – STUDY SESSION**

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**TUESDAY, FEBRUARY 15, 2022**

**5:30 P.M. – 8:30 P.M.**

at <https://bit.ly/dalycityfeb15livestream>

### **COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS**

Pursuant to Government Code section 54953(e) *et seq.*, members of the Daly City Council and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream (City Council Meeting Livestream) at <https://bit.ly/dalycityfeb15livestream> or on local Channel 27 (Comcast).

### **AGENDA**

- I. Developer Interviews for the Hotel Site located at  
1850 Junipero Serra Boulevard
- II. Adjourn

A Study Session is a public meeting at which the City Council receives information and presentations. No decisions can be made at this meeting other than to request additional information or to move a matter to a Regular City Council Meeting. The public is encouraged to attend these meetings and receive the presentations as well.



# City Council Study Session Report

Item # \_\_\_\_\_

Meeting Date: February 15, 2022

**Subject: Developer Interviews for Property Located at 1837 Junipero Serra Boulevard, Daly City**

## Discussion

Due to lack of performance with the previous developer selected for the City-owned property at 1837 Junipero Serra Boulevard, the City released an updated RFQ/RFP on July 16, 2021, to 56 hotel development firms and also made available to the public on the City's Economic Development website. The deadline to submit a proposal was extended twice, with the final deadline of December 31, 2021. The City received five submissions, but one developer, LF George, recently withdrew their proposal. A summary of the four responses is described below.

## Proposals

The updated **AF Canta, Inc. and IBF Hospitality/Ray Bhai** submittal includes Kollin Altimore Architects as the architect and proposes an approximately 200-key "boutique hotel" concept with ancillary amenities/facilities, with no hotel flag or brand proposed. Financial projections indicate a \$1.5 million land cost/purchase price and \$100.7 million in total project costs. One portion of the document shows \$40.3 million in equity, and another portion of the document shows \$35.3 million in equity. Evidence of financial wherewithal is made via letter from J.P. Morgan that the Bhai Family has over \$60 million balance on hand.

The updated **Majestic Hospitality and Equinox Hospitality** submittal reflects Majestic Hospitality and Equinox Hospitality as development partners, with TS Architects Inc. as the architect. This submittal proposes an approximately 200-key "boutique hotel" concept with ancillary amenities/facilities, with no hotel flag or brand proposed. Financial data<sup>ae</sup> is provided for project examples, but no specific evidence of financial wherewithal is provided for the hotel site.

The **JM McLennan Development** submittal reflects a mixed-use hotel/residential concept, including 230 residential/hotel units, a 30,000 square foot conference center, and a 30,000 square foot athletic club. The submittal includes Bridge Housing as a potential residential development partner and Heller Manus Architects as project architect. A \$250,000 deposit is offered for a 10-month due diligence period with a 90-day extension for \$50,000, at which time the deposit would become non-refundable and passed through to the City if the developer decides to move forward. Evidence of financial wherewithal is provided via commitment letters from non-profit Bridge Housing and GSR Financial, which has reached out to financial institutions and investors regarding interest in the hotel site with a range of \$100 to \$138 million in total project costs.



The **Phase 3 Real Estate Partners, Inc.** submittal reflects a research and development (R&D) office concept, including approximately 210,000 square feet of office space, with interest to develop additional square footage if the City would be interested in a larger development concept. The submittal includes Bain Capital Real Estate as a development/financial partner, which has invested \$4.3 billion of equity in over 400 projects across multiple sectors since 2010. Specific financial data and evidence of financial wherewithal is not provided at this point. Of note, the submittal acknowledges that, while an R&D project would not be subject to the same level of taxation as a hotel project, Phase 3 is open to devising a structure that produces comparable long-term revenue for the City.

#### Interview Process

Each interview will be allotted forty minutes. The development teams have been advised to provide a ten-minute presentation and this will give the City Council 30 minutes to have a dialogue with each of the teams. Kosmont, the City's consultant, in collaboration with City staff, has prepared a series of questions that the City Council can use to interview the developers. These questions are to provide structure to the interview process and to get more insight into the development teams and their concepts.

The City Council should consider the developers' experience, access to financial capital, project readiness, and overall development concept.

#### Next Steps

The City Council will not be selecting preferred developers for further negotiation at tonight's meeting, but will instead consider the proposals at a future meeting date. At that future meeting, the Council could ask selected developers to return with a more refined submittal. Once a single developer is selected, the City and the selected developer would enter into an Exclusive Negotiation Agreement (ENA) that would allow for further project refinement and the preparation of a Disposition and Development Agreement (DDA).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tatum Mothershead', written in a cursive style.

Tatum Mothershead  
Director, Economic and Community Development



CITY OF DALY CITY, CALIFORNIA  
**1837 JUNIPERO**  
**SERRA BLVD**

BOUTIQUE HOTEL  
RFP AUGUST 2021

# TABLE OF CONTENTS

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|    |                                                  |    |
|----|--------------------------------------------------|----|
| 1. | LETTER OF INTEREST/PROPOSAL .....                | 3  |
|    | COMMUNITY INVOLVEMENT .....                      | 4  |
| 2. | DESCRIPTION OF POTENTIAL CONCEPTUAL PROJECT .... | 5  |
| 3. | TEAM MEMBERS .....                               | 10 |
| 4. | RELEVANT PROJECT EXPERIENCE .....                | 14 |
| 5. | PROJECT APPROACH .....                           | 19 |
| 6. | FINANCIAL DATA .....                             | 21 |
| 7. | REFERENCES .....                                 | 47 |

# LETTER OF INTEREST/ PROPOSAL

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*A F Canta*

August 27, 2021

Mr. Ken K. Hira  
Kosmont Companies  
1601 N. Sepulveda Blvd #382  
Manhattan Beach, CA. 90266

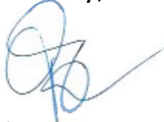
Dear Mr. Hira:

I am honored to be invited back for this RFP process. A F Canta has been involved with this development project for over 10 years from inquiry stages to present. This hotel development deal is close to my heart as I won the RFP back in 2018 with my previous partners.

The proposed hotel will be a lifestyle boutique hotel which will encompass 200 keys, 10 stories, rooftop bar, meeting space that will accommodate 250 guests, path way to the BART station with a dedicated entrance access to the hotel for the guests and utilizing the garage with an access from the hotel. As mentioned in the past council meetings, prevailing wage is part of the construction cost and living wage for operations.

A F Canta's investor/partner IBF Hospitality has the capacity to fund this entire deal. Mr. Ray Bhai's history is from investment banking and hospitality is in his blood. My commitment still stands to the community to make a difference. It is my utmost intention to embark on the culture of the Filipino heritage combining the savviness of the American legacy. I am a woman-based business and would like to get reconsidered once and for all. I appreciate the great relationships that we have all nurtured over the past years, and am particularly grateful to City Manager Shawna Maltbie, City Attorney Rose Zimmerman, ECD Director Tatum Mothershead and to the entire Honorable Members of Daly City Council.

Sincerely,

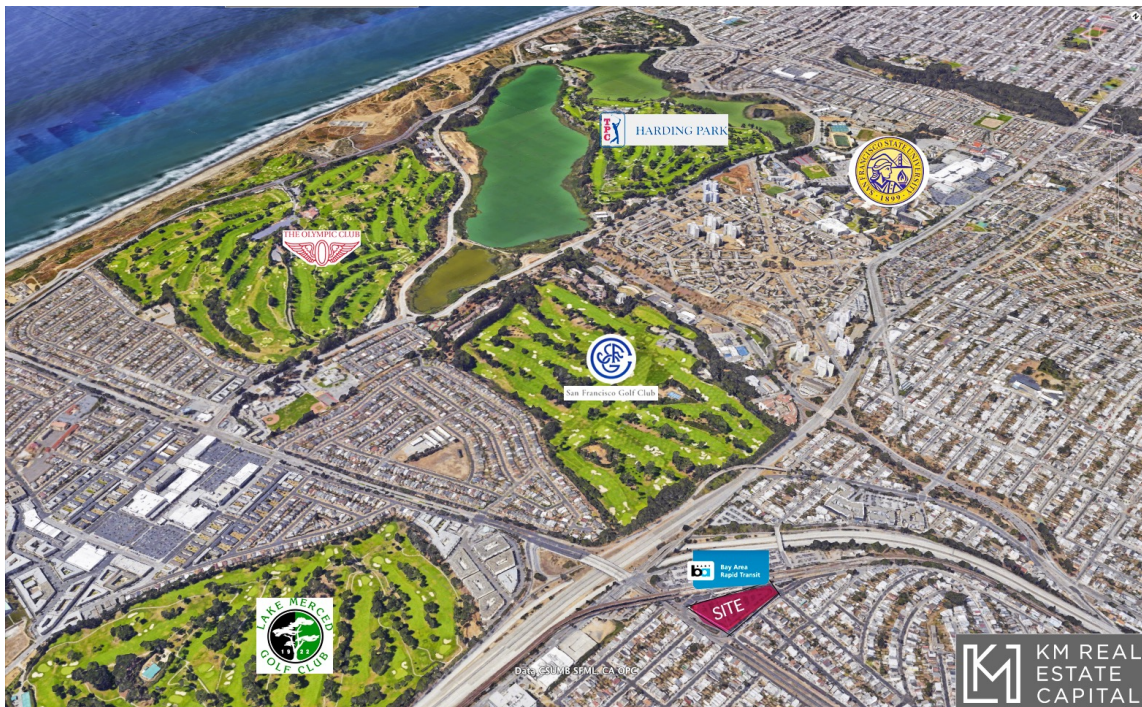


Aileen Canta  
A F Canta Inc



# COMMUNITY INVOLVEMENT

- Public Gathering Space
- Measures aimed at reducing Greenhouse Gases and transportation trips including charging stations for electric vehicles, site specific transportation demand management programs.
- Co-host art exhibits, community & city events
- Public Safety enhancements including defibrillators, fire extinguishers
- Enhanced access improvements to adjoining facilities i.e. BART Station, parking structure
- Enhanced landscaping and street scape
- Enhancement of the BART Station by the hotel so it can be easily accessible to guests and locals alike.



# DESCRIPTION OF POTENTIAL CONCEPTUAL PROJECT

The development has been in the works with A F Canta for years and lifestyle boutique hotel will work best for this site. COVID 19 put a test in the hotel industry and it clearly supports how people are longing for serenity and luxurious experience while they are on the road. The thought process for this will make Daly City stand out and the community will benefit at a great degree. It will be a critical part in the revitalization of the entire City.

Having PGA in 2023 as Olympic Club to be their home and the 2028 Olympics coming to Los Angeles will definitely be a facility that everyone will seek as well as the locals will enjoy the scene that we are creating. The BART station is a key play for this hotel to access San Francisco, as it is a stop away to Powell Street. San Francisco Airport connects through the BART as well which is the next stop before the City.

Guests of the Olympic Club and other well know golf clubs can now enjoy a classy and vibrant facility that is five minutes away by car versus driving to San Francisco which will take 25-45 minutes one way.







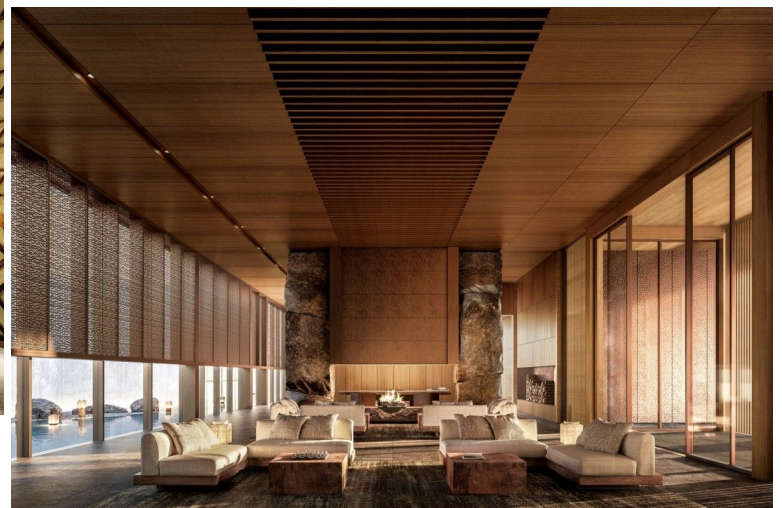
BUILDING CONCEPT ELEVATION



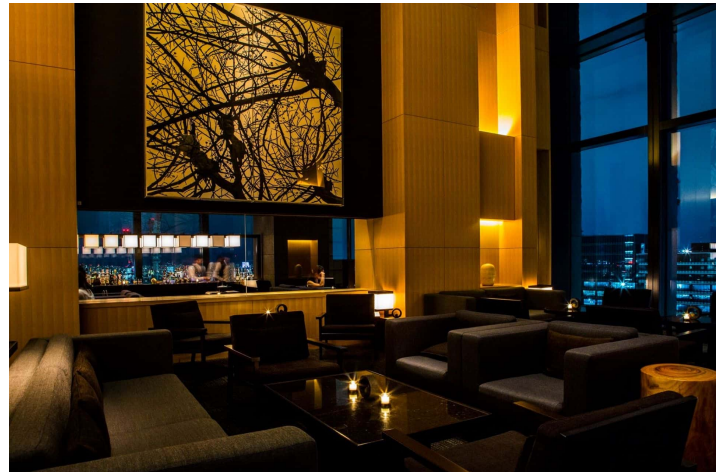
PORTE COCHERE



LOBBY CONCEPT







LOBBY BAR



OUTDOOR BAR/ LOUNGE







GUESTROOM CONCEPT



GUEST BAHTROOM CONCEPT

# PROGRAM DESIGN FOR **BOUTIQUE** **HOTEL FOR DALY CITY:**

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- 200 keys, 65% King, 35% Double Queen & 5% Suites
- Corridors, Foyers & Housekeeping Closets total square footage @ 9,280 (assumes 25 keys per floor)
- Lobby @ 800 square feet
- Food & Beverage @ 4,190 square feet
- Meeting Rooms @ 7,150 square feet
- Restrooms @ 800 square feet
- Recreational Areas @ 600 square feet
- Retail Shops @ 160 square feet
- Back of House @ 800 square feet
- Public Entrance @ 400 square feet
- Executive Offices @ 900 square feet
- Accounting @ 400 square feet
- Sales and Marketing @ 500 square feet
- Human Resources @ 300 square feet
- Food & Beverages Office @ 450 square feet
- Housekeeping Offices @ 500 square feet
- Food & Beverage Kitchen and Storage @ 3,500 square feet
- Laundry Valet @ 250 square feet
- Employee Areas @ 1,350 square feet
- Engineering @ 500 square feet
- MEP System @ 3,200 square feet
- Service Entrance @ 350 square feet
- Security Offices @ 150 square feet
- Circulation Spaces @ 14,995 square feet
- Ground Floor ALL DAY Dining Outlet-very high quality Market Café with supporting Bar
- Bar to include possible entertainment
- Street presence, possible outdoor terrace, or possibly stairs to a second floor outdoor terrace as a billboard to BART station
- Roof top bar with limited food menu
- 250 square feet Wellness Studio
- Outdoor heated hot tub ground or podium roof or rooftop @ 4,000 square feet (exterior)

## TEAM MEMBERS

*Under the leadership of Aileen Canta, the team for the Daly City Project consists of three unique companies. Each member has diverse experience and areas of expertise including extensive hotel design, development & operational experience.*

### AT A GLANCE

LEAD  
DEVELOPER

*Af Canta*

INVESTOR

**IBF** HOSPITALITY

ARCHITECT





## A F CANTA INC.

LEAD DEVELOPER

*Af Cantata*

## AILEEN CANTA

PRESIDENT/CEO



A F Cantata Inc has been in the Hotel Development scene for 22 years. Leading the industry in development and design of hotels in many industry segments, starting with the Red Rock in Vegas continuing with the Hard Rock Hotel San Diego. Our expertise in development, design & construction management of a 5 -star hotel/condo facilities started originally with the Kor hotel group became “Viceroy Hotels” and Sunstone Hotels.

Since then we have worked on the Montage Laguna Beach and many other premium products. Our experience in development as well as 5- year capital improvement packages allows us to have a very broad and precise view on how a project should progress and perform. We have been integral in assisting companies regain their status.

Because of A F Cantata Inc’s design capacity, we have always been involved in guiding designer’s directions on projects. Our understanding of quality and the ability to make sure brand standards, budget and restrictions are met is a strength. Our long history with brands allows us to understand the process and approvals needed to get projects done. AF Cantata Inc. has always been fully involved with the marketing projects. We are involved in the development from beginning to end on any size or combination of mixed use facilities. Our ability to handle many products in the industry allows us the unique perspective on how to bring a project like this to market.

Aileen Cantata, founder of A F Cantata Inc started in 2005, is a hospitality development firm based in California.

Aileen brings nearly 22 years of experience in the Hospitality Industry, Mixed Use and Commercial Building. Ms. Cantata holds a position with IBF Hospitality as their Chief Development Officer and Head of Acquisitions as of June 2020. She has been immersed in the Development & Construction of various hotel projects from boutique, select service, full service and resorts. Ms. Cantata began with the Kor Group and having the opportunity to work for a smaller firm gave her the chance to flourish and become educated in learning to develop hotels from A to Z. Aileen became versed in “Complete” Project Development. This led to her becoming a developer of Hospitality. She has worked in the US, Caribbean, Europe, South America and Canada.

She has advised many owners on how to build and adaptive reuse their properties. She has an affinity for Historic and Green projects. She has relationships with all the major US brands and has been instrumental in getting difficult projects completed. She also has experience in leading forensic teams in analyzing projects for ownership groups.

Aileen has been and still is a presenter at many of the industry events and conferences. She has spoken on such diverse topics as green design and building practices to marijuana’s impact on the industry. She continues to be asked to comment on the “cutting edge” issues of Hospitality.

## AWARDS

- 2015, 2016 & 2017 Best of Hospitality Development & Construction, Newport Beach, CA

## RELEVANT EXPERIENCE

- Hard Rock San Diego
- Hyatt Place Roseville
- Red Lion Anaheim
- Magnolia Hotel Denver

## IBF HOSPITALITY

INVESTOR



Raheel “Ray” Bhai is Chairman, CEO and Co-founder of IBF Group of Companies. Under his leadership, IBF Group of Companies has entered into various business verticals including real estate, private equity, finance, insurance and pharmaceuticals. IBF Hospitality is a platform built under the IBF Group of Companies umbrella. It has set out to invest \$375 Million in hospitality products including Development and Acquisitions. Currently, the hospitality platform is amalgamating with the retail make up to create a diversified REIT to be traded and IPO’d late 2022.

## RAHEEL “RAY” BHAI

CEO



Ray is a former Investment Banker as a Mergers & Acquisitions, Disposition and Asset Management & Project Management in acquiring Billion-Dollar portfolio for both boutique and multinational investment banking firms.

Mr. Bhai is a prominent member and donor of the Rita Gala Alzheimer’s Foundation as the way to give back to the community.

## RELEVANT EXPERIENCE

- Real Estate Property Investor
- Hampton Inn Addison
- AC Hotel San Jose
- AC Hotel Downtown Dallas TX
- Residence Inn Miami FL

## KOLLIN ALTIMORE ARCHITECTS

ARCHITECT



Mr. Kollin, AIA, NCARB, brings 30 years of Architectural experience to Kollin Altomare Architects, specializing in Architectural and Project Management Services, and is licensed in 7 states. As the Founder and Principal of this practice, Mr. Kollin is directly in-charge of business development, design, project development, quality control, and community outreach.

### MICHAEL KOLLIN

KAA PRINCIPAL



### AWARDS

- Best Custom Home – 7,000 SF Residential Design & Build Magazine Watson Residence, Seal Beach
- Lodging & Hospitality Design Award, Ritz-Carlton, Marina del Rey
- SARA Design Award, The Blumenthal Residence, Newport Beach
- SARA Merit Award, Pacific Western National Bank, Brea

### RELEVANT EXPERIENCE

- The Ritz-Carlton Laguna Niguel
- The Ritz-Carlton Half Moon Bay
- The Spa at Catalina
- Crowne Plaza Hotel
- Landwin Hyatt Place Hotel & Residences
- Hyatt Regency Orange Country
- Province at West Valley
- Custom Hotel LAX



## **RELEVANT PROJECT EXPERIENCE**



# RITZ-CARLTON Laguna Niguel

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LEAD ARCHITIECT: DESIGN & ELEMENTS



## STATUS

Private project on the coast in pre-development of 25 new rooms and 35,000 sqft conference center with site amenities. Construction began September 2016 and was completed on September 2017

## TOTAL COST

\$35-\$40 Million

## DEVELOPER

Strategic Hotel & Resorts

## PROPOSER

Kollin Altomare Architects

**KEYS:** 471

## ADDRESS

1 Ritz Carlton Dr.  
Dana Point, CA 92629

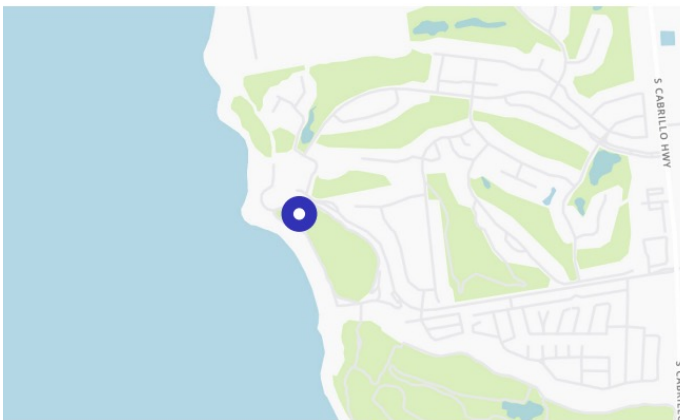


# RITZ-CARLTON Half Moon Bay

LEAD ARCHITIECT



## MAP



## DEVELOPER

Strategic Hotel & Resorts

## PROPOSER

Kollin Altomare Architects

**KEYS:** 261

## ADDRESS

1 Ritz Carlton Dr.  
Dana Point, CA 92629



# HARD ROCK San Diego

DEVELOPER CONSULTANT



## STATUS

Completed in 2007 in the heart of downtown San Diego.

## TOTAL COST

\$280 Million

## DEVELOPER

Tarsadia Hotel

## PROPOSER

A F Cantar Inc.

**KEYS:** 420

## ADDRESS

207 Fifth Ave.  
San Diego, CA 92101

# HYATT PLACE Roseville

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DEVELOPER CONSULTANT



**STATUS**

Completed in 2010 located in Sacramento Roseville.

**DEVELOPER**

ABA Development

**PROPOSER**

A F Canta Inc.

**TOTAL COST**

\$26.5Million

**KEYS:** 151

**ADDRESS**

207 Fifth Ave.  
San Diego, CA 92101

# PROJECT APPROACH

**A F Canta and team is excited to have this vision in play with a lifestyle boutique hotel that touches luxury encompassing the technology of today's world, with innovation design that spells out comfort and the best guest experience there is.**

Our concept is centered around the sense of a communities' history. We thrive to make each facility specific to its location and what the demographic is asking for. Historical facts will play a huge role on how Daly City is indeed part of the San Francisco as it's shadow for years but our hotel will bring the City as an integral part of San Francisco. Creativity will impact the residents of the region as they can escape and enjoy the fantastic atmosphere and offerings that will imbed a memory that will last a lifetime. We will make a destination that will capture the heart and soul of the Daly City and the Bay area communities while providing the best and unique experiences. It will be a place to hangout for both locals and tourists alike.

The hotel will be a host hotel for the surrounding Golf clubs which will make it convenient for the guests versus commuting to the City. Food and Beverage is a key component for anyone that will visit our hotel with conforming to everything that home can bring while being on the road "Comfort and Relaxation". Plush beds, spa like showers and deep fill bath tubs and more importantly, our Spa and Fitness will resonate to our guests.



**1837 JUNIPERO SERRA BLVD HOTEL SITE  
PRELIMINARY MASTER SCHEDULE**

**Commencement Date  
Estimated Completion Date**

**Dec-21  
Dec-25**

|                                                                                 | <b>Start</b>      | <b>End</b>        |
|---------------------------------------------------------------------------------|-------------------|-------------------|
| <b>PRE-CONSTRUCTION PHASE</b>                                                   | <b>2021</b>       | <b>2025</b>       |
| ENA and Development Agreement with the City                                     | 12/1/2021         | 4/15/2022         |
| Due Diligence Period                                                            | 1/15/2022         | 6/1/2022          |
| Closing Timeline                                                                | 12/15/2021        | 6/1/2022          |
| Expected Obligations of City to submit to Developer                             | 12/1/2021         | 6/1/2022          |
| ENA negotiation phase                                                           | 12/1/2021         | 4/15/2022         |
| Land acquisition                                                                | 2/1/2022          | 6/1/2022          |
| Development Agreement phase                                                     | 2/1/2022          | 4/15/2022         |
| Work with the Architect for a Demo plan for the site                            | 4/15/2022         | 12/15/2022        |
| Prep site for construction-grading                                              | 9/1/2022          | 12/15/2022        |
| Hire a team of consultants to start the drawing process                         | 6/1/2022          | 8/1/2022          |
| Submit Initial Conceptual Design plans to the City                              | 12/20/2022        | 1/30/2023         |
| Review and make changes to the Conceptual Design plans                          | 1/1/2023          | 2/15/2023         |
| Submit Schematic Design plans to the City                                       | 2/15/2023         | 4/30/2023         |
| Review and make changes to the Schematic Design plans                           | 3/15/2023         | 4/15/2023         |
| Submit DD package 50% to the City                                               | 4/1/2023          | 5/31/2023         |
| Review and make changes to the DD package 50%                                   | 5/1/2023          | 6/15/2023         |
| Submit DD package 100% to the City                                              | 6/1/2023          | 7/15/2023         |
| Review and make changes to the DD package 100%                                  | 7/1/2023          | 8/15/2023         |
| Submit CD to the City for approval                                              | 7/30/2023         | 8/30/2023         |
| Review and changes to the CD for permitting                                     | 8/15/2023         | 9/15/2023         |
| Mobilization to the site                                                        | 9/1/2022          | 8/1/2023          |
| Final Site staking and inspection based on changes agreed by City and Developer | 4/1/2023          | 6/1/2023          |
| <b>CONSTRUCTION PHASE</b>                                                       | <b>2023</b>       | <b>2025</b>       |
| Work with GC on pre-construction conditions & plans in progress                 | 9/1/2022          | 7/15/2023         |
| Mobilization to the site                                                        | 9/1/2022          | 9/15/2023         |
| Site prep                                                                       | 6/1/2023          | 7/1/2023          |
| Underground-Out of Ground                                                       | 9/15/2023         | 10/15/2023        |
| Construction Floors                                                             | 10/1/2023         | 6/1/2024          |
| Top Off Floors/Dry In                                                           | 4/15/2024         | 8/15/2024         |
| Construction Interiors                                                          | 6/15/2024         | 3/1/2025          |
| Grading-Landscaping-Signage-Lighting                                            | 1/15/2025         | 8/15/2025         |
| Punch and Close out                                                             | 2/15/2025         | 10/15/2025        |
| <b>PROCUREMENT FF&amp;E &amp; OS&amp;E PHASE</b>                                | <b>2022</b>       | <b>2023</b>       |
| Bring on Procurement Team                                                       | 4/1/2023          | 6/15/2023         |
| Verify Lead Times-Budget-Specifications all FF&E                                | 4/15/2023         | 6/30/2023         |
| Coordinate with operations on OS&E List Verify Quantities                       | 10/1/2023         | 5/1/2024          |
| Coordinate-Bid warehouse and delivery to the Site Cost                          | 4/1/2023          | 6/15/2023         |
| Coordinate-Bid installation cost of all FF&E and OS&E                           | 6/1/2023          | 8/1/2023          |
| <b>FF&amp;E &amp; OS&amp;E Lead Times</b>                                       | <b>2024</b>       | <b>2025</b>       |
| FF&E Install                                                                    | 5/1/2025          | 9/15/2025         |
| OS&E Install                                                                    | 9/1/2025          | 10/30/2025        |
| Operational Training-Occupy Hotel TCO                                           | 6/1/2025          | 11/15/2025        |
| <b>Official Hotel Opening</b>                                                   | <b>11/15/2025</b> | <b>12/15/2025</b> |

## **FINANCIAL DATA**

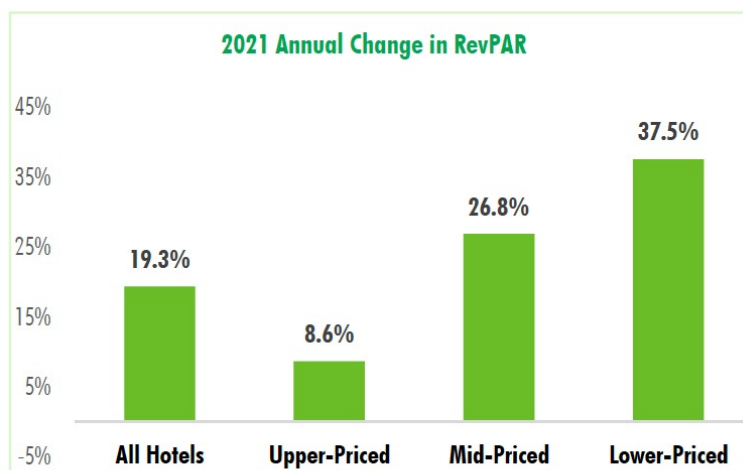
## Hotel Market Summary

By year-end 2021, San Francisco hotels are forecast to see a RevPAR increase of 19.3%. This is the result of an estimated increase in occupancy of 26.2% and a 5.5% loss in average daily room rates (ADR). The 19.3% boost in San Francisco RevPAR is less than the national projection of a 26.4% increase.

Leading the way in 2021 RevPAR growth is the lower-priced segment of San Francisco. The properties in this category are forecast to achieve a 10.3% gain in ADR and see a 24.6% increase in occupancy, resulting in a 37.5% RevPAR increase. Upper-priced hotels are projected to experience an ADR decline of 14.1%, along with a 26.4% gain in occupancy, resulting in an 8.6% RevPAR increase.

Looking towards 2022, San Francisco RevPAR is expected to grow 96.3%. This is better than the rate of growth in 2021. Unlike 2021, prospects for RevPAR growth in the upper-priced segment (positive 128.6%) are better than in the lower-priced segment (positive 55.5%). San Francisco market occupancy levels are expected to range from 41.4% to 82.1% during the 5-year forecast period.

Federal Reserve Bank Beige Book, April 2021



Source: Kalibri Labs, Q1 2021

### Annual Performance - Five Year History and Forecast

| YEAR  | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|-------|-------|--------|----------|--------|----------|----------|
| 2016  | 86.2% | 0.9%   | \$235.73 | 4.0%   | \$203.28 | 4.9%     |
| 2017  | 84.5% | -2.0%  | \$233.64 | -0.9%  | \$197.50 | -2.8%    |
| 2018  | 82.7% | -2.2%  | \$243.31 | 4.1%   | \$201.20 | 1.9%     |
| 2019  | 81.4% | -1.6%  | \$253.02 | 4.0%   | \$205.95 | 2.4%     |
| 2020  | 32.8% | -59.7% | \$180.69 | -28.6% | \$59.25  | -71.2%   |
| 2021F | 41.4% | 26.2%  | \$170.82 | -5.5%  | \$70.66  | 19.3%    |
| 2022F | 62.7% | 51.5%  | \$221.34 | 29.6%  | \$138.69 | 96.3%    |
| 2023F | 75.2% | 20.1%  | \$249.56 | 12.7%  | \$187.77 | 35.4%    |
| 2024F | 81.7% | 8.6%   | \$265.15 | 6.2%   | \$216.74 | 15.4%    |
| 2025F | 82.1% | 0.5%   | \$275.18 | 3.8%   | \$226.04 | 4.3%     |

### Long Run Averages 2000 to 2020

Occupancy: 74.7%, ADR Change: 1.4%, RevPAR Change: -0.3%

Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

### San Francisco: Next 4 Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Green indicates the change will be above the long run average, yellow indicates it will be the same, and orange indicates it will be below.

#### Occupancy

Occupancy will increase to 50.3%, better than the previous 4 quarters' rate of 23.6%, but below the long run average of 74.7%



#### Average Daily Rate

ADR growth expectations are increasing, positive 59.7% vs. the past 4 quarters' rate of negative 52.6%, and are above the long run average of positive 1.4%



#### Revenue Per Available Room

RevPAR growth projections are climbing to 240.3% as compared to the past 4 quarters' rate of negative 85.5%, and are greater than the long run average of negative 0.3%



#### Supply (orange indicates above long-term average)

Supply growth is less active, negative 0.2% vs. the past 4 quarters' rate of negative 0.1%, and under the long run average of positive 0.7%



#### Demand

Forecast demand growth is climbing, positive 112.7% vs. the past 4 quarters' rate of negative 69.4%, and is greater than the long run average of negative 2.1%

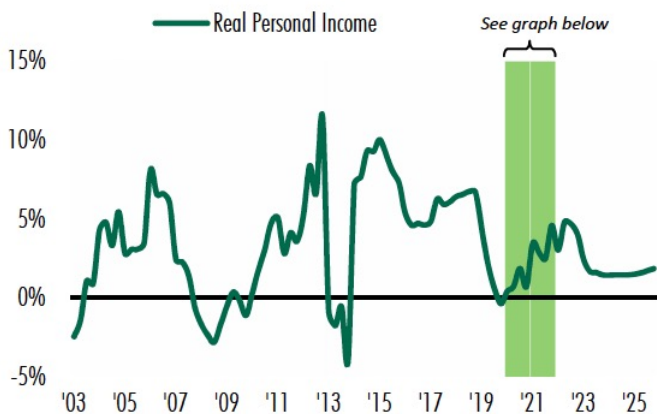




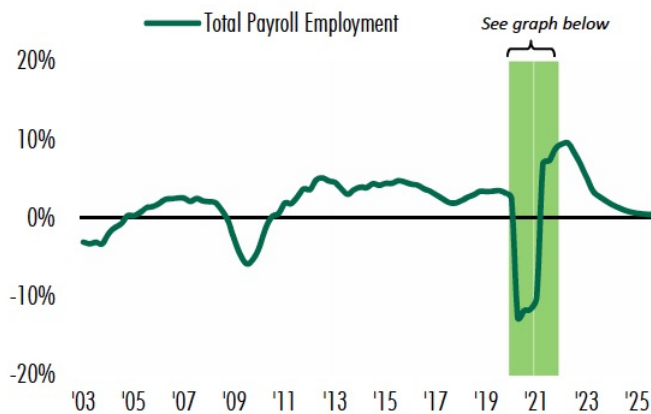
## San Francisco Economic Summary

Below are a select number of variables that drive the CBRE Hotels Research econometric forecasts contained in this report. Income and employment are important barometers of economic health and are used in every *Hotel Horizons*® forecast model. The lodging market is part of the larger economy, and the forces that affect us nationally also affect lodging, but in different magnitudes and time periods (see Exhibits 3 and 4 below). Exhibits 1 - 5 provide an overview of current economic history and forecasts, and provide explanations of what to expect in the future, and how that affects the lodging industry.

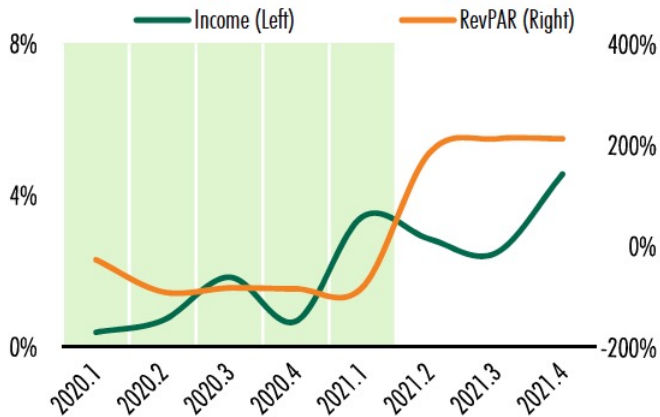
**Exhibit 1\*: Income Change**



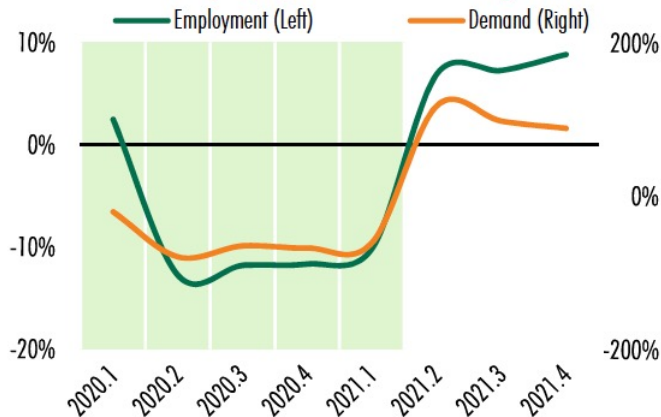
**Exhibit 2\*: Employment Change**



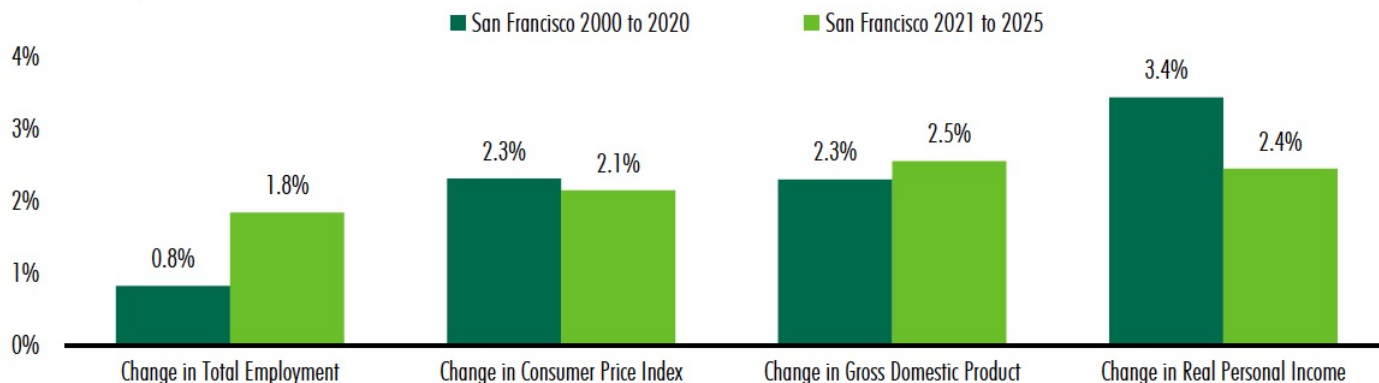
**Exhibit 3\*: Quarterly Income vs. RevPAR Change**



**Exhibit 4\*: Quarterly Employment vs. Demand Change**



**Exhibit 5\*: Average Annual Growth Rates**



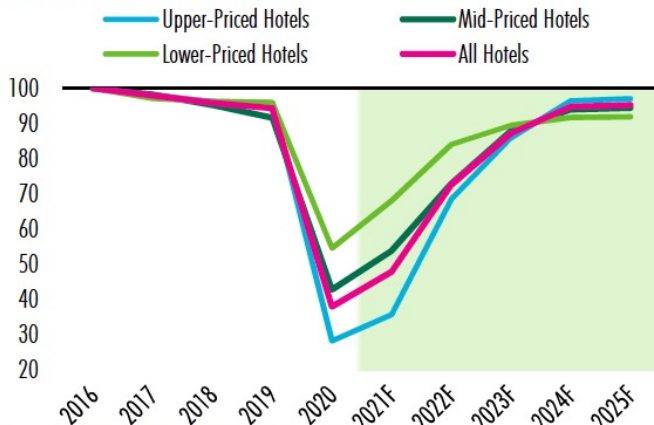
\*See Appendix for exhibit descriptions



## San Francisco Hotel Summary

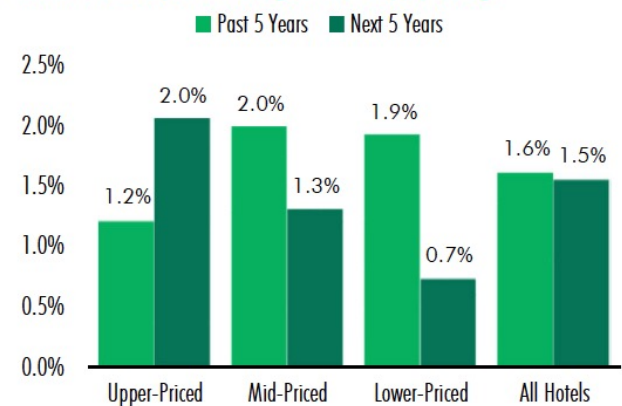
The graphs on the left illustrate the magnitude of change in performance during the historical and forecasted period 2016 to 2025. Used as a relative benchmark, each market segment is plotted against a common index value of 2016 = 100. This method provides clear insight of how each market segment performed and is expected to perform in relation to others in the specified period. The charts on the right compare near-term historical compound annual growth rates (CAGR) to the CAGRs for the forecast period.

**Exhibit 6\*: Occupancy Change**



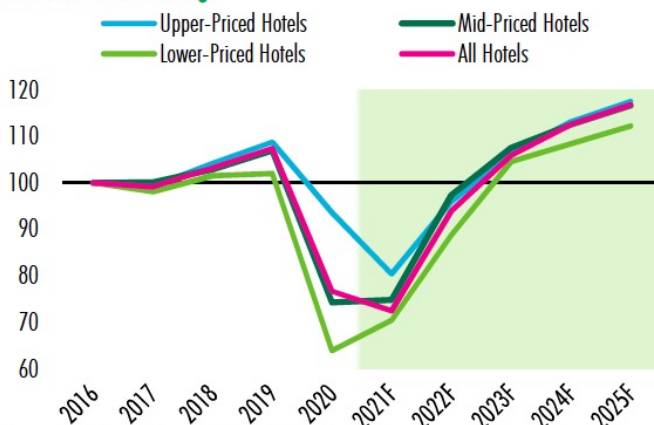
Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

**Exhibit 9\*: Compound Average Annual Supply Change**



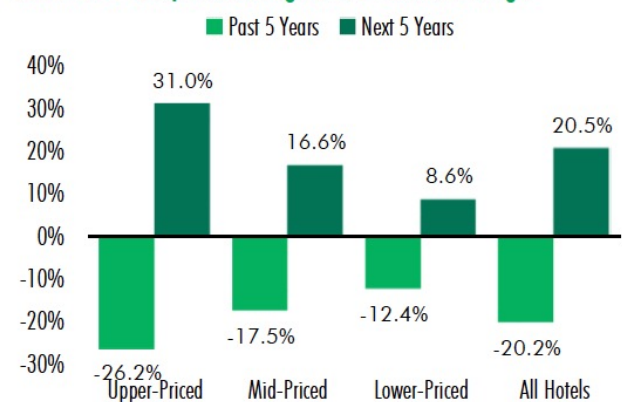
Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

**Exhibit 7\*: ADR Change**



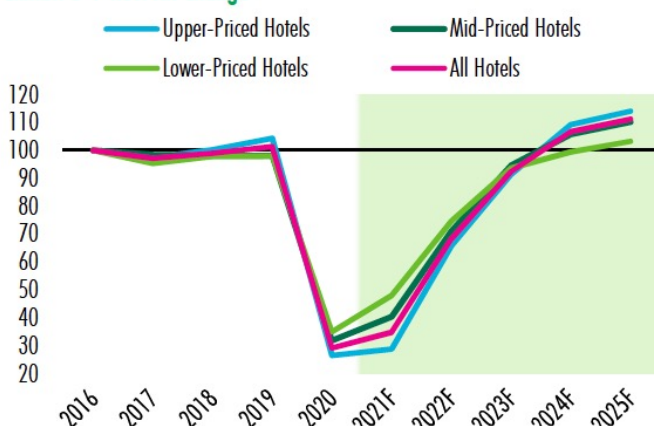
Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

**Exhibit 10\*: Compound Average Annual Demand Change**



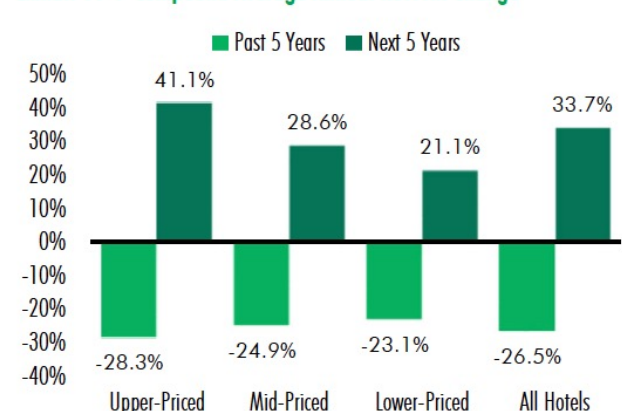
Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

**Exhibit 8\*: RevPAR Change**



Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

**Exhibit 11\*: Compound Average Annual RevPAR Change**



Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

## San Francisco Forecast - All Hotels

| YEAR    | PERIOD          | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR | Δ SUPPLY | Δ DEMAND |
|---------|-----------------|-------|--------|----------|--------|----------|----------|----------|----------|
| 2016    | Annual          | 86.2% | 0.9%   | \$235.73 | 4.0%   | \$203.28 | 4.9%     | 0.5%     | 1.4%     |
| 2017    | Annual          | 84.5% | -2.0%  | \$233.64 | -0.9%  | \$197.50 | -2.8%    | 1.3%     | -0.7%    |
| 2018    | 1               | 80.3% | -1.3%  | \$235.91 | -1.8%  | \$189.48 | -3.0%    | 3.4%     | 2.1%     |
| 2018    | 2               | 86.4% | -0.3%  | \$241.71 | 8.9%   | \$208.83 | 8.5%     | 2.7%     | 2.4%     |
| 2018    | 3               | 87.0% | -2.9%  | \$258.05 | 6.7%   | \$224.57 | 3.6%     | 2.0%     | -0.9%    |
| 2018    | 4               | 77.0% | -4.3%  | \$236.06 | 2.5%   | \$181.77 | -1.9%    | 0.9%     | -3.5%    |
| 2018    | Annual          | 82.7% | -2.2%  | \$243.31 | 4.1%   | \$201.20 | 1.9%     | 2.3%     | 0.0%     |
| 2019    | 1               | 78.4% | -2.4%  | \$270.93 | 14.8%  | \$212.31 | 12.0%    | 1.7%     | -0.8%    |
| 2019    | 2               | 83.3% | -3.6%  | \$247.52 | 2.4%   | \$206.14 | -1.3%    | 2.4%     | -1.3%    |
| 2019    | 3               | 84.5% | -2.9%  | \$250.61 | -2.9%  | \$211.76 | -5.7%    | 1.9%     | -1.1%    |
| 2019    | 4               | 79.4% | 3.1%   | \$243.91 | 3.3%   | \$193.69 | 6.6%     | 2.3%     | 5.5%     |
| 2019    | Annual          | 81.4% | -1.6%  | \$253.02 | 4.0%   | \$205.95 | 2.4%     | 2.1%     | 0.5%     |
| 2020    | 1               | 60.6% | -22.6% | \$253.74 | -6.3%  | \$153.88 | -27.5%   | 1.8%     | -21.2%   |
| 2020    | 2               | 16.7% | -80.0% | \$111.87 | -54.8% | \$18.64  | -91.0%   | 0.8%     | -79.8%   |
| 2020    | 3               | 28.8% | -65.9% | \$123.04 | -50.9% | \$35.42  | -83.3%   | 0.7%     | -65.7%   |
| 2020    | 4               | 25.1% | -68.4% | \$115.79 | -52.5% | \$29.01  | -85.0%   | 0.1%     | -68.4%   |
| 2020    | Annual          | 32.8% | -59.7% | \$180.69 | -28.6% | \$59.25  | -71.2%   | 0.9%     | -59.4%   |
| 2021    | 1               | 23.9% | -60.6% | \$117.77 | -53.6% | \$28.15  | -81.7%   | -2.0%    | -61.4%   |
| 2021F   | 2               | 36.9% | 121.3% | \$143.32 | 28.1%  | \$52.86  | 183.5%   | -2.0%    | 117.0%   |
| 2021F   | 3               | 57.4% | 99.5%  | \$192.29 | 56.3%  | \$110.43 | 211.8%   | -1.1%    | 97.3%    |
| 2021F   | 4               | 47.0% | 87.6%  | \$192.52 | 66.3%  | \$90.49  | 211.9%   | 0.1%     | 87.7%    |
| 2021F   | Annual          | 41.4% | 26.2%  | \$170.82 | -5.5%  | \$70.66  | 19.3%    | -1.3%    | 24.6%    |
| 2022F   | Annual          | 62.7% | 51.5%  | \$221.34 | 29.6%  | \$138.69 | 96.3%    | 2.2%     | 54.8%    |
| 2023F   | Annual          | 75.2% | 20.1%  | \$249.56 | 12.7%  | \$187.77 | 35.4%    | 2.3%     | 22.8%    |
| 2024F   | Annual          | 81.7% | 8.6%   | \$265.15 | 6.2%   | \$216.74 | 15.4%    | 1.2%     | 9.9%     |
| 2025F   | Annual          | 82.1% | 0.5%   | \$275.18 | 3.8%   | \$226.04 | 4.3%     | 0.6%     | 1.1%     |
| 2021 1Q | Trailing 4 Qtrs | 23.6% | -69.3% | \$117.81 | -52.6% | \$27.80  | -85.5%   | -0.1%    | -69.4%   |

Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

## Guest-Paid ADR\*

| Year    | PERIOD          | All Hotels |        | Upper-Price |        | Mid-Price |        | Lower-Price |        |
|---------|-----------------|------------|--------|-------------|--------|-----------|--------|-------------|--------|
|         |                 | Value      | Change | Value       | Change | Value     | Change | Value       | Change |
| 2016    | Annual          | \$242.85   |        | \$287.47    |        | \$215.98  |        | \$173.42    |        |
| 2017    | Annual          | \$240.83   | -0.8%  | \$284.93    | -0.9%  | \$216.17  | 0.1%   | \$171.20    | -1.3%  |
| 2018    | Annual          | \$250.33   | 3.9%   | \$298.55    | 4.8%   | \$221.81  | 2.6%   | \$177.05    | 3.4%   |
| 2019    | Annual          | \$260.08   | 3.9%   | \$311.23    | 4.2%   | \$229.63  | 3.5%   | \$179.60    | 1.4%   |
| 2020    | Annual          | \$184.86   | -28.9% | \$266.49    | -14.4% | \$158.89  | -30.8% | \$111.79    | -37.8% |
| 2021 1Q | Trailing 4 Qtrs | \$121.05   | -88.2% | \$161.98    | -86.8% | \$116.52  | -87.1% | \$93.88     | -86.6% |

\*Based on the total room revenue paid by guests, inclusive of all transaction-specific direct reservation costs.

Source: Kalibri Labs, Q1 2021

| Length of Stay |           | All Hotels | Upper  | Mid    | Lower  |
|----------------|-----------|------------|--------|--------|--------|
| Year           | PERIOD    | Nights     | Nights | Nights | Nights |
| 2019           | Annual    | 1.78       | 1.84   | 1.71   | 1.75   |
| 2020           | Annual    | 1.94       | 1.85   | 1.98   | 2.01   |
| 2020 Q1        | Quarterly | 1.77       | 1.80   | 1.72   | 1.81   |
| 2021 Q1        | Quarterly | 1.83       | 1.71   | 2.12   | 1.55   |



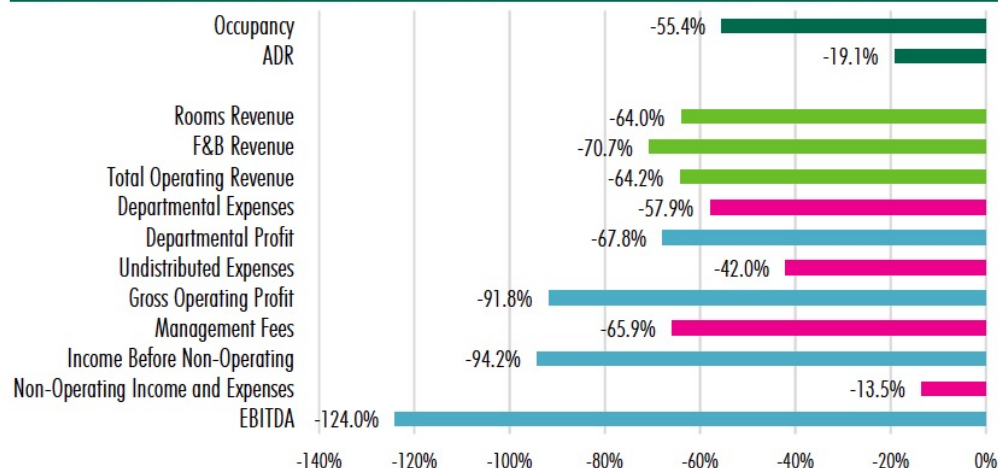
## San Francisco Forecast - Upper-Priced Hotels

| YEAR    | PERIOD          | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR | Δ SUPPLY | Δ DEMAND |
|---------|-----------------|-------|--------|----------|--------|----------|----------|----------|----------|
| 2016    | Annual          | 87.0% | 2.4%   | \$279.10 | 2.6%   | \$242.74 | 5.1%     | 0.0%     | 2.4%     |
| 2017    | Annual          | 85.4% | -1.9%  | \$276.88 | -0.8%  | \$236.33 | -2.6%    | -0.1%    | -2.0%    |
| 2018    | 1               | 80.5% | -1.6%  | \$290.44 | -1.2%  | \$233.80 | -2.8%    | 3.4%     | 1.7%     |
| 2018    | 2               | 88.0% | 0.7%   | \$286.38 | 9.9%   | \$251.88 | 10.6%    | 3.0%     | 3.7%     |
| 2018    | 3               | 88.0% | -2.8%  | \$301.65 | 8.0%   | \$265.52 | 4.9%     | 1.7%     | -1.2%    |
| 2018    | 4               | 78.1% | -4.3%  | \$283.38 | 3.3%   | \$221.39 | -1.2%    | 1.3%     | -3.0%    |
| 2018    | Annual          | 83.7% | -2.0%  | \$290.68 | 5.0%   | \$243.16 | 2.9%     | 2.3%     | 0.3%     |
| 2019    | 1               | 79.7% | -1.0%  | \$336.51 | 15.9%  | \$268.05 | 14.7%    | 1.8%     | 0.8%     |
| 2019    | 2               | 85.1% | -3.3%  | \$294.01 | 2.7%   | \$250.13 | -0.7%    | 2.5%     | -0.8%    |
| 2019    | 3               | 86.4% | -1.8%  | \$293.70 | -2.6%  | \$253.78 | -4.4%    | 2.3%     | 0.4%     |
| 2019    | 4               | 82.4% | 5.5%   | \$291.75 | 3.0%   | \$240.40 | 8.6%     | 2.3%     | 7.9%     |
| 2019    | Annual          | 83.4% | -0.3%  | \$303.41 | 4.4%   | \$253.04 | 4.1%     | 2.2%     | 1.9%     |
| 2020    | 1               | 59.9% | -24.9% | \$326.97 | -2.8%  | \$195.70 | -27.0%   | 1.4%     | -23.8%   |
| 2020    | 2               | 7.8%  | -90.8% | \$144.79 | -50.8% | \$11.33  | -95.5%   | 0.0%     | -90.8%   |
| 2020    | 3               | 16.8% | -80.5% | \$164.54 | -44.0% | \$27.71  | -89.1%   | 0.0%     | -80.5%   |
| 2020    | 4               | 14.0% | -83.0% | \$161.26 | -44.7% | \$22.54  | -90.6%   | 0.4%     | -83.0%   |
| 2020    | Annual          | 24.6% | -70.5% | \$261.16 | -13.9% | \$64.28  | -74.6%   | 0.4%     | -70.4%   |
| 2021    | 1               | 12.2% | -79.6% | \$150.27 | -54.0% | \$18.38  | -90.6%   | -5.2%    | -80.6%   |
| 2021F   | 2               | 27.0% | 245.4% | \$199.02 | 37.5%  | \$53.80  | 374.8%   | -5.0%    | 228.1%   |
| 2021F   | 3               | 51.2% | 203.9% | \$234.01 | 42.2%  | \$119.78 | 332.2%   | -4.2%    | 191.1%   |
| 2021F   | 4               | 33.7% | 141.3% | \$256.12 | 58.8%  | \$86.39  | 283.3%   | -3.3%    | 133.3%   |
| 2021F   | Annual          | 31.1% | 26.4%  | \$224.38 | -14.1% | \$69.80  | 8.6%     | -4.5%    | 20.8%    |
| 2022F   | Annual          | 59.6% | 91.6%  | \$267.82 | 19.4%  | \$159.60 | 128.6%   | 2.8%     | 96.9%    |
| 2023F   | Annual          | 74.8% | 25.5%  | \$296.45 | 10.7%  | \$221.71 | 38.9%    | 3.2%     | 29.5%    |
| 2024F   | Annual          | 83.9% | 12.2%  | \$315.71 | 6.5%   | \$264.93 | 19.5%    | 1.5%     | 13.9%    |
| 2025F   | Annual          | 84.4% | 0.6%   | \$327.80 | 3.8%   | \$276.74 | 4.5%     | 0.7%     | 1.3%     |
| 2021 1Q | Trailing 4 Qtrs | 12.7% | -83.8% | \$157.26 | -47.5% | \$20.01  | -91.5%   | -1.2%    | -84.0%   |

Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

## National Upper-Priced Hotels - 2020 Operating Performance

DOLLARS PER AVAILABLE ROOM: YEAR-OVER-YEAR CHANGE - DECEMBER YTD 2020 VS DECEMBER YTD 2019



Sample Averages: 281 Rooms, 32.6% Occupancy, \$147.96 ADR

Source: CBRE Hotels Research, Same-Store Sample, Open All Twelve Months



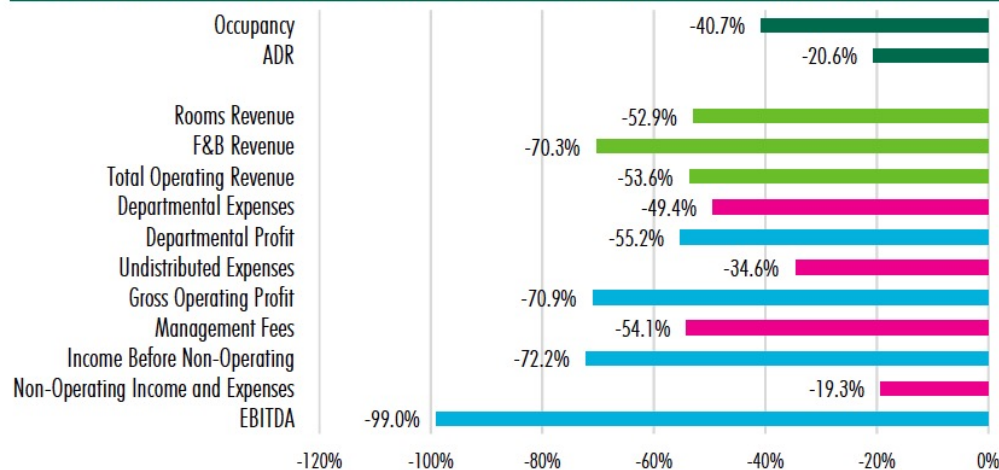
## San Francisco Forecast - Mid-Priced Hotels

| YEAR    | PERIOD          | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR | Δ SUPPLY | Δ DEMAND |
|---------|-----------------|-------|--------|----------|--------|----------|----------|----------|----------|
| 2016    | Annual          | 85.6% | 0.5%   | \$208.87 | 5.2%   | \$178.78 | 5.7%     | 1.5%     | 2.0%     |
| 2017    | Annual          | 84.1% | -1.7%  | \$208.93 | 0.0%   | \$175.78 | -1.7%    | 2.0%     | 0.3%     |
| 2018    | 1               | 80.0% | -0.8%  | \$204.54 | -2.5%  | \$163.71 | -3.3%    | 3.5%     | 2.6%     |
| 2018    | 2               | 84.6% | -2.4%  | \$214.01 | 7.0%   | \$181.13 | 4.4%     | 3.4%     | 0.9%     |
| 2018    | 3               | 85.7% | -4.3%  | \$231.26 | 5.1%   | \$198.22 | 0.5%     | 3.4%     | -1.0%    |
| 2018    | 4               | 75.9% | -4.6%  | \$207.74 | 1.2%   | \$157.74 | -3.4%    | 0.6%     | -3.9%    |
| 2018    | Annual          | 81.6% | -3.0%  | \$214.82 | 2.8%   | \$175.27 | -0.3%    | 2.7%     | -0.4%    |
| 2019    | 1               | 76.3% | -4.7%  | \$231.56 | 13.2%  | \$176.71 | 7.9%     | 2.0%     | -2.8%    |
| 2019    | 2               | 80.2% | -5.3%  | \$220.59 | 3.1%   | \$176.86 | -2.4%    | 2.8%     | -2.7%    |
| 2019    | 3               | 81.3% | -5.2%  | \$225.60 | -2.5%  | \$183.34 | -7.5%    | 1.9%     | -3.4%    |
| 2019    | 4               | 76.2% | 0.3%   | \$215.57 | 3.8%   | \$164.22 | 4.1%     | 2.8%     | 3.1%     |
| 2019    | Annual          | 78.5% | -3.8%  | \$223.31 | 4.0%   | \$175.28 | 0.0%     | 2.3%     | -1.5%    |
| 2020    | 1               | 61.3% | -19.6% | \$212.33 | -8.3%  | \$130.22 | -26.3%   | 2.1%     | -17.9%   |
| 2020    | 2               | 20.4% | -74.6% | \$113.97 | -48.3% | \$23.22  | -86.9%   | 1.2%     | -74.3%   |
| 2020    | 3               | 34.3% | -57.8% | \$118.31 | -47.6% | \$40.54  | -77.9%   | 1.1%     | -57.4%   |
| 2020    | 4               | 30.6% | -59.8% | \$108.56 | -49.6% | \$33.22  | -79.8%   | -0.9%    | -60.2%   |
| 2020    | Annual          | 36.6% | -53.3% | \$155.10 | -30.5% | \$56.84  | -67.6%   | 0.9%     | -52.9%   |
| 2021    | 1               | 30.3% | -50.7% | \$112.68 | -46.9% | \$34.10  | -73.8%   | 3.8%     | -48.8%   |
| 2021F   | 2               | 41.7% | 104.7% | \$126.47 | 11.0%  | \$52.74  | 127.1%   | 3.5%     | 111.8%   |
| 2021F   | 3               | 58.8% | 71.7%  | \$179.37 | 51.6%  | \$105.54 | 160.3%   | 4.8%     | 79.9%    |
| 2021F   | 4               | 53.5% | 74.7%  | \$177.80 | 63.8%  | \$95.08  | 186.2%   | 7.4%     | 87.6%    |
| 2021F   | Annual          | 46.1% | 25.9%  | \$156.19 | 0.7%   | \$72.07  | 26.8%    | 4.9%     | 32.0%    |
| 2022F   | Annual          | 62.4% | 35.2%  | \$203.29 | 30.2%  | \$126.85 | 76.0%    | 2.3%     | 38.4%    |
| 2023F   | Annual          | 75.2% | 20.6%  | \$224.55 | 10.5%  | \$168.93 | 33.2%    | 1.7%     | 22.6%    |
| 2024F   | Annual          | 80.5% | 7.0%   | \$234.95 | 4.6%   | \$189.10 | 11.9%    | 0.8%     | 7.9%     |
| 2025F   | Annual          | 80.8% | 0.5%   | \$243.53 | 3.6%   | \$196.88 | 4.1%     | 0.4%     | 0.9%     |
| 2021 1Q | Trailing 4 Qtrs | 28.9% | -61.3% | \$113.51 | -48.2% | \$32.78  | -80.0%   | 1.3%     | -60.8%   |

Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

## National Middle-Priced Hotels - 2020 Operating Performance

DOLLARS PER AVAILABLE ROOM: YEAR-OVER-YEAR CHANGE - DECEMBER YTD 2020 VS DECEMBER YTD 2019



Sample Averages: 128 Rooms, 44.2% Occupancy, \$110.05 ADR

Source: CBRE Hotels Research, Same-Store Sample, Open All Twelve Months

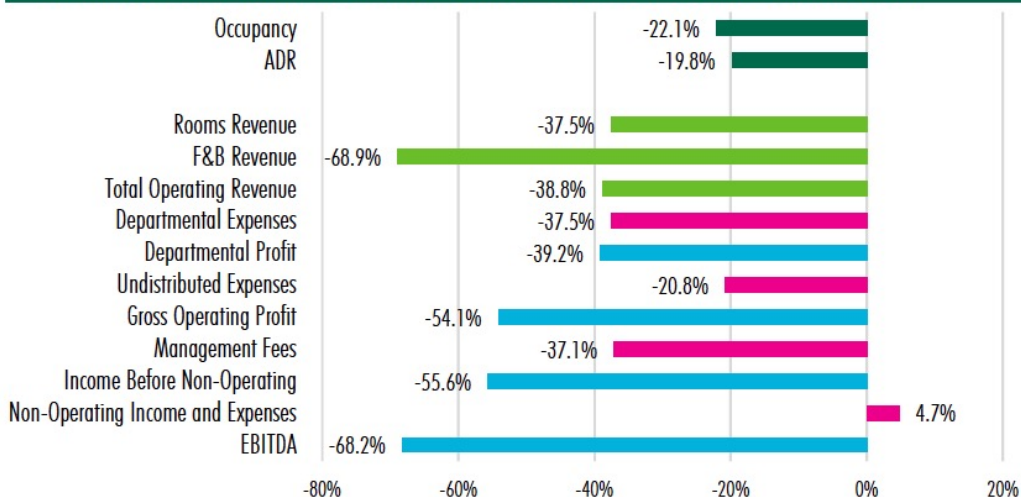
## San Francisco Forecast - Lower-Priced Hotels

| YEAR    | PERIOD          | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR | Δ SUPPLY | Δ DEMAND |
|---------|-----------------|-------|--------|----------|--------|----------|----------|----------|----------|
| 2016    | Annual          | 85.5% | -2.5%  | \$169.80 | 5.2%   | \$145.26 | 2.6%     | 0.0%     | -2.5%    |
| 2017    | Annual          | 83.2% | -2.8%  | \$166.51 | -1.9%  | \$138.46 | -4.7%    | 3.5%     | 0.6%     |
| 2018    | 1               | 80.4% | -1.3%  | \$153.99 | -2.5%  | \$123.86 | -3.8%    | 3.1%     | 1.8%     |
| 2018    | 2               | 85.9% | 1.6%   | \$174.99 | 7.8%   | \$150.31 | 9.5%     | 0.7%     | 2.4%     |
| 2018    | 3               | 87.1% | 0.0%   | \$194.24 | 5.8%   | \$169.24 | 5.7%     | 0.1%     | 0.1%     |
| 2018    | 4               | 76.2% | -4.1%  | \$163.77 | 2.0%   | \$124.82 | -2.1%    | 0.6%     | -3.6%    |
| 2018    | Annual          | 82.4% | -0.9%  | \$172.36 | 3.5%   | \$142.04 | 2.6%     | 1.1%     | 0.2%     |
| 2019    | 1               | 79.2% | -1.5%  | \$171.56 | 11.4%  | \$135.91 | 9.7%     | 0.9%     | -0.7%    |
| 2019    | 2               | 85.0% | -1.0%  | \$173.61 | -0.8%  | \$147.63 | -1.8%    | 1.0%     | 0.0%     |
| 2019    | 3               | 86.2% | -1.0%  | \$182.00 | -6.3%  | \$156.91 | -7.3%    | 0.8%     | -0.2%    |
| 2019    | 4               | 78.1% | 2.5%   | \$164.62 | 0.5%   | \$128.61 | 3.0%     | 1.3%     | 3.8%     |
| 2019    | Annual          | 82.1% | -0.3%  | \$173.16 | 0.5%   | \$142.24 | 0.1%     | 1.0%     | 0.7%     |
| 2020    | 1               | 61.3% | -22.6% | \$148.43 | -13.5% | \$91.04  | -33.0%   | 2.4%     | -20.7%   |
| 2020    | 2               | 32.7% | -61.5% | \$87.62  | -49.5% | \$28.66  | -80.6%   | 2.1%     | -60.7%   |
| 2020    | 3               | 49.5% | -42.6% | \$91.66  | -49.6% | \$45.37  | -71.1%   | 1.9%     | -41.5%   |
| 2020    | 4               | 43.5% | -44.4% | \$86.80  | -47.3% | \$37.73  | -70.7%   | 1.8%     | -43.4%   |
| 2020    | Annual          | 46.8% | -43.1% | \$108.45 | -37.4% | \$50.70  | -64.4%   | 2.1%     | -41.9%   |
| 2021    | 1               | 40.8% | -33.5% | \$100.03 | -32.6% | \$40.81  | -55.2%   | -6.0%    | -37.5%   |
| 2021F   | 2               | 52.4% | 60.2%  | \$96.47  | 10.1%  | \$50.56  | 76.4%    | -5.4%    | 51.5%    |
| 2021F   | 3               | 71.2% | 43.9%  | \$135.21 | 47.5%  | \$96.34  | 112.3%   | -5.3%    | 36.3%    |
| 2021F   | 4               | 68.6% | 57.7%  | \$132.71 | 52.9%  | \$90.98  | 141.1%   | -6.0%    | 48.2%    |
| 2021F   | Annual          | 58.3% | 24.6%  | \$119.62 | 10.3%  | \$69.70  | 37.5%    | -5.7%    | 17.5%    |
| 2022F   | Annual          | 72.0% | 23.5%  | \$150.64 | 25.9%  | \$108.40 | 55.5%    | 0.2%     | 23.8%    |
| 2023F   | Annual          | 76.6% | 6.4%   | \$177.49 | 17.8%  | \$135.94 | 25.4%    | 1.1%     | 7.6%     |
| 2024F   | Annual          | 78.5% | 2.5%   | \$183.88 | 3.6%   | \$144.37 | 6.2%     | 0.9%     | 3.4%     |
| 2025F   | Annual          | 78.7% | 0.2%   | \$190.51 | 3.6%   | \$149.88 | 3.8%     | 0.7%     | 0.9%     |
| 2021 1Q | Trailing 4 Qtrs | 41.6% | -46.3% | \$91.52  | -45.7% | \$38.10  | -70.9%   | -0.1%    | -46.4%   |

Source: CBRE Hotels Research, Kalibri Labs, Q1 2021

## National Lower-Priced Hotels - 2020 Operating Performance

DOLLARS PER AVAILABLE ROOM: YEAR-OVER-YEAR CHANGE - DECEMBER YTD 2020 VS DECEMBER YTD 2019



Sample Averages: 118 Rooms, 54.7% Occupancy, \$62.42 ADR

Source: CBRE Hotels Research, Same-Store Sample, Open All Twelve Months

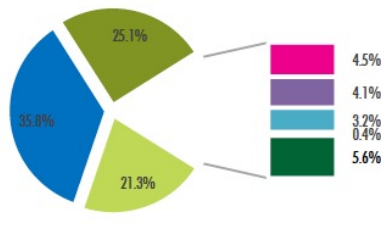


## Rooms Nights and ADR by Source of Business - San Francisco

### All Hotels

- Brand.com
- Property Direct
- Voice
- Internal Discounts
- GDS
- FIT Wholesale
- OTA
- Group

Room Nights 2021 YTD



### Room Nights by Source of Business

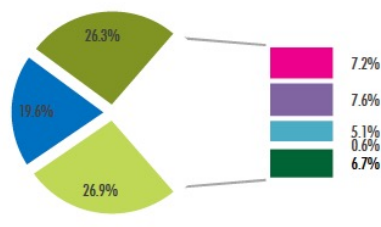
|                    | 2019  | 2020  | 2020 YTD | 2021 YTD | 2020 YTD | 2021 YTD |
|--------------------|-------|-------|----------|----------|----------|----------|
| Brand.com          | 19.7% | 19.8% | 21.2%    | 21.3%    | \$257.20 | \$130.92 |
| Property Direct    | 23.6% | 31.6% | 24.5%    | 35.8%    | \$217.50 | \$119.35 |
| Voice              | 4.5%  | 4.1%  | 3.6%     | 4.5%     | \$272.60 | \$132.35 |
| Internal Discounts | 4.0%  | 3.8%  | 3.7%     | 4.1%     | \$185.49 | \$90.20  |
| GDS                | 10.5% | 6.2%  | 10.2%    | 3.2%     | \$312.55 | \$131.70 |
| FIT Wholesale      | 1.1%  | 0.6%  | 0.8%     | 0.4%     | \$189.13 | \$86.02  |
| OTA                | 19.1% | 21.3% | 18.3%    | 25.1%    | \$194.98 | \$102.42 |
| Group              | 17.6% | 12.4% | 17.7%    | 5.6%     | \$339.49 | \$129.41 |

### ADR by Source of Business

### Upper-Priced Hotels

- Brand.com
- Property Direct
- Voice
- Internal Discounts
- GDS
- FIT Wholesale
- OTA
- Group

Room Nights 2021 YTD



### Room Nights by Source of Business

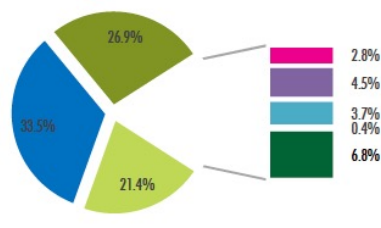
|                    | 2019  | 2020  | 2020 YTD | 2021 YTD | 2020 YTD | 2021 YTD |
|--------------------|-------|-------|----------|----------|----------|----------|
| Brand.com          | 18.1% | 21.0% | 20.3%    | 26.9%    | \$316.64 | \$170.98 |
| Property Direct    | 14.5% | 17.5% | 14.1%    | 19.6%    | \$301.08 | \$147.01 |
| Voice              | 5.2%  | 5.1%  | 3.9%     | 7.2%     | \$372.84 | \$176.44 |
| Internal Discounts | 4.5%  | 5.4%  | 4.5%     | 7.6%     | \$210.59 | \$135.22 |
| GDS                | 13.8% | 10.0% | 13.9%    | 5.1%     | \$358.29 | \$159.58 |
| FIT Wholesale      | 1.5%  | 0.8%  | 1.0%     | 0.6%     | \$218.27 | \$111.51 |
| OTA                | 16.3% | 18.6% | 14.8%    | 26.3%    | \$250.66 | \$128.01 |
| Group              | 26.1% | 21.5% | 27.5%    | 6.7%     | \$389.24 | \$149.54 |

### ADR by Source of Business

### Mid-Priced Hotels

- Brand.com
- Property Direct
- Voice
- Internal Discounts
- GDS
- FIT Wholesale
- OTA
- Group

Room Nights 2021 YTD



### Room Nights by Source of Business

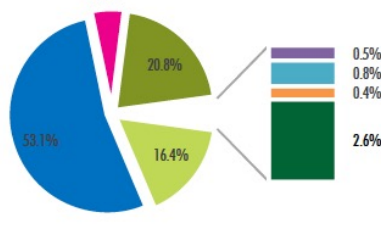
|                    | 2019  | 2020  | 2020 YTD | 2021 YTD | 2020 YTD | 2021 YTD |
|--------------------|-------|-------|----------|----------|----------|----------|
| Brand.com          | 23.8% | 21.6% | 25.3%    | 21.4%    | \$226.10 | \$121.00 |
| Property Direct    | 25.5% | 31.9% | 26.8%    | 33.5%    | \$216.56 | \$124.33 |
| Voice              | 3.2%  | 2.8%  | 2.7%     | 2.8%     | \$211.10 | \$117.09 |
| Internal Discounts | 4.5%  | 4.3%  | 4.0%     | 4.5%     | \$150.26 | \$58.40  |
| GDS                | 9.8%  | 5.9%  | 9.4%     | 3.7%     | \$244.86 | \$115.55 |
| FIT Wholesale      | 0.8%  | 0.5%  | 0.6%     | 0.4%     | \$156.31 | \$85.02  |
| OTA                | 20.1% | 22.4% | 19.3%    | 26.9%    | \$179.89 | \$96.69  |
| Group              | 12.3% | 10.0% | 11.9%    | 6.8%     | \$224.58 | \$126.70 |

### ADR by Source of Business

### Lower-Priced Hotels

- Brand.com
- Property Direct
- Voice
- Internal Discounts
- GDS
- FIT Wholesale
- OTA
- Group

Room Nights 2021 YTD



### Room Nights by Source of Business

|                    | 2019  | 2020  | 2020 YTD | 2021 YTD | 2020 YTD | 2021 YTD |
|--------------------|-------|-------|----------|----------|----------|----------|
| Brand.com          | 15.6% | 14.8% | 14.9%    | 16.4%    | \$155.46 | \$99.82  |
| Property Direct    | 45.0% | 51.0% | 47.1%    | 53.1%    | \$152.57 | \$105.50 |
| Voice              | 5.1%  | 4.9%  | 4.7%     | 5.3%     | \$126.25 | \$96.71  |
| Internal Discounts | 1.2%  | 0.8%  | 1.0%     | 0.5%     | \$188.25 | \$34.42  |
| GDS                | 2.8%  | 1.3%  | 2.3%     | 0.8%     | \$169.17 | \$116.84 |
| FIT Wholesale      | 0.5%  | 0.4%  | 0.5%     | 0.4%     | \$121.10 | \$55.58  |
| OTA                | 25.1% | 23.0% | 25.4%    | 20.8%    | \$133.80 | \$88.84  |
| Group              | 4.7%  | 3.2%  | 4.2%     | 2.6%     | \$172.76 | \$99.74  |

### ADR by Source of Business

Brand.com: Transient bookings sold via property or brand's website

Voice: Transient bookings sold via call centers

GDS: Transient bookings sold via global distribution systems

OTA: Transient bookings sold by an online travel agent

Property Direct: Transient bookings sold directly by property

Internal Discounts: Complimentary, barter, employee, friends & family, loyalty program, house use, permanent rooms, etc.

FIT/Wholesale: Transient bookings sold via wholesalers

Group: Bookings of multiple guests rooms under the same booking, with a group rate



## 49 Short-Term Rental Summary

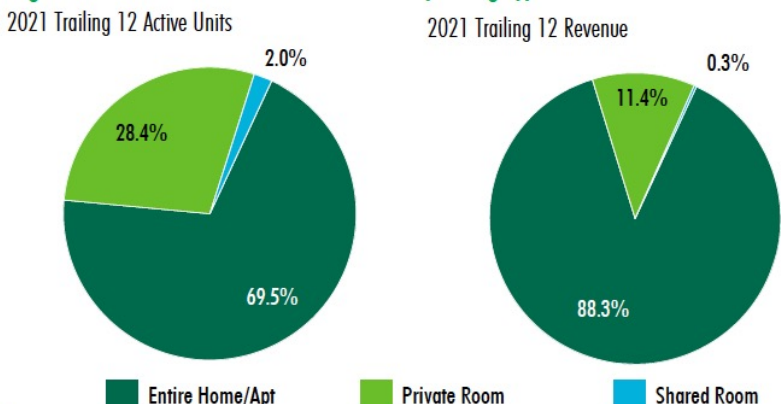
Below is an overview of short-term rentals in this market. The estimates of short-term rental performance come from AirDNA, a firm that provides data and analytics for 4 million+ short-term rental listings worldwide. Figure 1 shows the total number of units available, sold and revenue generated during April 2020 – March 2021 along with the calculated Occupancy, Average Daily Rate (ADR), RevPAR, and year-over-year growth rates. Figure 2 shows the percent of units and revenue by unit type. Figure 3 shows the average daily number of active short-term rental units by month. Figure 4 lists the ADRs broken down by unit types over the past 12 months. More detailed data on short-term rentals in your market can be purchased directly from AirDNA at [airdna.co](https://airdna.co).

**Fig. 1: April 2020 – March 2021 Short-Term Rental Performance**

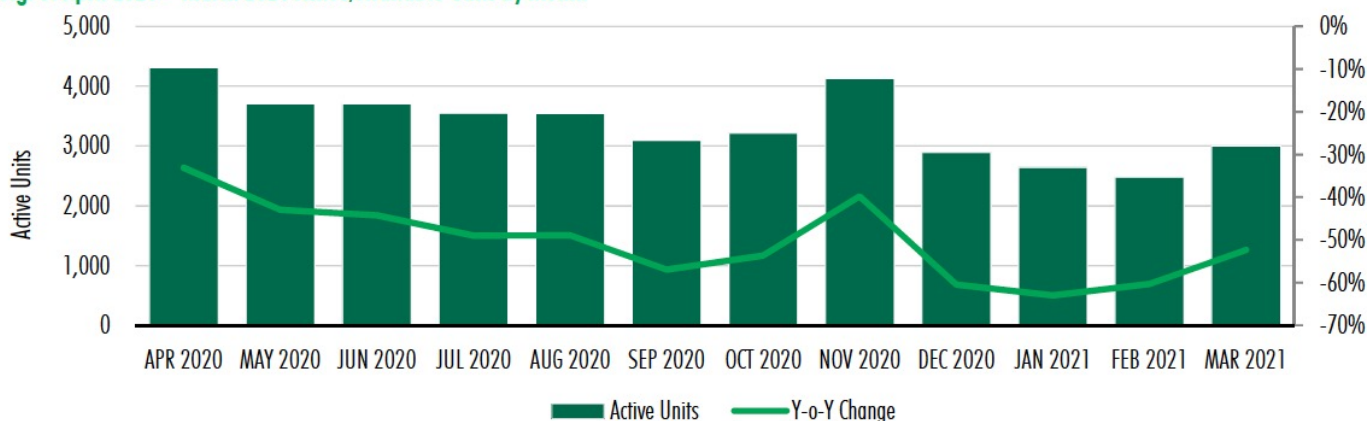
| METRIC           | 2021          | Y-o-Y CHANGE |
|------------------|---------------|--------------|
| Occupancy        | 52.7%         | -22.2%       |
| ADR              | \$221.69      | 7.0%         |
| RevPAR           | \$116.83      | -16.7%       |
| Available Supply | 1,224,745     | -50.7%       |
| Units Sold       | 645,827       | -61.6%       |
| Total Revenue    | \$143,167,067 | -58.9%       |

Source: AirDNA, CBRE Hotels Research, Q1 2021

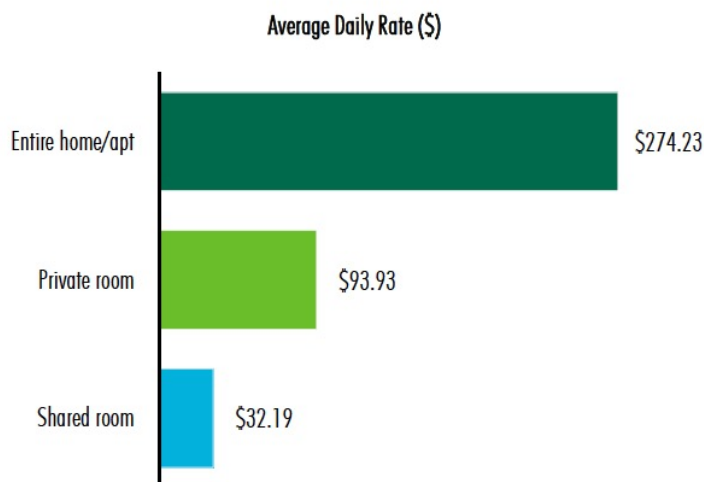
**Fig. 2: Percent of Active Units and Revenue by Listing Type**



**Fig. 3: April 2020 – March 2021 Active/Available Units by Month**



**Fig. 4: April 2020 – March 2021 ADRs by Unit Type**



### Glossary

**Active Units** - A unit is considered active if it had at least one night sold during the month.

**Available Units** - Total number of listings available for booking on short-term rentals in that month.

**Average Daily Rate (ADR)** - The revenue collected divided by the units sold.

### Unit Types:

**Entire Home** - The guest has complete and sole access to the entire unit during the stay.

**Private Room** - The guest has their own sleeping area, but shares access to the unit common areas with others.

**Shared Room** - The guest rents a common area, like an airbed in a living room.

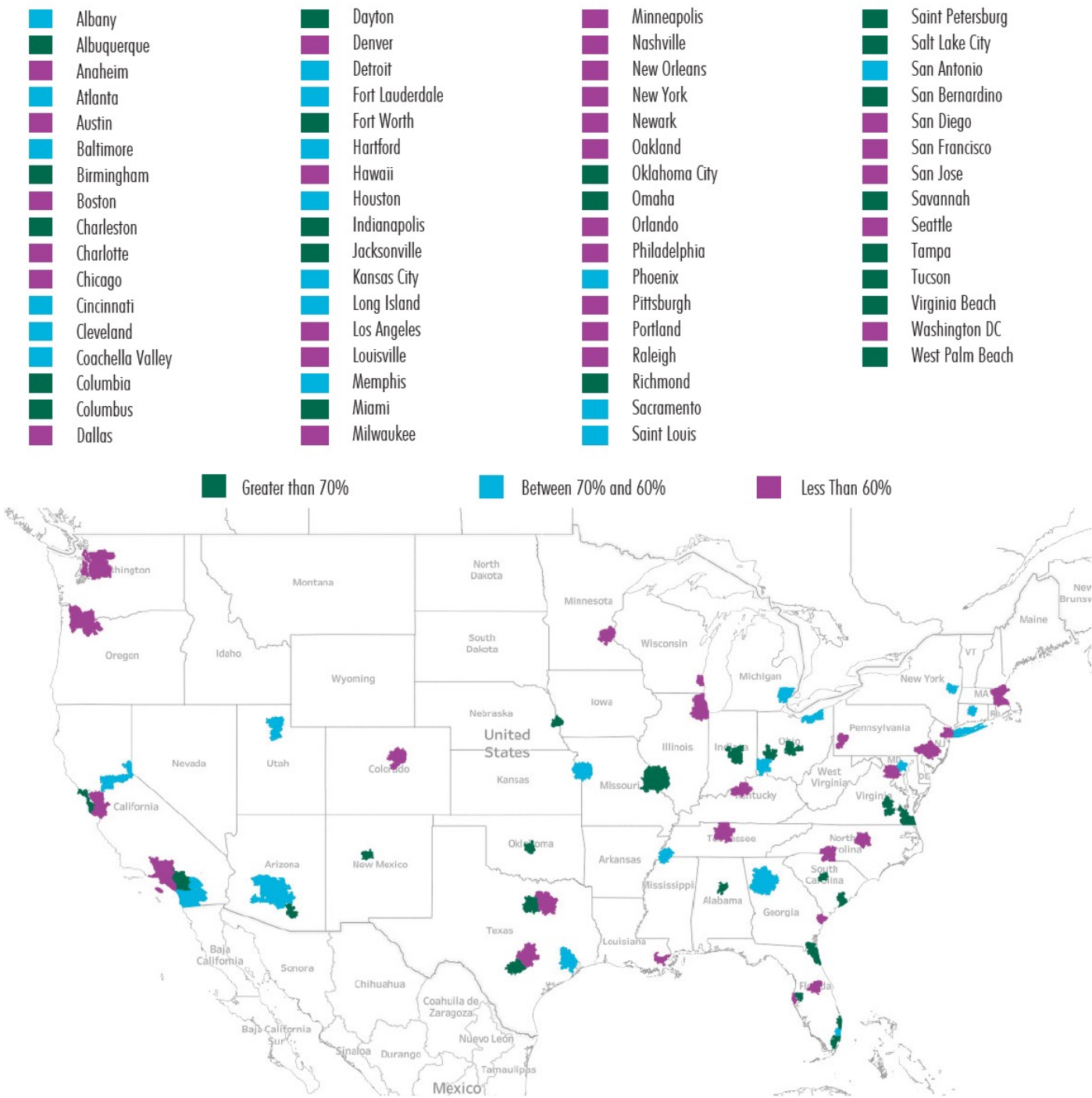
Detailed data on short-term rentals in your market can be purchased at [airdna.co](https://airdna.co).

# National Horizon Profile

## Pace of Market Recoveries

This page showcases the CBRE Hotels Research Hotel Horizons® 65- city forecasting universe. The map below presents CBRE’s forecast annual RevPAR for 2021 as a percent of the actual annual RevPAR achieved in the market during 2019. This provides a glimpse of the pace of market recoveries across the nation. Quarterly Hotel Horizons® reports are available for the nation and all the markets shown below.

<https://pip.cbrehotels.com>



Source: CBRE Hotels Research, Kalibri Labs, Q1 2020

## San Francisco Market Profile

Total Room Supply: **54,481**

### San Francisco Top Brands

| Upper-Priced  | Properties | Rooms | % Mkt | Mid-Priced          | Properties | Rooms | % Mkt | Lower-Priced          | Properties | Rooms | % Mkt |
|---------------|------------|-------|-------|---------------------|------------|-------|-------|-----------------------|------------|-------|-------|
| Hilton        | 4          | 3,889 | 7.1%  | Courtyard           | 10         | 1,802 | 3.3%  | The Park              | 1          | 681   | 1.2%  |
| Marriott      | 5          | 3,350 | 6.1%  | Holiday Inn         | 4          | 1,135 | 2.1%  | Extended Stay America | 4          | 473   | 0.9%  |
| Hyatt Regency | 2          | 1,593 | 2.9%  | Holiday Inn Express | 8          | 828   | 1.5%  | Travelodge            | 6          | 459   | 0.8%  |
| Westin        | 2          | 1,592 | 2.9%  | Crowne Plaza        | 2          | 659   | 1.2%  | Motel 6               | 3          | 404   | 0.7%  |
| Grand Hyatt   | 2          | 1,013 | 1.9%  | Residence Inn       | 4          | 654   | 1.2%  | Best Western          | 4          | 285   | 0.5%  |

Source: Kalibri Labs, Q1 2021

### Supply Pipeline

|                        | Upper-Priced |       |       | Mid-Priced |       |       | Lower-Priced |       |       | Unclassified / Independent |       |       |
|------------------------|--------------|-------|-------|------------|-------|-------|--------------|-------|-------|----------------------------|-------|-------|
| Project Phase          | Properties   | Rooms | % Mkt | Properties | Rooms | % Mkt | Properties   | Rooms | % Mkt | Properties                 | Rooms | % Mkt |
| Planning               | 13           | 2,171 | 4.0%  | 7          | 950   | 1.7%  | 4            | 352   | 0.6%  | 8                          | 1,462 | 2.7%  |
| Final Planning/Bidding | 4            | 668   | 1.2%  | 1          | 179   | 0.3%  | 0            | 0     | 0.0%  | 0                          | 0     | 0.0%  |
| Underway               | 3            | 723   | 1.3%  | 6          | 768   | 1.4%  | 0            | 0     | 0.0%  | 0                          | 0     | 0.0%  |
| Total                  | 20           | 3,562 | 6.5%  | 14         | 1,897 | 3.5%  | 4            | 352   | 0.6%  | 8                          | 1,462 | 2.7%  |

Source: Dodge, CBRE Hotels Research, Q1 2021

### Pipeline Status Definitions

| PHASE          | DEFINITION                                                                                                                                                                                                                                                                            |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planning       | Projects reported at the planning stage have an architect associated with them who is starting to draw the schematic plans for the building. Projects in this stage are closer to ground breaking but still have a fairly low probability of starting.                                |
| Final Planning | At this stage, plans for a project have been or are about to be finalized. The project is moving towards final approvals. Once a project has reached the final planning stage, there is a high probability that the construction contract will be awarded within the next six months. |
| Bidding        | Once the plans for the project have been finalized, the project is put out to bid by general contractors. At this stage in the planning cycle, projects are very close to being awarded and have a very high probability of coming to market.                                         |
| Underway       | Projects that are under construction.                                                                                                                                                                                                                                                 |

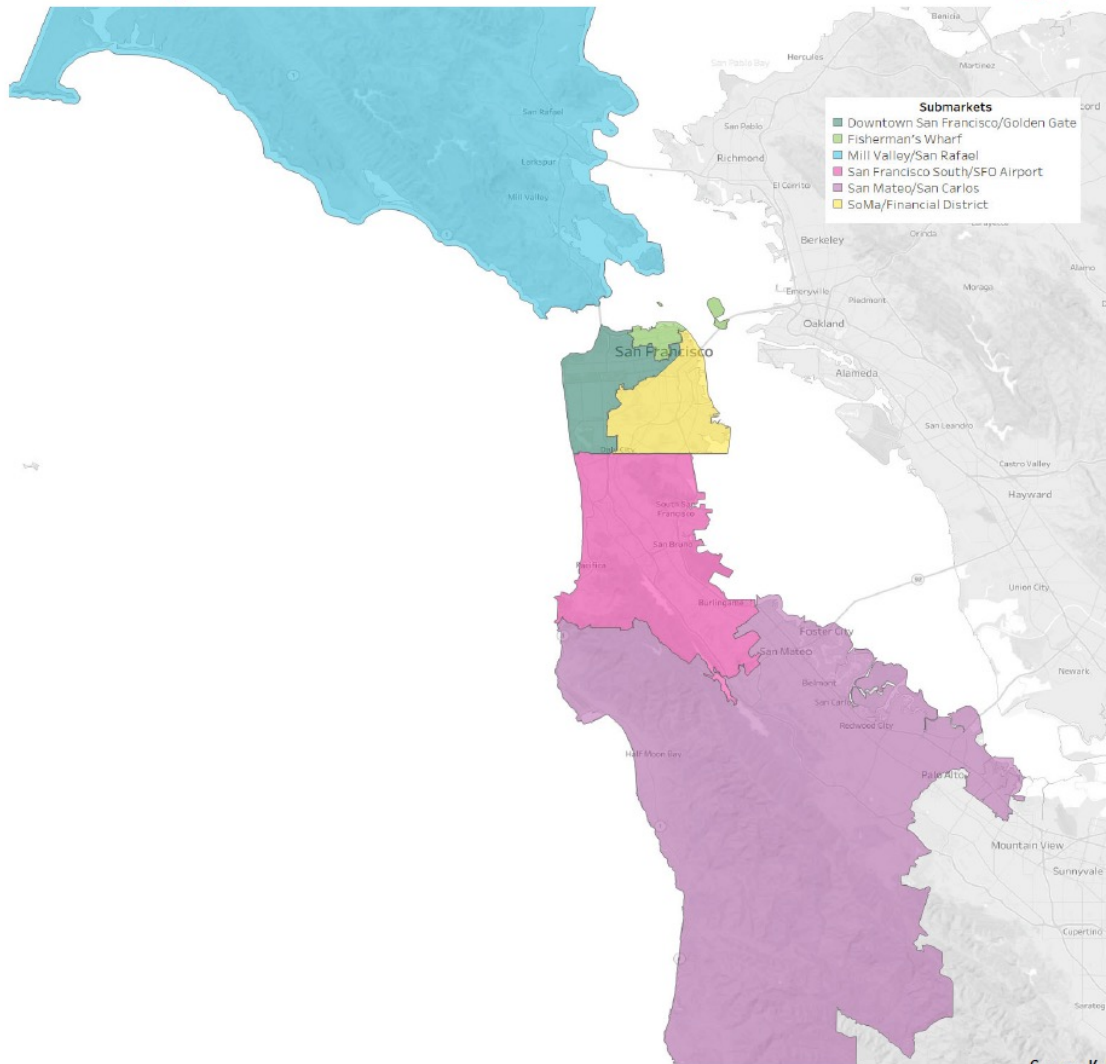
Source: Dodge, Q1 2021



## San Francisco Submarket Map

Total Room Supply:

54,481



Source: Kalibri Labs, Q1 2021

## San Francisco Submarket Summary

| SUBMARKET                       | UPPER-PRICED |               |              | MID-PRICED |               |              | LOWER-PRICED |              |              | TOTALS     |               |               |
|---------------------------------|--------------|---------------|--------------|------------|---------------|--------------|--------------|--------------|--------------|------------|---------------|---------------|
|                                 | Properties   | Rooms         | % Mkt        | Properties | Rooms         | % Mkt        | Properties   | Rooms        | % Mkt        | Properties | Rooms         | % Mkt         |
| Fisherman's Wharf               | 10           | 1,571         | 2.9%         | 34         | 4,446         | 8.2%         | 28           | 1,671        | 3.1%         | 72         | 7,688         | 14.1%         |
| Downtown/Golden Gate            | 30           | 9,925         | 18.2%        | 43         | 4,717         | 8.7%         | 21           | 1,527        | 2.8%         | 94         | 16,169        | 29.7%         |
| SoMa/Financial District         | 18           | 7,511         | 13.8%        | 22         | 2,906         | 5.3%         | 13           | 1,574        | 2.9%         | 53         | 11,991        | 22.0%         |
| San Francisco South/SFO Airport | 7            | 3,277         | 6.0%         | 34         | 4,764         | 8.7%         | 19           | 1,588        | 2.9%         | 60         | 9,629         | 17.7%         |
| San Mateo/San Carlos            | 13           | 1,788         | 3.3%         | 30         | 3,362         | 6.2%         | 20           | 1,592        | 2.9%         | 63         | 6,742         | 12.4%         |
| Mill Valley/San Rafael          | 6            | 513           | 0.9%         | 16         | 1,187         | 2.2%         | 9            | 562          | 1.0%         | 31         | 2,262         | 4.2%          |
| <b>Total</b>                    | <b>84</b>    | <b>24,585</b> | <b>45.1%</b> | <b>179</b> | <b>21,382</b> | <b>39.2%</b> | <b>110</b>   | <b>8,514</b> | <b>15.6%</b> | <b>373</b> | <b>54,481</b> | <b>100.0%</b> |

Source: Kalibri Labs, Q1 2021

## Submarket Profile - Fisherman's Wharf

### Submarket Rank\*

**4** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**101%**

Trailing 4 Quarters

Submarket Room Supply: **7,688**



■ Upper-Priced, 20%  
■ Mid-Priced, 58%  
■ Lower-Priced, 22%

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 86.6% | -      | \$215.74 | -      | \$186.91 | -        |
| 2017     | 85.2% | -1.7%  | \$213.75 | -0.9%  | \$182.07 | -2.6%    |
| 2018     | 83.4% | -2.1%  | \$222.28 | 4.0%   | \$185.41 | 1.8%     |
| 2019     | 82.0% | -1.7%  | \$231.96 | 4.4%   | \$190.16 | 2.6%     |
| 2020     | 34.1% | -58.4% | \$160.04 | -31.0% | \$54.63  | -71.3%   |
| 1Q20 YTD | 61.7% | -23.1% | \$218.87 | -9.0%  | \$134.98 | -30.0%   |
| 1Q21 YTD | 23.9% | -61.3% | \$116.89 | -46.6% | \$27.89  | -79.3%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 85.8% | -      | \$240.78 | -      | \$206.58 | -        |
| 2017     | 83.7% | -2.5%  | \$240.06 | -0.3%  | \$200.87 | -2.8%    |
| 2018     | 84.6% | 1.1%   | \$249.11 | 3.8%   | \$210.64 | 4.9%     |
| 2019     | 81.8% | -3.2%  | \$258.26 | 3.7%   | \$211.30 | 0.3%     |
| 2020     | 31.3% | -61.7% | \$194.19 | -24.8% | \$60.80  | -71.2%   |
| 1Q20 YTD | 62.7% | -21.3% | \$256.28 | -6.2%  | \$160.57 | -26.3%   |
| 1Q21 YTD | 21.5% | -65.6% | \$124.07 | -51.6% | \$26.70  | -83.4%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.1% | -      | \$222.18 | -      | \$193.53 | -        |
| 2017     | 86.0% | -1.3%  | \$220.01 | -1.0%  | \$189.23 | -2.2%    |
| 2018     | 83.5% | -2.9%  | \$229.37 | 4.3%   | \$191.48 | 1.2%     |
| 2019     | 82.2% | -1.6%  | \$242.95 | 5.9%   | \$199.63 | 4.3%     |
| 2020     | 31.1% | -62.2% | \$175.34 | -27.8% | \$54.48  | -72.7%   |
| 1Q20 YTD | 61.4% | -23.9% | \$231.62 | -8.0%  | \$142.14 | -30.0%   |
| 1Q21 YTD | 20.1% | -67.2% | \$124.07 | -46.4% | \$24.97  | -82.4%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 85.6% | -      | \$174.79 | -      | \$149.70 | -        |
| 2017     | 83.4% | -2.6%  | \$172.39 | -1.4%  | \$143.86 | -3.9%    |
| 2018     | 82.3% | -1.3%  | \$177.80 | 3.1%   | \$146.40 | 1.8%     |
| 2019     | 81.5% | -1.0%  | \$178.47 | 0.4%   | \$145.45 | -0.6%    |
| 2020     | 45.2% | -44.6% | \$112.27 | -37.1% | \$50.73  | -65.1%   |
| 1Q20 YTD | 61.9% | -21.7% | \$156.01 | -12.9% | \$96.57  | -31.8%   |
| 1Q21 YTD | 35.9% | -42.1% | \$102.95 | -34.0% | \$36.92  | -61.8%   |

Source: Kalibri Labs, Q1 2021

### Fisherman's Wharf Construction Pipeline

| PHASE                  | UPPER-PRICED |          |             | MID-PRICED |            |             | LOWER-PRICED |            |             | UNCLASSIFIED/INDEPENDENT |          |             |
|------------------------|--------------|----------|-------------|------------|------------|-------------|--------------|------------|-------------|--------------------------|----------|-------------|
|                        | Props        | Rooms    | %SubMkt     | Props      | Rooms      | %SubMkt     | Props        | Rooms      | %SubMkt     | Props                    | Rooms    | %SubMkt     |
| Planning               | 0            | 0        | 0.0%        | 1          | 134        | 1.7%        | 1            | 100        | 1.3%        | 0                        | 0        | 0.0%        |
| Final Planning/Bidding | 0            | 0        | 0.0%        | 0          | 0          | 0.0%        | 0            | 0          | 0.0%        | 0                        | 0        | 0.0%        |
| Underway               | 0            | 0        | 0.0%        | 0          | 0          | 0.0%        | 0            | 0          | 0.0%        | 0                        | 0        | 0.0%        |
| <b>TOTAL</b>           | <b>0</b>     | <b>0</b> | <b>0.0%</b> | <b>1</b>   | <b>134</b> | <b>1.7%</b> | <b>1</b>     | <b>100</b> | <b>1.3%</b> | <b>0</b>                 | <b>0</b> | <b>0.0%</b> |

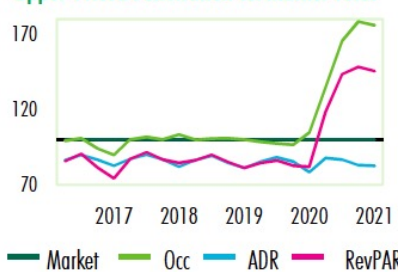
Source: Dodge, CBRE Hotels Research, Q1 2021

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR   | REVPAR |
|----------|--------|-------|--------|
| 2016     | 100.5% | 91.5% | 91.9%  |
| 2017     | 100.8% | 91.5% | 92.2%  |
| 2018     | 100.9% | 91.4% | 92.2%  |
| 2019     | 100.7% | 91.7% | 92.3%  |
| 2020     | 104.1% | 88.6% | 92.2%  |
| 1Q20 YTD | 101.7% | 86.3% | 87.7%  |
| 1Q21 YTD | 99.8%  | 99.3% | 99.1%  |

Source: Kalibri Labs, Q1 2021

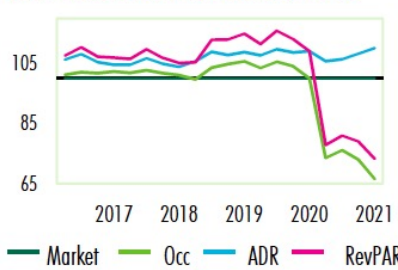
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Hyatt Centric (316 rms)  
Marriott (285 rms)  
Kimpton (243 rms)  
Joie De Vivre (57 rms)  
Fairmont (53 rms)

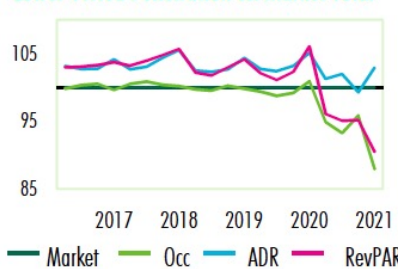
### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Riv Plaza Hotels (531 rms)  
Holiday Inn (496 rms)  
Courtyard (450 rms)  
Holiday Inn Express (252 rms)  
Marriott Vacation Rentals (233 rms)  
Comfort Inn (138 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

Travelodge (122 rms)  
Motel 6 (72 rms)  
Vista (50 rms)  
Best Western (45 rms)  
Howard Johnson (37 rms)  
Rodeway Inn (34 rms)



## Submarket Profile - Downtown/Golden Gate

### Submarket Rank\*

**6** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**66%**

Trailing 4 Quarters

## Submarket Room Supply: 16,169



■ Upper-Priced, 61%  
■ Mid-Priced, 29%  
■ Lower-Priced, 9%

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.1% | -      | \$258.19 | -      | \$224.85 | -        |
| 2017     | 84.3% | -3.2%  | \$255.91 | -0.9%  | \$215.78 | -4.0%    |
| 2018     | 82.5% | -2.2%  | \$267.15 | 4.4%   | \$220.32 | 2.1%     |
| 2019     | 82.2% | -0.3%  | \$279.24 | 4.5%   | \$229.57 | 4.2%     |
| 2020     | 26.5% | -67.7% | \$215.67 | -22.8% | \$57.21  | -75.1%   |
| 1Q20 YTD | 59.4% | -24.4% | \$290.48 | -6.1%  | \$172.60 | -29.0%   |
| 1Q21 YTD | 13.5% | -77.2% | \$121.64 | -58.1% | \$16.47  | -90.5%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.3% | -      | \$279.41 | -      | \$243.95 | -        |
| 2017     | 84.1% | -3.6%  | \$278.07 | -0.5%  | \$233.95 | -4.1%    |
| 2018     | 84.1% | -0.1%  | \$291.01 | 4.7%   | \$244.69 | 4.6%     |
| 2019     | 85.7% | 1.9%   | \$303.76 | 4.4%   | \$260.20 | 6.3%     |
| 2020     | 21.4% | -75.0% | \$273.10 | -10.1% | \$58.40  | -77.6%   |
| 1Q20 YTD | 59.1% | -27.4% | \$330.59 | -3.7%  | \$195.32 | -30.2%   |
| 1Q21 YTD | 6.2%  | -89.4% | \$135.61 | -59.0% | \$8.47   | -95.7%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.0% | -      | \$231.50 | -      | \$201.43 | -        |
| 2017     | 85.4% | -1.8%  | \$230.49 | -0.4%  | \$196.91 | -2.2%    |
| 2018     | 77.0% | -9.9%  | \$234.23 | 1.6%   | \$180.24 | -8.5%    |
| 2019     | 70.6% | -8.2%  | \$246.01 | 5.0%   | \$173.79 | -3.6%    |
| 2020     | 32.2% | -54.4% | \$176.55 | -28.2% | \$56.93  | -67.2%   |
| 1Q20 YTD | 59.3% | -13.7% | \$238.35 | -8.4%  | \$141.24 | -20.9%   |
| 1Q21 YTD | 21.6% | -63.5% | \$123.87 | -48.0% | \$26.80  | -81.0%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 85.8% | -      | \$167.91 | -      | \$144.04 | -        |
| 2017     | 83.4% | -2.8%  | \$162.97 | -2.9%  | \$135.94 | -5.6%    |
| 2018     | 82.4% | -1.2%  | \$167.42 | 2.7%   | \$138.00 | 1.5%     |
| 2019     | 81.1% | -1.6%  | \$166.63 | -0.5%  | \$135.15 | -2.1%    |
| 2020     | 48.2% | -40.5% | \$104.44 | -37.3% | \$50.36  | -62.7%   |
| 1Q20 YTD | 61.8% | -21.4% | \$141.19 | -14.0% | \$87.21  | -32.4%   |
| 1Q21 YTD | 38.7% | -37.4% | \$105.95 | -25.0% | \$40.95  | -53.0%   |

Source: Kalibri Labs, Q1 2021

### Downtown/Golden Gate Construction Pipeline

| PHASE                  | UPPER-PRICED |            |             | MID-PRICED |          |             | LOWER-PRICED |            |             | UNCLASSIFIED/INDEPENDENT |          |             |
|------------------------|--------------|------------|-------------|------------|----------|-------------|--------------|------------|-------------|--------------------------|----------|-------------|
|                        | Props        | Rooms      | %SubMkt     | Props      | Rooms    | %SubMkt     | Props        | Rooms      | %SubMkt     | Props                    | Rooms    | %SubMkt     |
| Planning               | 3            | 205        | 1.3%        | 0          | 0        | 0.0%        | 1            | 143        | 0.9%        | 0                        | 0        | 0.0%        |
| Final Planning/Bidding | 0            | 0          | 0.0%        | 0          | 0        | 0.0%        | 0            | 0          | 0.0%        | 0                        | 0        | 0.0%        |
| Underway               | 2            | 424        | 2.6%        | 0          | 0        | 0.0%        | 0            | 0          | 0.0%        | 0                        | 0        | 0.0%        |
| <b>TOTAL</b>           | <b>5</b>     | <b>629</b> | <b>3.9%</b> | <b>0</b>   | <b>0</b> | <b>0.0%</b> | <b>1</b>     | <b>143</b> | <b>0.9%</b> | <b>0</b>                 | <b>0</b> | <b>0.0%</b> |

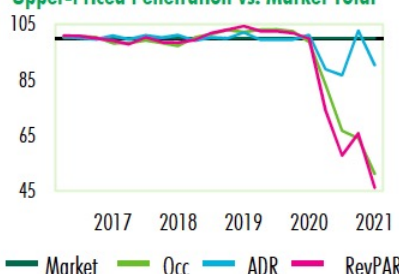
Source: Dodge, CBRE Hotels Research, Q1 2021

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR    | REVPAR |
|----------|--------|--------|--------|
| 2016     | 101.0% | 109.5% | 110.6% |
| 2017     | 99.7%  | 109.5% | 109.3% |
| 2018     | 99.7%  | 109.8% | 109.5% |
| 2019     | 101.0% | 110.4% | 111.5% |
| 2020     | 80.9%  | 119.4% | 96.6%  |
| 1Q20 YTD | 98.0%  | 114.5% | 112.2% |
| 1Q21 YTD | 56.6%  | 103.3% | 58.5%  |

Source: Kalibri Labs, Q1 2021

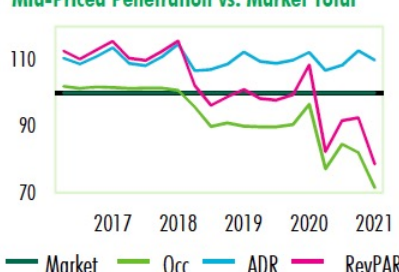
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Hilton (3489 rms)  
Westin (1195 rms)  
Grand Hyatt (662 rms)  
Fairmont (606 rms)  
Kimpton (547 rms)  
Marriott (401 rms)

### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Nikko (532 rms)  
Highgate Hotels (400 rms)  
Sonesta Hotel (372 rms)  
Viceroy (292 rms)  
Greystone Hotels (183 rms)  
Best Western Premier (114 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

Rodeway Inn (58 rms)  
Super 8 (49 rms)  
Fairbridge Inns (21 rms)



## Submarket Profile - SoMa/Financial District

### Submarket Rank\*

**5** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**81%**

Trailing 4 Quarters

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.5% | -      | \$277.23 | -      | \$242.67 | -        |
| 2017     | 86.5% | -1.2%  | \$271.90 | -1.9%  | \$235.24 | -3.1%    |
| 2018     | 83.8% | -3.2%  | \$283.43 | 4.2%   | \$237.38 | 0.9%     |
| 2019     | 79.9% | -4.5%  | \$294.59 | 3.9%   | \$235.52 | -0.8%    |
| 2020     | 28.1% | -64.8% | \$228.95 | -22.3% | \$64.44  | -72.6%   |
| 1Q20 YTD | 61.1% | -20.1% | \$317.54 | -3.9%  | \$193.92 | -23.2%   |
| 1Q21 YTD | 19.8% | -67.7% | \$135.55 | -57.3% | \$26.78  | -86.2%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 87.6% | -      | \$308.53 | -      | \$270.17 | -        |
| 2017     | 87.2% | -0.5%  | \$302.86 | -1.8%  | \$263.96 | -2.3%    |
| 2018     | 83.9% | -3.7%  | \$317.49 | 4.8%   | \$266.38 | 0.9%     |
| 2019     | 82.2% | -2.0%  | \$330.26 | 4.0%   | \$271.52 | 1.9%     |
| 2020     | 23.7% | -71.1% | \$291.68 | -11.7% | \$69.24  | -74.5%   |
| 1Q20 YTD | 59.9% | -23.1% | \$378.51 | 0.1%   | \$226.73 | -23.0%   |
| 1Q21 YTD | 13.4% | -77.6% | \$157.15 | -58.5% | \$21.08  | -90.7%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 88.2% | -      | \$232.11 | -      | \$204.83 | -        |
| 2017     | 85.5% | -3.1%  | \$230.66 | -0.6%  | \$197.15 | -3.7%    |
| 2018     | 82.3% | -3.7%  | \$242.47 | 5.1%   | \$199.59 | 1.2%     |
| 2019     | 69.1% | -16.1% | \$258.37 | 6.6%   | \$178.47 | -10.6%   |
| 2020     | 30.8% | -55.3% | \$192.23 | -25.6% | \$59.29  | -66.8%   |
| 1Q20 YTD | 63.0% | -5.5%  | \$250.73 | -9.9%  | \$158.06 | -14.9%   |
| 1Q21 YTD | 29.1% | -53.9% | \$126.59 | -49.5% | \$36.82  | -76.7%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 86.5% | -      | \$183.43 | -      | \$158.74 | -        |
| 2017     | 84.9% | -1.9%  | \$180.64 | -1.5%  | \$153.41 | -3.4%    |
| 2018     | 84.6% | -0.3%  | \$185.28 | 2.6%   | \$156.82 | 2.2%     |
| 2019     | 85.1% | 0.5%   | \$189.10 | 2.1%   | \$160.93 | 2.6%     |
| 2020     | 43.0% | -49.5% | \$119.27 | -36.9% | \$51.28  | -68.1%   |
| 1Q20 YTD | 63.3% | -23.4% | \$166.44 | -13.8% | \$105.32 | -34.0%   |
| 1Q21 YTD | 40.6% | -35.8% | \$100.79 | -39.4% | \$40.96  | -61.1%   |

Source: Kalibri Labs, Q1 2021

### SoMa/Financial District Construction Pipeline

| PHASE                  | UPPER-PRICED |              |              | MID-PRICED |          |             | LOWER-PRICED |          |             | UNCLASSIFIED/INDEPENDENT |            |             |
|------------------------|--------------|--------------|--------------|------------|----------|-------------|--------------|----------|-------------|--------------------------|------------|-------------|
|                        | Props        | Rooms        | %SubMkt      | Props      | Rooms    | %SubMkt     | Props        | Rooms    | %SubMkt     | Props                    | Rooms      | %SubMkt     |
| Planning               | 7            | 1,467        | 12.2%        | 0          | 0        | 0.0%        | 0            | 0        | 0.0%        | 3                        | 568        | 4.7%        |
| Final Planning/Bidding | 4            | 668          | 5.6%         | 0          | 0        | 0.0%        | 0            | 0        | 0.0%        | 0                        | 0          | 0.0%        |
| Underway               | 1            | 299          | 2.5%         | 0          | 0        | 0.0%        | 0            | 0        | 0.0%        | 0                        | 0          | 0.0%        |
| <b>TOTAL</b>           | <b>12</b>    | <b>2,434</b> | <b>20.3%</b> | <b>0</b>   | <b>0</b> | <b>0.0%</b> | <b>0</b>     | <b>0</b> | <b>0.0%</b> | <b>3</b>                 | <b>568</b> | <b>4.7%</b> |

Source: Dodge, CBRE Hotels Research, Q1 2021

## Submarket Room Supply: 11,991



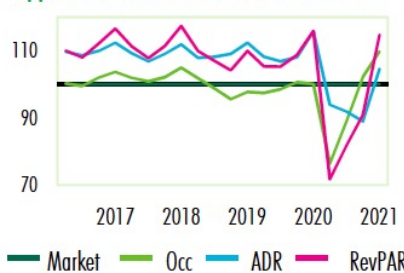
■ Upper-Priced, 63%  
■ Mid-Priced, 24%  
■ Lower-Priced, 13%

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR    | REVPAR |
|----------|--------|--------|--------|
| 2016     | 101.5% | 117.6% | 119.4% |
| 2017     | 102.4% | 116.4% | 119.1% |
| 2018     | 101.3% | 116.5% | 118.0% |
| 2019     | 98.2%  | 116.4% | 114.4% |
| 2020     | 85.8%  | 126.7% | 108.8% |
| 1Q20 YTD | 100.7% | 125.1% | 126.0% |
| 1Q21 YTD | 82.6%  | 115.1% | 95.1%  |

Source: Kalibri Labs, Q1 2021

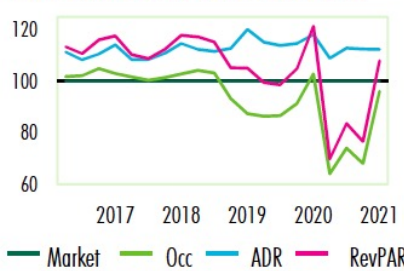
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Marriott (1500 rms)  
Hyatt Regency (804 rms)  
Sheraton Hotel (681 rms)  
Luxury Collection (556 rms)  
InterContinental (550 rms)  
Preferred (460 rms)

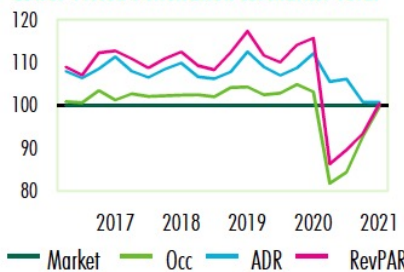
### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Courtyard (410 rms)  
Viceroy (318 rms)  
Hyatt Place (230 rms)  
Yotel (203 rms)  
Hampton Inn (174 rms)  
Greystone Hotels (62 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

The Park (681 rms)  
Travelodge (80 rms)  
Signature Inn (34 rms)  
Americas Best Value Inn (33 rms)



## Submarket Profile - San Francisco South/SFO Airport

### Submarket Rank\*

**3** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**128%**

Trailing 4 Quarters

Submarket Room Supply: **9,629**



■ Upper-Priced, 34%  
■ Mid-Priced, 49%  
■ Lower-Priced, 16%

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 86.5% | -      | \$184.96 | -      | \$159.99 | -        |
| 2017     | 85.3% | -1.4%  | \$184.24 | -0.4%  | \$157.16 | -1.8%    |
| 2018     | 85.3% | 0.0%   | \$188.63 | 2.4%   | \$160.92 | 2.4%     |
| 2019     | 86.2% | 1.1%   | \$196.13 | 4.0%   | \$169.09 | 5.1%     |
| 2020     | 41.6% | -51.8% | \$132.79 | -32.3% | \$55.22  | -67.3%   |
| 1Q20 YTD | 64.6% | -22.9% | \$180.06 | -8.7%  | \$116.31 | -29.6%   |
| 1Q21 YTD | 36.7% | -43.2% | \$101.65 | -43.5% | \$37.27  | -68.0%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 88.2% | -      | \$209.12 | -      | \$184.45 | -        |
| 2017     | 89.1% | 1.0%   | \$209.21 | 0.0%   | \$186.37 | 1.0%     |
| 2018     | 88.7% | -0.5%  | \$210.68 | 0.7%   | \$186.80 | 0.2%     |
| 2019     | 90.2% | 1.7%   | \$226.43 | 7.5%   | \$204.26 | 9.3%     |
| 2020     | 33.9% | -62.4% | \$175.66 | -22.4% | \$59.59  | -70.8%   |
| 1Q20 YTD | 67.4% | -24.0% | \$220.55 | -2.2%  | \$148.66 | -25.7%   |
| 1Q21 YTD | 25.1% | -62.7% | \$122.64 | -44.4% | \$30.81  | -79.3%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 85.7% | -      | \$177.67 | -      | \$152.19 | -        |
| 2017     | 83.8% | -2.1%  | \$177.65 | 0.0%   | \$148.92 | -2.2%    |
| 2018     | 84.2% | 0.5%   | \$184.40 | 3.8%   | \$155.27 | 4.3%     |
| 2019     | 84.4% | 0.2%   | \$188.31 | 2.1%   | \$158.88 | 2.3%     |
| 2020     | 44.7% | -47.0% | \$124.40 | -33.9% | \$55.61  | -65.0%   |
| 1Q20 YTD | 64.0% | -22.0% | \$168.34 | -13.0% | \$107.82 | -32.1%   |
| 1Q21 YTD | 41.3% | -35.4% | \$96.77  | -42.5% | \$40.01  | -62.9%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 85.8% | -      | \$159.83 | -      | \$137.12 | -        |
| 2017     | 82.7% | -3.6%  | \$155.12 | -2.9%  | \$128.26 | -6.5%    |
| 2018     | 82.6% | -0.1%  | \$159.56 | 2.9%   | \$131.80 | 2.8%     |
| 2019     | 84.0% | 1.7%   | \$157.19 | -1.5%  | \$132.00 | 0.2%     |
| 2020     | 47.4% | -43.6% | \$96.14  | -38.8% | \$45.57  | -65.5%   |
| 1Q20 YTD | 60.7% | -24.4% | \$128.61 | -16.3% | \$78.12  | -36.7%   |
| 1Q21 YTD | 45.4% | -25.2% | \$91.95  | -28.5% | \$41.78  | -46.5%   |

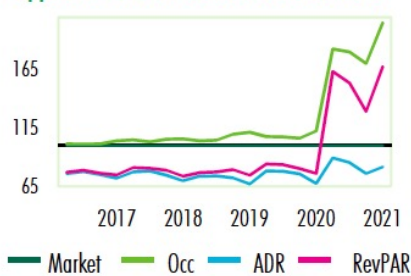
Source: Kalibri Labs, Q1 2021

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR   | REVPAR |
|----------|--------|-------|--------|
| 2016     | 100.3% | 78.5% | 78.7%  |
| 2017     | 100.9% | 78.9% | 79.6%  |
| 2018     | 103.2% | 77.5% | 80.0%  |
| 2019     | 105.9% | 77.5% | 82.1%  |
| 2020     | 126.8% | 73.5% | 93.2%  |
| 1Q20 YTD | 106.5% | 71.0% | 75.6%  |
| 1Q21 YTD | 153.4% | 86.3% | 132.4% |

Source: Kalibri Labs, Q1 2021

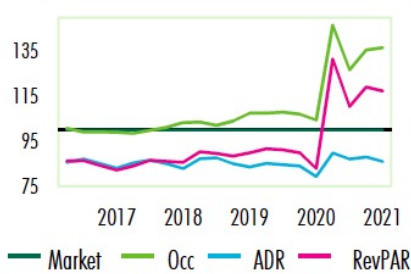
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Hyatt Regency (789 rms)  
Marriott (688 rms)  
Embassy Suites (652 rms)  
Hilton (400 rms)  
Westin (397 rms)  
Grand Hyatt (351 rms)

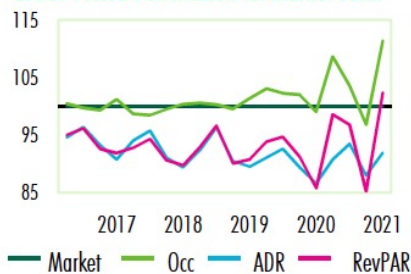
### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Doubletree (605 rms)  
Courtyard (345 rms)  
Crowne Plaza (309 rms)  
Hilton Garden Inn (301 rms)  
aloft Hotel (298 rms)  
Holiday Inn Express (273 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

Red Roof Plus+ (213 rms)  
Travelodge (200 rms)  
Trademark Collection (97 rms)  
Vagabond Inn (90 rms)  
Ramada (61 rms)  
Super 8 (52 rms)

## San Francisco South/SFO Airport Construction Pipeline

| PHASE                  | UPPER-PRICED |          |             | MID-PRICED |            |             | LOWER-PRICED |           |             | UNCLASSIFIED/INDEPENDENT |            |             |
|------------------------|--------------|----------|-------------|------------|------------|-------------|--------------|-----------|-------------|--------------------------|------------|-------------|
|                        | Props        | Rooms    | %SubMkt     | Props      | Rooms      | %SubMkt     | Props        | Rooms     | %SubMkt     | Props                    | Rooms      | %SubMkt     |
| Planning               | 0            | 0        | 0.0%        | 2          | 349        | 3.6%        | 1            | 12        | 0.1%        | 2                        | 435        | 4.5%        |
| Final Planning/Bidding | 0            | 0        | 0.0%        | 0          | 0          | 0.0%        | 0            | 0         | 0.0%        | 0                        | 0          | 0.0%        |
| Underway               | 0            | 0        | 0.0%        | 2          | 292        | 3.0%        | 0            | 0         | 0.0%        | 0                        | 0          | 0.0%        |
| <b>TOTAL</b>           | <b>0</b>     | <b>0</b> | <b>0.0%</b> | <b>4</b>   | <b>641</b> | <b>6.7%</b> | <b>1</b>     | <b>12</b> | <b>0.1%</b> | <b>2</b>                 | <b>435</b> | <b>4.5%</b> |

Source: Dodge, CBRE Hotels Research, Q1 2021



## Submarket Profile - San Mateo/San Carlos

### Submarket Rank\*

**2** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**151%**

Trailing 4 Quarters

Submarket Room Supply: **6,742**



■ Upper-Priced, 27%  
■ Mid-Priced, 50%  
■ Lower-Priced, 24%

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 81.9% | -      | \$215.13 | -      | \$176.08 | -        |
| 2017     | 80.5% | -1.7%  | \$218.32 | 1.5%   | \$175.65 | -0.2%    |
| 2018     | 78.0% | -3.0%  | \$236.86 | 8.5%   | \$184.81 | 5.2%     |
| 2019     | 75.5% | -3.2%  | \$243.21 | 2.7%   | \$183.61 | -0.7%    |
| 2020     | 37.8% | -49.9% | \$171.41 | -29.5% | \$64.79  | -64.7%   |
| 1Q20 YTD | 57.2% | -21.7% | \$227.64 | -6.2%  | \$130.14 | -26.6%   |
| 1Q21 YTD | 31.1% | -45.5% | \$123.01 | -46.0% | \$38.30  | -70.6%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 79.6% | -      | \$314.64 | -      | \$250.33 | -        |
| 2017     | 78.9% | -0.8%  | \$319.23 | 1.5%   | \$251.92 | 0.6%     |
| 2018     | 70.5% | -10.7% | \$370.15 | 15.9%  | \$260.93 | 3.6%     |
| 2019     | 63.9% | -9.4%  | \$397.84 | 7.5%   | \$254.05 | -2.6%    |
| 2020     | 23.9% | -62.6% | \$372.23 | -6.4%  | \$88.86  | -65.0%   |
| 1Q20 YTD | 49.7% | -18.0% | \$369.81 | -5.2%  | \$183.91 | -22.3%   |
| 1Q21 YTD | 11.3% | -77.3% | \$311.44 | -15.8% | \$35.11  | -80.9%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 81.0% | -      | \$196.88 | -      | \$159.44 | -        |
| 2017     | 80.4% | -0.7%  | \$204.60 | 3.9%   | \$164.50 | 3.2%     |
| 2018     | 80.7% | 0.4%   | \$210.45 | 2.9%   | \$169.90 | 3.3%     |
| 2019     | 79.5% | -1.6%  | \$215.34 | 2.3%   | \$171.12 | 0.7%     |
| 2020     | 40.1% | -49.5% | \$146.25 | -32.1% | \$58.67  | -65.7%   |
| 1Q20 YTD | 60.5% | -22.5% | \$207.50 | -6.1%  | \$125.55 | -27.2%   |
| 1Q21 YTD | 35.0% | -42.2% | \$112.28 | -45.9% | \$39.25  | -68.7%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 84.7% | -      | \$168.49 | -      | \$142.79 | -        |
| 2017     | 81.7% | -3.6%  | \$165.31 | -1.9%  | \$135.05 | -5.4%    |
| 2018     | 80.1% | -2.0%  | \$178.49 | 8.0%   | \$142.96 | 5.9%     |
| 2019     | 79.0% | -1.4%  | \$179.15 | 0.4%   | \$141.54 | -1.0%    |
| 2020     | 46.4% | -41.3% | \$116.16 | -35.2% | \$53.84  | -62.0%   |
| 1Q20 YTD | 57.9% | -23.3% | \$154.21 | -11.3% | \$89.35  | -31.9%   |
| 1Q21 YTD | 41.1% | -29.0% | \$95.83  | -37.9% | \$39.41  | -55.9%   |

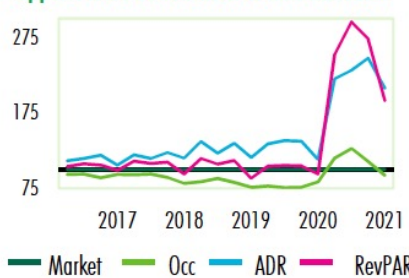
Source: Kalibri Labs, Q1 2021

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR    | REVPAR |
|----------|--------|--------|--------|
| 2016     | 94.9%  | 91.3%  | 86.6%  |
| 2017     | 95.2%  | 93.4%  | 88.9%  |
| 2018     | 94.4%  | 97.3%  | 91.9%  |
| 2019     | 92.7%  | 96.1%  | 89.2%  |
| 2020     | 115.3% | 94.9%  | 109.4% |
| 1Q20 YTD | 94.3%  | 89.7%  | 84.6%  |
| 1Q21 YTD | 130.3% | 104.4% | 136.1% |

Source: Kalibri Labs, Q1 2021

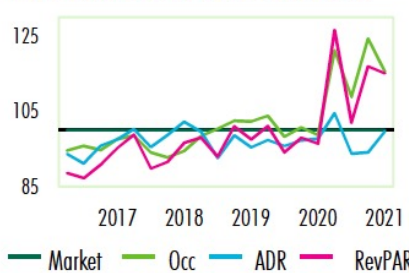
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Marriott (476 rms)  
Ritz-Carlton (261 rms)  
Autograph Collection (250 rms)  
Four Seasons (200 rms)  
Rosewood (121 rms)

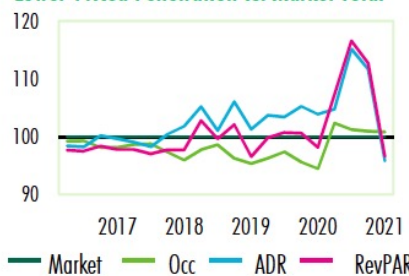
### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Residence Inn (502 rms)  
Pullman Hotels and Resorts (421 rms)  
Crowne Plaza (350 rms)  
Courtyard (315 rms)  
TownePlace Suites (216 rms)  
Holiday Inn (172 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

Extended Stay America (361 rms)  
Motel 6 (263 rms)  
Best Western (130 rms)  
Good Nite Inn (126 rms)  
Days Inn (68 rms)  
Quality Inn (54 rms)

## San Mateo/San Carlos Construction Pipeline

| PHASE                  | UPPER-PRICED |            |             | MID-PRICED |            |             | LOWER-PRICED |           |             | UNCLASSIFIED/INDEPENDENT |            |             |
|------------------------|--------------|------------|-------------|------------|------------|-------------|--------------|-----------|-------------|--------------------------|------------|-------------|
|                        | Props        | Rooms      | %SubMkt     | Props      | Rooms      | %SubMkt     | Props        | Rooms     | %SubMkt     | Props                    | Rooms      | %SubMkt     |
| Planning               | 3            | 499        | 7.4%        | 2          | 180        | 2.7%        | 1            | 97        | 1.4%        | 3                        | 459        | 6.8%        |
| Final Planning/Bidding | 0            | 0          | 0.0%        | 1          | 179        | 2.7%        | 0            | 0         | 0.0%        | 0                        | 0          | 0.0%        |
| Underway               | 0            | 0          | 0.0%        | 2          | 249        | 3.7%        | 0            | 0         | 0.0%        | 0                        | 0          | 0.0%        |
| <b>TOTAL</b>           | <b>3</b>     | <b>499</b> | <b>7.4%</b> | <b>5</b>   | <b>608</b> | <b>9.0%</b> | <b>1</b>     | <b>97</b> | <b>1.4%</b> | <b>3</b>                 | <b>459</b> | <b>6.8%</b> |

Source: Dodge, CBRE Hotels Research, Q1 2021



## Submarket Profile - Mill Valley/San Rafael

### Submarket Rank\*

**1** out of 6

\*Based on RevPAR change over the last 4 quarters.

### RevPAR Penetration

**163%**

Trailing 4 Quarters

Submarket Room Supply: **2,262**



■ Upper-Priced, 23%  
■ Mid-Priced, 52%  
■ Lower-Priced, 25%

### Submarket Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 82.5% | -      | \$189.49 | -      | \$156.25 | -        |
| 2017     | 81.7% | -0.9%  | \$190.14 | 0.3%   | \$155.39 | -0.6%    |
| 2018     | 79.2% | -3.1%  | \$188.58 | -0.8%  | \$149.37 | -3.9%    |
| 2019     | 79.0% | -0.3%  | \$194.80 | 3.3%   | \$153.88 | 3.0%     |
| 2020     | 42.9% | -45.7% | \$136.43 | -30.0% | \$58.53  | -62.0%   |
| 1Q20 YTD | 57.0% | -23.4% | \$177.29 | -6.8%  | \$101.01 | -28.6%   |
| 1Q21 YTD | 41.3% | -27.5% | \$116.35 | -34.4% | \$48.04  | -52.4%   |

Source: Kalibri Labs, Q1 2021

### Upper-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 86.6% | -      | \$228.09 | -      | \$197.62 | -        |
| 2017     | 85.2% | -1.6%  | \$225.54 | -1.1%  | \$192.22 | -2.7%    |
| 2018     | 81.8% | -4.1%  | \$235.54 | 4.4%   | \$192.56 | 0.2%     |
| 2019     | 78.1% | -4.5%  | \$246.31 | 4.6%   | \$192.31 | -0.1%    |
| 2020     | 35.5% | -54.5% | \$179.67 | -27.1% | \$63.86  | -66.8%   |
| 1Q20 YTD | 54.5% | -31.5% | \$247.67 | -0.9%  | \$135.06 | -32.1%   |
| 1Q21 YTD | 22.6% | -58.6% | \$142.32 | -42.5% | \$32.16  | -76.2%   |

Source: Kalibri Labs, Q1 2021

### Mid-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 80.5% | -      | \$190.46 | -      | \$153.34 | -        |
| 2017     | 80.3% | -0.3%  | \$193.24 | 1.5%   | \$155.18 | 1.2%     |
| 2018     | 77.0% | -4.1%  | \$189.01 | -2.2%  | \$145.52 | -6.2%    |
| 2019     | 77.9% | 1.2%   | \$195.40 | 3.4%   | \$152.19 | 4.6%     |
| 2020     | 39.8% | -48.9% | \$142.73 | -27.0% | \$56.78  | -62.7%   |
| 1Q20 YTD | 54.4% | -22.8% | \$177.34 | -5.5%  | \$96.53  | -27.0%   |
| 1Q21 YTD | 45.1% | -17.1% | \$114.29 | -35.6% | \$51.56  | -46.6%   |

Source: Kalibri Labs, Q1 2021

### Lower-Priced Hotels Performance

| YEAR     | OCC   | Δ OCC  | ADR      | Δ ADR  | REVPAR   | Δ REVPAR |
|----------|-------|--------|----------|--------|----------|----------|
| 2016     | 83.4% | -      | \$153.41 | -      | \$128.00 | -        |
| 2017     | 82.1% | -1.6%  | \$151.95 | -0.9%  | \$124.70 | -2.6%    |
| 2018     | 82.2% | 0.2%   | \$148.34 | -2.4%  | \$121.97 | -2.2%    |
| 2019     | 82.3% | 0.1%   | \$152.80 | 3.0%   | \$125.75 | 3.1%     |
| 2020     | 56.5% | -31.3% | \$102.79 | -32.7% | \$58.09  | -53.8%   |
| 1Q20 YTD | 64.8% | -18.1% | \$127.87 | -12.1% | \$82.90  | -28.0%   |
| 1Q21 YTD | 49.0% | -24.3% | \$110.30 | -13.7% | \$54.10  | -34.7%   |

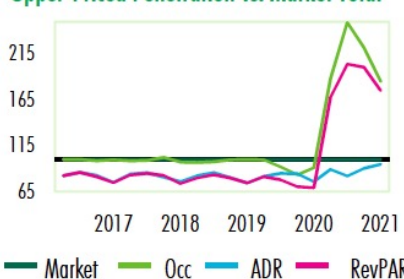
Source: Kalibri Labs, Q1 2021

### Submarket Penetration vs. Market Total

| YEAR     | OCC    | ADR   | REVPAR |
|----------|--------|-------|--------|
| 2016     | 95.6%  | 80.4% | 76.9%  |
| 2017     | 96.7%  | 81.4% | 78.7%  |
| 2018     | 95.8%  | 77.5% | 74.2%  |
| 2019     | 97.0%  | 77.0% | 74.7%  |
| 2020     | 130.8% | 75.5% | 98.8%  |
| 1Q20 YTD | 94.0%  | 69.9% | 65.6%  |
| 1Q21 YTD | 172.7% | 98.8% | 170.7% |

Source: Kalibri Labs, Q1 2021

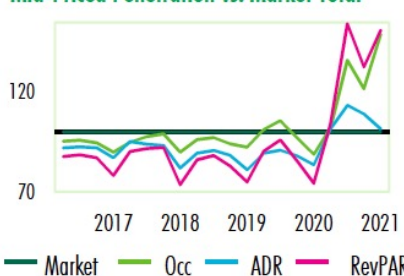
### Upper-Priced Penetration vs. Market Total



### TOP BRANDS

Embassy Suites (236 rms)  
LVX (142 rms)

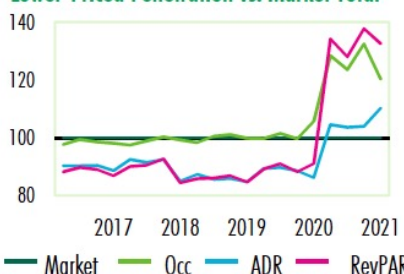
### Mid-Priced Penetration vs. Market Total



### TOP BRANDS

Courtyard (282 rms)  
Four Points (235 rms)  
Best Western Plus (108 rms)  
Holiday Inn Express (100 rms)  
Ascend (70 rms)

### Lower-Priced Penetration vs. Market Total



### TOP BRANDS

Extended Stay America (112 rms)  
Best Western (110 rms)  
Motel 6 (69 rms)  
Travelodge (57 rms)  
Days Inn (56 rms)  
Americas Best Value Inn (55 rms)

## Mill Valley/San Rafael Construction Pipeline

| PHASE                  | UPPER-PRICED |          |             | MID-PRICED |            |              | LOWER-PRICED |          |             | UNCLASSIFIED/INDEPENDENT |          |             |
|------------------------|--------------|----------|-------------|------------|------------|--------------|--------------|----------|-------------|--------------------------|----------|-------------|
|                        | Props        | Rooms    | %SubMkt     | Props      | Rooms      | %SubMkt      | Props        | Rooms    | %SubMkt     | Props                    | Rooms    | %SubMkt     |
| Planning               | 0            | 0        | 0.0%        | 2          | 287        | 12.7%        | 0            | 0        | 0.0%        | 0                        | 0        | 0.0%        |
| Final Planning/Bidding | 0            | 0        | 0.0%        | 0          | 0          | 0.0%         | 0            | 0        | 0.0%        | 0                        | 0        | 0.0%        |
| Underway               | 0            | 0        | 0.0%        | 2          | 227        | 10.0%        | 0            | 0        | 0.0%        | 0                        | 0        | 0.0%        |
| <b>TOTAL</b>           | <b>0</b>     | <b>0</b> | <b>0.0%</b> | <b>4</b>   | <b>514</b> | <b>22.7%</b> | <b>0</b>     | <b>0</b> | <b>0.0%</b> | <b>0</b>                 | <b>0</b> | <b>0.0%</b> |

Source: Dodge, CBRE Hotels Research, Q1 2021

# PROFORMA

## Daly City Boutique Full Service Hotel

## PROPOSED - 1837 JUNIPERO SERRA BLVD HOTEL DEVELOPMENT

| YEAR                                       | YEAR 1<br>YEAR ENDING   | YEAR 2<br>YEAR ENDING   | YEAR 3<br>YEAR ENDING   | YEAR 4<br>YEAR ENDING   | YEAR 5<br>YEAR ENDING   |
|--------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ROOMS                                      | 200                     | 200                     | 200                     | 200                     | 200                     |
| DAYS                                       | 365                     | 365                     | 365                     | 365                     | 365                     |
| AVAILABLE ROOMS                            | 116,800                 | 120,450                 | 122,275                 | 124,100                 | 125,925                 |
| OCCUPIED ROOMS                             | 93,440                  | 102,383                 | 110,048                 | 117,895                 | 113,333                 |
| OCCUPANCY                                  | 85 %                    | 88 %                    | 90 %                    | 95 %                    | 92 %                    |
| ADR                                        | \$ 320.00               | \$ 330.00               | \$ 335.00               | \$ 340.00               | \$ 345.00               |
| ADR GROWTH                                 | 0 %                     | 5 %                     | 5 %                     | 5 %                     | 5 %                     |
| REVPAR                                     | \$ 256.00               | \$ 280.50               | \$ 301.50               | \$ 340.00               | \$ 345.00               |
| REVPAR GROWTH                              | N/A                     | 8 %                     | 8 %                     | 8 %                     | 8 %                     |
| TREVPAR                                    |                         |                         |                         |                         |                         |
| TREVPAR GROWTH                             |                         |                         |                         |                         |                         |
| <b>DEPARTMENTAL REVENUES</b>               |                         |                         |                         |                         |                         |
| ROOMS                                      | \$ 29,900,800.00        | \$ 33,786,225.00        | \$ 36,865,912.50        | \$ 40,084,300.00        | \$ 39,099,712.50        |
| LOBBY BAR/COFFEE/MARKET                    | \$ 8,970,240.00         | \$ 10,135,867.50        | \$ 11,059,773.75        | \$ 12,025,290.00        | \$ 11,729,913.75        |
| FOOD & BEVERAGE                            | \$ 11,960,320.00        | \$ 15,203,801.25        | \$ 16,589,660.63        | \$ 16,033,720.00        | \$ 17,594,870.63        |
| PARKING                                    | \$ 1,168,000.00         | \$ 1,279,781.25         | \$ 1,375,593.75         | \$ 1,473,687.50         | \$ 1,416,656.25         |
| <b>TOTAL REVENUE</b>                       | <b>\$ 51,999,360.00</b> | <b>\$ 60,405,675.00</b> | <b>\$ 65,890,940.63</b> | <b>\$ 69,616,997.50</b> | <b>\$ 69,841,153.13</b> |
| <b>DEPARTMENTAL EXPENSE</b>                |                         |                         |                         |                         |                         |
| ROOMS                                      | \$ 5,980,160.00         | \$ 6,757,245.00         | \$ 7,373,182.50         | \$ 8,016,860.00         | \$ 7,819,942.50         |
| LOBBY BAR/COFFEE/MARKET                    | \$ 2,242,560.00         | \$ 2,533,966.88         | \$ 2,764,943.44         | \$ 3,006,322.50         | \$ 2,932,478.44         |
| FOOD & BEVERAGE                            | \$ 4,784,128.00         | \$ 6,081,520.50         | \$ 6,635,864.25         | \$ 6,413,488.00         | \$ 7,037,948.25         |
| OTHER OPERATED DEPARTMENTS                 | \$ 46,720.00            | \$ 51,191.25            | \$ 55,023.75            | \$ 58,947.50            | \$ 56,666.25            |
| TOTAL DEPARTMENT EXPENSES                  | \$ 4,485,120.00         | \$ 5,067,933.75         | \$ 5,529,886.88         | \$ 6,012,645.00         | \$ 5,864,956.88         |
| <b>DEPARTMENTAL PROFIT</b>                 | <b>\$ 47,514,240.00</b> | <b>\$ 55,337,741.25</b> | <b>\$ 60,361,053.75</b> | <b>\$ 63,604,352.50</b> | <b>\$ 63,976,196.25</b> |
| <b>UNDISTRIBUTED EXPENSES</b>              |                         |                         |                         |                         |                         |
| ADMIN & GENERAL                            | \$ 1,495,040.00         | \$ 1,689,311.25         | \$ 1,843,295.63         | \$ 2,004,215.00         | \$ 1,954,985.63         |
| INFORMATION & TELECOMMUNICATIONS SYSTEMS   | \$ 1,495,040.00         | \$ 1,689,311.25         | \$ 1,843,295.63         | \$ 2,004,215.00         | \$ 1,954,985.63         |
| SALES & MARKETING                          | \$ 897,024.00           | \$ 1,013,586.75         | \$ 1,105,977.38         | \$ 1,202,529.00         | \$ 1,172,991.38         |
| PROP. OP & MAINTENANCE                     | \$ 2,990,080.00         | \$ 3,378,622.50         | \$ 3,686,591.25         | \$ 4,008,430.00         | \$ 3,909,971.25         |
| UTILITIES                                  | \$ 1,794,048.00         | \$ 2,027,173.50         | \$ 2,211,954.75         | \$ 2,405,058.00         | \$ 2,345,982.75         |
| TOTAL UNDISTRIBUTED EXPENSE                | \$ 8,671,232.00         | \$ 9,798,005.25         | \$ 10,691,114.63        | \$ 11,624,447.00        | \$ 11,338,916.63        |
| <b>GROSS OPERATING PROFIT</b>              | <b>\$ 38,843,008.00</b> | <b>\$ 45,539,736.00</b> | <b>\$ 49,669,939.13</b> | <b>\$ 51,979,905.50</b> | <b>\$ 52,637,279.63</b> |
| MANAGEMENT FEE 5%                          | \$ 1,942,150.40         | \$ 2,276,986.80         | \$ 2,483,496.96         | \$ 2,598,995.28         | \$ 2,631,863.98         |
| <b>INCOME BEFORE FIXED EXPENSES</b>        | <b>\$ 36,900,857.60</b> | <b>\$ 43,262,749.20</b> | <b>\$ 47,186,442.17</b> | <b>\$ 49,380,910.23</b> | <b>\$ 50,005,415.64</b> |
| <b>FIXED EXPENSES</b>                      |                         |                         |                         |                         |                         |
| PROPERTY TAXES 1.12%                       | \$ 16,800.00            | \$ 420,000.00           | \$ 840,000.00           | \$ 840,000.00           | \$ 840,000.00           |
| INSURANCE .5%                              | \$ 7,500.00             | \$ 350,000.00           | \$ 350,000.00           | \$ 350,000.00           | \$ 350,000.00           |
| TOT Tax 14%                                | \$ 4,186,112.00         | \$ 4,730,071.50         | \$ 5,161,227.75         | \$ 5,611,802.00         | \$ 5,473,959.75         |
| <b>LEASE &amp; RENTAL PARKING EXPENSES</b> |                         |                         |                         |                         |                         |
| <b>TOTAL FIXED EXPENSES</b>                | <b>\$ 4,210,412.00</b>  | <b>\$ 5,500,071.50</b>  | <b>\$ 6,351,227.75</b>  | <b>\$ 6,801,802.00</b>  | <b>\$ 6,663,959.75</b>  |



## PROFORMA CONTINUATION

| YEAR 6<br>YEAR ENDING       | YEAR 7<br>YEAR ENDING   | YEAR 8<br>YEAR ENDING   | YEAR 9<br>YEAR ENDING   | YEAR 10<br>YEAR ENDING   |
|-----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| 200                         | 200                     | 200                     | 200                     | 200                      |
| 365                         | 365                     | 365                     | 365                     | 365                      |
| 127,750                     | 129,575                 | 133,225                 | 136,875                 | 140,525                  |
| 121,363                     | 116,618                 | 126,564                 | 123,188                 | 133,499                  |
| 95 %                        | 90 %                    | 96 %                    | 96 %                    | 95 %                     |
| \$ 350.00                   | \$ 355.00               | \$ 365.00               | \$ 375.00               | \$ 385.00                |
| 5 %                         | 5 %                     | 5 %                     | 5 %                     | 5 %                      |
| \$ 350.00                   | \$ 355.00               | \$ 365.00               | \$ 375.00               | \$ 385.00                |
| 8 %                         | 8 %                     | 8 %                     | 8 %                     | 8 %                      |
|                             |                         |                         |                         |                          |
| \$ 42,476,875.00            | \$ 41,399,212.50        | \$ 46,195,768.75        | \$ 46,195,312.50        | \$ 51,397,018.75         |
| \$ 12,743,062.50            | \$ 12,419,763.75        | \$ 23,097,884.38        | \$ 23,097,656.25        | \$ 25,698,509.38         |
| \$ 19,114,593.75            | \$ 18,629,645.63        | \$ 20,788,095.94        | \$ 20,787,890.63        | \$ 23,128,658.44         |
| \$ 1,517,031.25             | \$ 1,457,718.75         | \$ 1,582,046.88         | \$ 1,539,843.75         | \$ 1,668,734.38          |
| AC Hotel San Jose           | <b>\$73,906,340.63</b>  | <b>\$91,663,795.94</b>  | <b>\$91,620,703.13</b>  | <b>\$ 101,892,920.94</b> |
| AC Hotel Downtown Dallas TX |                         |                         |                         |                          |
| Residence Inn Miami FL      | \$ 8,279,842.50         | \$ 9,239,153.75         | \$ 9,239,062.50         | \$ 10,279,403.75         |
| \$ 3,185,765.63             | \$ 3,104,940.94         | \$ 5,774,471.09         | \$ 5,774,414.06         | \$ 6,424,627.34          |
| \$ 7,645,837.50             | \$ 7,451,858.25         | \$ 8,315,238.38         | \$ 8,315,156.25         | \$ 9,251,463.38          |
| \$ 60,681.25                | \$ 58,308.75            | \$ 63,281.88            | \$ 61,593.75            | \$ 66,749.38             |
| \$ 6,371,531.25             | \$ 6,209,881.88         | \$ 6,929,365.31         | \$ 6,929,296.88         | \$ 7,709,552.81          |
| <b>#VALUE!</b>              | <b>\$67,696,458.75</b>  | <b>\$84,734,430.63</b>  | <b>\$84,691,406.25</b>  | <b>\$ 94,183,368.13</b>  |
| \$ 2,123,843.75             | \$ 2,069,960.63         | \$ 2,309,788.44         | \$ 2,309,765.63         | \$ 2,569,850.94          |
| \$ 2,123,843.75             | \$ 2,069,960.63         | \$ 2,309,788.44         | \$ 2,309,765.63         | \$ 2,569,850.94          |
| \$ 1,274,306.25             | \$ 1,241,976.38         | \$ 1,385,873.06         | \$ 1,385,859.38         | \$ 1,541,910.56          |
| \$ 4,247,687.50             | \$ 4,139,921.25         | \$ 4,619,576.88         | \$ 4,619,531.25         | \$ 5,139,701.88          |
| \$ 2,548,612.50             | \$ 2,483,952.75         | \$ 2,771,746.13         | \$ 2,771,718.75         | \$ 3,083,821.13          |
| \$ 12,318,293.75            | \$ 12,005,771.63        | \$ 13,396,772.94        | \$ 13,396,640.63        | \$ 14,905,135.44         |
| <b>#VALUE!</b>              | <b>\$ 55,690,687.13</b> | <b>\$ 71,337,657.69</b> | <b>\$ 71,294,765.63</b> | <b>\$ 79,278,232.69</b>  |
| <b>#VALUE!</b>              | <b>\$2,784,534.36</b>   | <b>\$3,566,882.88</b>   | <b>\$3,564,738.28</b>   | <b>\$3,963,911.63</b>    |
| <b>#VALUE!</b>              | <b>\$ 52,906,152.77</b> | <b>\$ 67,770,774.80</b> | <b>\$ 67,730,027.34</b> | <b>\$ 75,314,321.05</b>  |
| \$ 840,000.00               | \$ 840,000.00           | \$ 840,000.00           | \$ 840,000.00           | \$ 840,000.00            |
| \$ 350,000.00               | \$ 350,000.00           | \$ 350,000.00           | \$ 350,000.00           | \$ 350,000.00            |
| \$ 5,946,762.50             | \$ 5,795,889.75         | \$ 6,467,407.63         | \$ 6,467,343.75         | \$ 7,195,582.63          |
| \$ 7,136,762.50             | \$ 6,985,889.75         | \$ 7,657,407.63         | \$ 7,657,343.75         | \$ 8,385,582.63          |



# DEVELOPMENT COST ANALYSIS

| ITEM                                       | ASSUMPTIONS | AMOUNT                 | \$\$/KEY            | NOTES |
|--------------------------------------------|-------------|------------------------|---------------------|-------|
| LAND COST                                  | 1.26 acres  | \$1,500,000.00         | \$7,500.00          |       |
|                                            |             | \$0.00                 |                     |       |
| <b>TOTAL LAND COST:</b>                    |             | <b>\$1,500,000.00</b>  | <b>\$7,500.00</b>   |       |
| ROOM COUNT                                 | 200         |                        |                     |       |
| HARD COSTS                                 |             |                        |                     |       |
| Shell Cost including sales taxes           |             | \$42,000,000.00        | \$210,000.00        |       |
| Impact Fees/SWPPP                          |             | \$500,000.00           | \$2,500.00          |       |
| Sanitary and Water Tap Fees                |             | \$350,000.00           | \$1,750.00          |       |
| Sitework/demo clean up                     |             | \$300,000.00           | \$1,500.00          |       |
| Spa & Fitness Center                       |             | \$1,200,000.00         | \$6,000.00          |       |
| Waterproofing and thermal                  |             | \$125,000.00           | \$625.00            |       |
| Fire Life Safety                           |             | \$375,000.00           | \$1,875.00          |       |
| Steel Doors and Windows                    |             | \$975,000.00           | \$4,875.00          |       |
| Porte Cochere/Courtyard                    |             | \$225,000.00           | \$1,125.00          |       |
| Electrical, Low voltage, generator         |             | \$985,000.00           | \$4,925.00          |       |
| Elevator x2                                |             | \$500,000.00           | \$2,500.00          |       |
| BOH Back of House & 2 restrooms            |             | \$300,000.00           | \$1,500.00          |       |
| MEP and Fire Protection                    |             | \$1,750,000.00         | \$8,750.00          |       |
| Interior Finishes, Minimal Drywall, Ston   |             | \$1,775,000.00         | \$8,875.00          |       |
| Kitchen                                    |             | \$550,000.00           | \$2,750.00          |       |
| Lobby & lounge bar                         |             | \$1,500,000.00         | \$7,500.00          |       |
| Public Restrooms                           |             | \$500,000.00           | \$2,500.00          |       |
| Landscaping                                |             | \$200,000.00           | \$1,000.00          |       |
| Connecting Walkway to Bart Station         |             | \$500,000.00           | \$2,500.00          |       |
| Hardscape/Streetscape                      |             | \$225,000.00           | \$1,125.00          |       |
| Temp elevator and hoist                    | \$          | 250,000.00             | \$1,250.00          |       |
| Prevailing Wage at 15%                     | \$          | 8,909,250.00           | \$44,546.25         |       |
| Contingency 2% of total                    |             | \$1,187,900.00         | \$5,939.50          |       |
| <b>TOTAL HARD COSTS:</b>                   |             | <b>\$65,182,150.00</b> | <b>\$325,910.75</b> |       |
| SOFT COSTS                                 |             |                        |                     |       |
| Developer Fee                              |             | \$0.00                 | \$0.00              |       |
| Branding/Marketing Fees                    |             | \$500,000.00           | \$2,500.00          |       |
| Feasibility Fee                            |             | \$60,000.00            | \$300.00            |       |
| Appraisal Fee                              |             | \$28,000.00            | \$140.00            |       |
| Legal                                      |             | \$200,000.00           | \$1,000.00          |       |
| Business Licenses                          |             | \$80,000.00            | \$400.00            |       |
| Accounting Expenses                        |             | \$45,000.00            | \$225.00            |       |
| Geotech Survey and Environmental           |             | \$75,000.00            | \$375.00            |       |
| Working Capital                            |             | \$500,000.00           | \$2,500.00          |       |
| Pre-Opening Expenses                       |             | \$500,000.00           | \$2,500.00          |       |
| Due Diligence & other consultants          |             | \$175,000.00           | \$875.00            |       |
| Loan Fees                                  |             | \$329,766.00           | \$1,648.83          |       |
| Material Testing and Inspections           |             | \$75,000.00            | \$375.00            |       |
| Building Permit                            |             | \$125,000.00           | \$625.00            |       |
| Civil Design                               |             | \$100,000.00           | \$500.00            |       |
| Architectural Design                       |             | \$1,750,000.00         | \$8,750.00          |       |
| Traffic Studies                            |             | \$45,000.00            | \$225.00            |       |
| Structural Design                          |             | \$350,000.00           | \$1,750.00          |       |
| Construction Management                    |             | \$750,000.00           | \$3,750.00          |       |
| Reimbursables                              |             | \$288,000.00           | \$1,440.00          |       |
| RE Taxes                                   |             | \$35,000.00            | \$175.00            |       |
| Insurance (Builders Risk & General Liabili |             | \$350,000.00           | \$1,750.00          |       |
| Interest Carry                             |             | \$480,000.00           | \$2,400.00          |       |
| Contingency at 2% of total                 |             | \$78,051.44            | \$390.26            |       |
| <b>TOTAL SOFT COSTS:</b>                   |             | <b>\$6,918,817.44</b>  | <b>\$34,594.09</b>  |       |
| FURNITURE FIXTURES AND EQUIPMENT           |             |                        |                     |       |
| Guestroom FF&E                             |             | \$7,500,000.00         | \$37,500.00         |       |
| OS&E                                       |             | \$1,500,000.00         | \$7,500.00          |       |
| Lobby FF&E & Millwork                      |             | \$3,500,000.00         | \$17,500.00         |       |
| Mezzanine outdoor bar & restaurant         |             | \$750,000.00           | \$3,750.00          |       |
| Kitchen Equipment                          |             | \$750,000.00           | \$3,750.00          |       |

|                              |                |             |
|------------------------------|----------------|-------------|
| Gourmet Market & Coffee Shop | \$500,000.00   | \$2,500.00  |
| Meeting room FF&E            | \$2,000,000.00 | \$10,000.00 |
| Laundry & Housekeeping       | \$500,000.00   | \$2,500.00  |
| Corridors FF&E               | \$1,500,000.00 | \$7,500.00  |
| Artwork                      | \$500,000.00   | \$2,500.00  |
| Lounge bar OS&E              | \$1,500,000.00 | \$7,500.00  |
| Guestroom Bath               | \$3,500,000.00 | \$17,500.00 |
| Guestroom OS&E               | \$500,000.00   | \$2,500.00  |
| Fitness Center FF&E          | \$150,000.00   | \$750.00    |
| Lobby & Lounge OS&E          | \$100,000.00   | \$500.00    |
| Maintenance Shop OS&E        | \$120,000.00   | \$600.00    |
| BOH FF&E                     | \$120,000.00   | \$600.00    |
| Contingency at 2% of Total   | \$57,806.36    | \$289.03    |

|                        |                        |                     |
|------------------------|------------------------|---------------------|
| <b>TOTAL FF&amp;E:</b> | <b>\$25,047,806.36</b> | <b>\$125,239.03</b> |
|------------------------|------------------------|---------------------|

#### TECHNOLOGY, SIGNAGE AND FREIGHT

|                                |              |            |
|--------------------------------|--------------|------------|
| Technology                     | \$750,000.00 | \$3,750.00 |
| Interior Signage               | \$200,000.00 | \$1,000.00 |
| Exterior Signage               | \$100,000.00 | \$500.00   |
| Miscellaneous                  | \$75,000.00  | \$375.00   |
| Construction Marketing Signage | \$50,000.00  | \$250.00   |
|                                | \$0.00       | \$0.00     |

|                                               |                       |                   |
|-----------------------------------------------|-----------------------|-------------------|
| <b>TOTAL TECHNOLOGY, SIGNAGE AND FREIGHT:</b> | <b>\$1,175,000.00</b> | <b>\$5,875.00</b> |
|-----------------------------------------------|-----------------------|-------------------|

#### FEES AND TAXES

|                          |              |            |                      |
|--------------------------|--------------|------------|----------------------|
| Purchasing Fee Allowance | \$751,434.19 | \$3,757.17 |                      |
| FF&E Install             | \$70,000.00  | \$350.00   |                      |
| Sales Tax at (8.25%)     | \$0.00       | \$0.00     | included on FF&E #'s |
| Freight at (12%)         | \$0.00       | \$0.00     | included on FF&E #'s |
| Warehousing              | \$100,000.00 | \$500.00   |                      |

|                              |                     |                   |
|------------------------------|---------------------|-------------------|
| <b>TOTAL FEES AND TAXES:</b> | <b>\$921,434.19</b> | <b>\$4,607.17</b> |
|------------------------------|---------------------|-------------------|

|                                |                         |                     |
|--------------------------------|-------------------------|---------------------|
| <b>TOTAL DEVELOPMENT COST:</b> | <b>\$100,745,207.99</b> | <b>\$503,726.04</b> |
|--------------------------------|-------------------------|---------------------|

|      |                 |
|------|-----------------|
| LOAN | \$60,447,124.79 |
|------|-----------------|

|        |                 |
|--------|-----------------|
| EQUITY | \$40,298,083.20 |
|--------|-----------------|

## CAPITAL STACK

---

### Daly City Boutique Hotel Development

|                       |    |               |
|-----------------------|----|---------------|
| Purchase Price        | \$ | 1,500,000.00  |
| Direct Costs          | \$ | 90,229,956.36 |
| Soft Costs            | \$ | 6,918,817.44  |
| Pre-Opening/Marketing | \$ | 1,175,000.00  |
| Fees & Taxes          |    | \$921,434.19  |

---

|                     |           |                       |
|---------------------|-----------|-----------------------|
| <b>Project Cost</b> | <b>\$</b> | <b>100,745,207.99</b> |
|---------------------|-----------|-----------------------|

|    |   |
|----|---|
| \$ | - |
| \$ | - |

---

|                           |           |                       |
|---------------------------|-----------|-----------------------|
| <b>Total Project Cost</b> | <b>\$</b> | <b>100,745,207.99</b> |
|---------------------------|-----------|-----------------------|

|      |    |               |
|------|----|---------------|
| Debt | \$ | 65,484,385.19 |
|------|----|---------------|

|        |    |               |
|--------|----|---------------|
| Equity | \$ | 35,260,822.80 |
|--------|----|---------------|

|                          |
|--------------------------|
| <b>\$ 100,745,207.99</b> |
|--------------------------|



August 7, 2021

**To Whom It May Concern,**

We are writing at the request of RIBA HOLDINGS, RB Hospitality, IBF Hospitality, RIBA Hospitality, IBF Insurance, IBF Financial and IBF Holdings LLC . This letter is to confirm that J.P. Morgan Private Bank has maintained a relationship with the Bhai Family and various companies they own since 2010. The Bhai family and their companies have a balance in excess of \$60,000,000 as of today's date.

It has been our pleasure to have Raheel Bhai as our client.

Please do not hesitate to contact me at 877-576-2745

*Siri Ross*

Sincerely,  
Siri Ross  
Vice President- Client Service

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JPMorgan Chase Bank, N.A. Member FDIC

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1218-131-CR-EB

# REFERENCES

- Ned DeLorme (Aileen Cantá & Ray Bhai's Reference)  
Capay Capital Advisors  
(949) 466-8476  
[ned@capaycapitaladvisors.com](mailto:ned@capaycapitaladvisors.com)
- Jeffrey Mar (Aileen Cantá's Reference)  
Heritage Realty  
(408) 376-5000  
[jmar@heritagerg.com](mailto:jmar@heritagerg.com)
- William C Roher (Ray Bhai's Reference)  
EVP/Chief Lending Officer Dallas  
NMLS# 1154663  
Direct (972) 759-3634  
Main (972) 960-6000 ext. 208  
[wroher@accessbanktx.com](mailto:wroher@accessbanktx.com)



CITY OF DALY CITY, CALIFORNIA  
**1837 JUNIPERO SERRA BLVD**

BOUTIQUE HOTEL  
RFP AUGUST 2021

*Af Costa*

**IBF** HOSPITALITY





CITY OF DALY CITY, CALIFORNIA

# 1837 JUNIPERO SERRA BLVD

August 27, 2021



## SUMBITTED TO

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### City of Daly City c/o Kosmont Companies

Mr. Ken K. Hira, President  
1601 N. Sepulveda Boulevard, #382  
Manhattan Beach, CA 90266

[khira@kosmont.com](mailto:khira@kosmont.com)

## SUBMITTED BY

---

### Majestic Hospitality Group & Equinox Hospitality

Christopher Henry, ISHC *President*  
+1 310 895 7911  
[chenry@majestic-hospitality.com](mailto:chenry@majestic-hospitality.com)

2050 S. Bundy Drive, Suite 225  
Los Angeles, CA 90025  
[majestic-hospitality.com](http://majestic-hospitality.com)



Adam Suleman *EVP*  
+1 415 298 7674  
[as@equinoxhotels.com](mailto:as@equinoxhotels.com)

400 Spear Street, Suite 103  
San Francisco, CA 94105  
[www.equinoxhotels.com](http://www.equinoxhotels.com)



## LETTER OF INTEREST

---

Dear Mr. Hira:

We are excited to submit our proposal for your consideration. My team and I believe the 1837 Junipero Serra Boulevard site is a unique location which is deserving of the City's newest and most influential lodging property. This is a task we are excited to take on. Our goal is to create a hotel space which surpasses the City's baseline needs by becoming an integral part of the community that serves the needs of both local residents and visitors. The style, design, and amenities proposed for this hotel all reflect Daly City's charm as the gateway to the San Francisco Peninsula.

The development of this site will be undertaken by Majestic Hospitality Group, a Los Angeles based development company that specializes in the boutique lodging domain. We have partnered with Equinox Hospitality, who is a local Bay Area investor, owner, and operator of unique hospitality offerings. Majestic's longtime strategic partner, TS Architects Inc. has been selected to provide design services for the project. Our team have worked on numerous global hospitality projects and are dedicated to creating properties that provide guests a unique experience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris H.", with a stylized flourish at the end.

Christopher Henry, President  
Majestic Hospitality Group



# TABLE OF CONTENTS

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|     |                                        |           |
|-----|----------------------------------------|-----------|
| 01. | <b>PROJECT OVERVIEW</b>                | <b>05</b> |
|     | <b>COMMUNITY INVOLVEMENT</b>           | <b>12</b> |
| 02. | <b>DEVELOPMENT TEAM OVERVIEW</b>       | <b>13</b> |
| 03. | <b>QUALIFICATIONS &amp; EXPERIENCE</b> | <b>20</b> |
|     | <b>PROJECT APPROACH</b>                | <b>25</b> |
| 04. | <b>FINANCIAL PROFILE</b>               | <b>26</b> |
| 05. | <b>REFERENCES</b>                      | <b>32</b> |

# 01

## PROJECT OVERVIEW

# PROJECT OVERVIEW

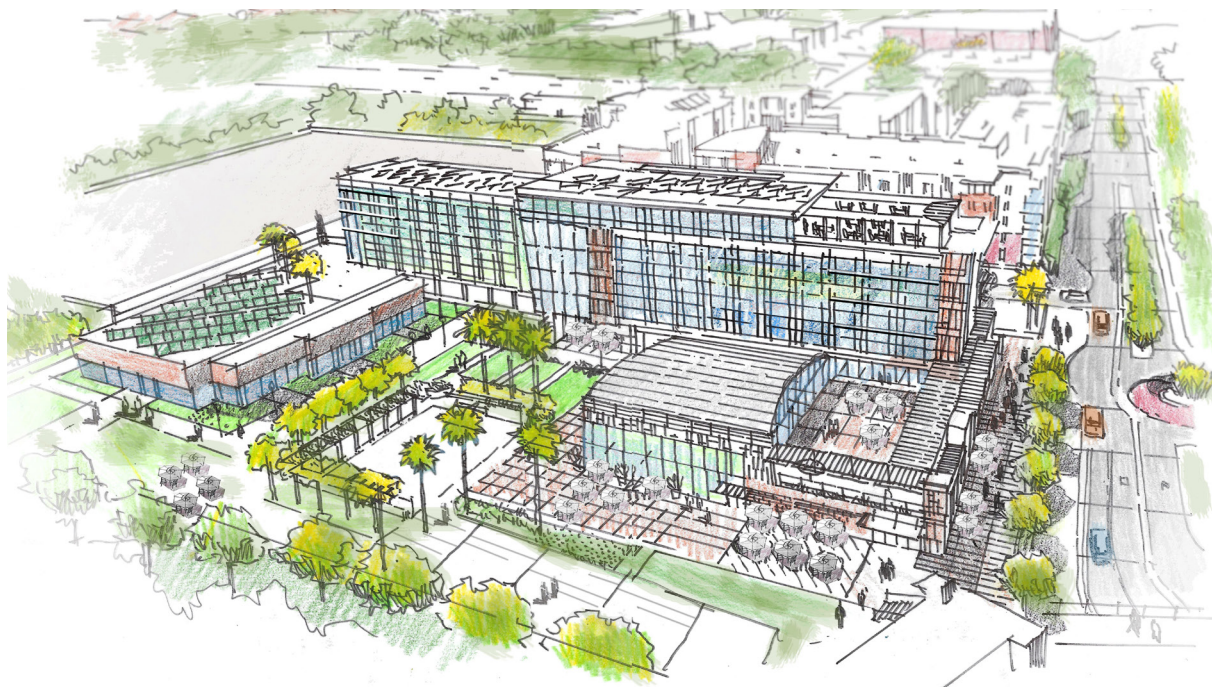
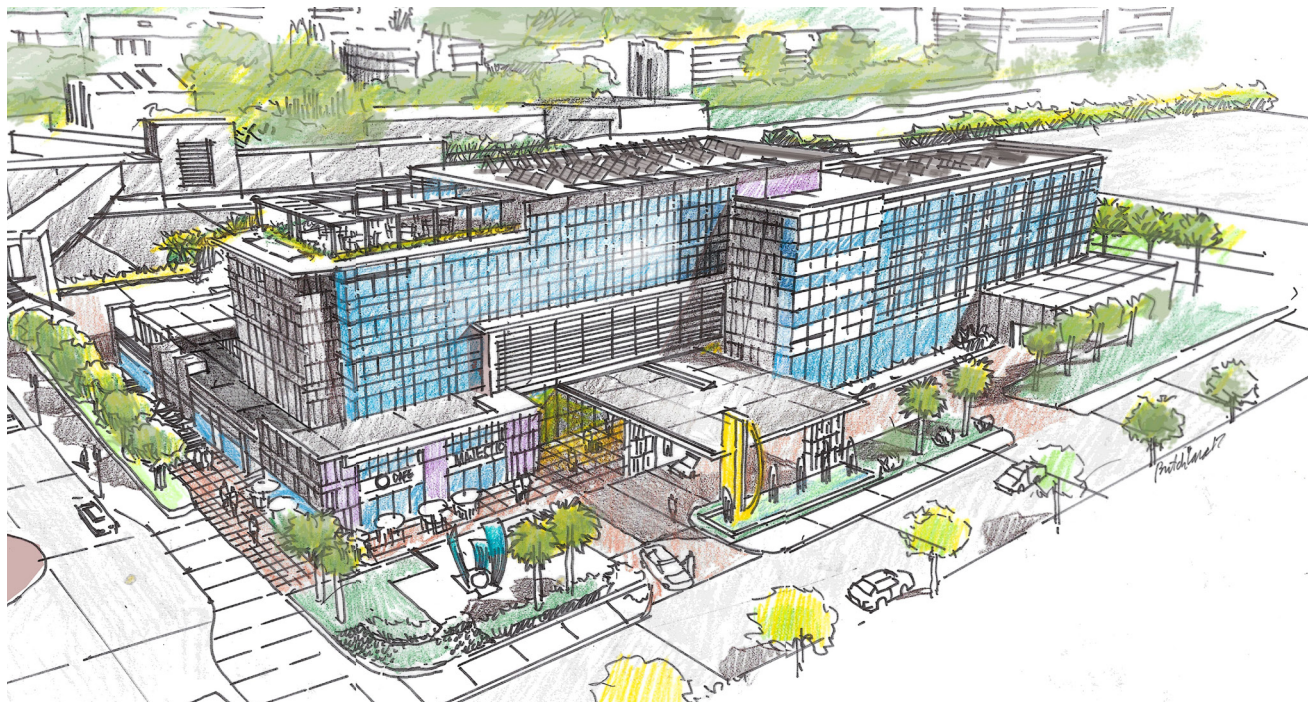
Our goal is more than build a lodging facility. We are creating a space of which the community can be proud. Our team envisions a unique lifestyle hotel as a critical part in the revitalization of downtown Daly City.

As a community, Daly City demands a vibrant classy facility that will provide retail, lodging, and dining to start the change. First, foot traffic must be created as we need to give people a reason to visit and walk around. This requires building a destination. Renewal starts with properties that are inviting and provide the community with a sense of inclusion. We envision the proposed lifestyle hotel as this linchpin in the revitalization. By having hotel guests to populate the streets and patron local establishments and vendors, we are creating that necessary foot traffic. We want to engender the surrounding peninsula communities to visit and enjoy the new Daly City.

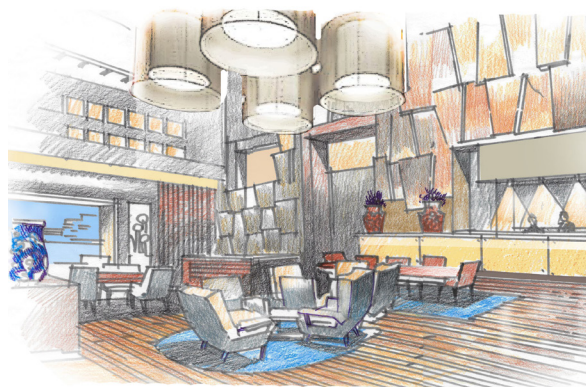
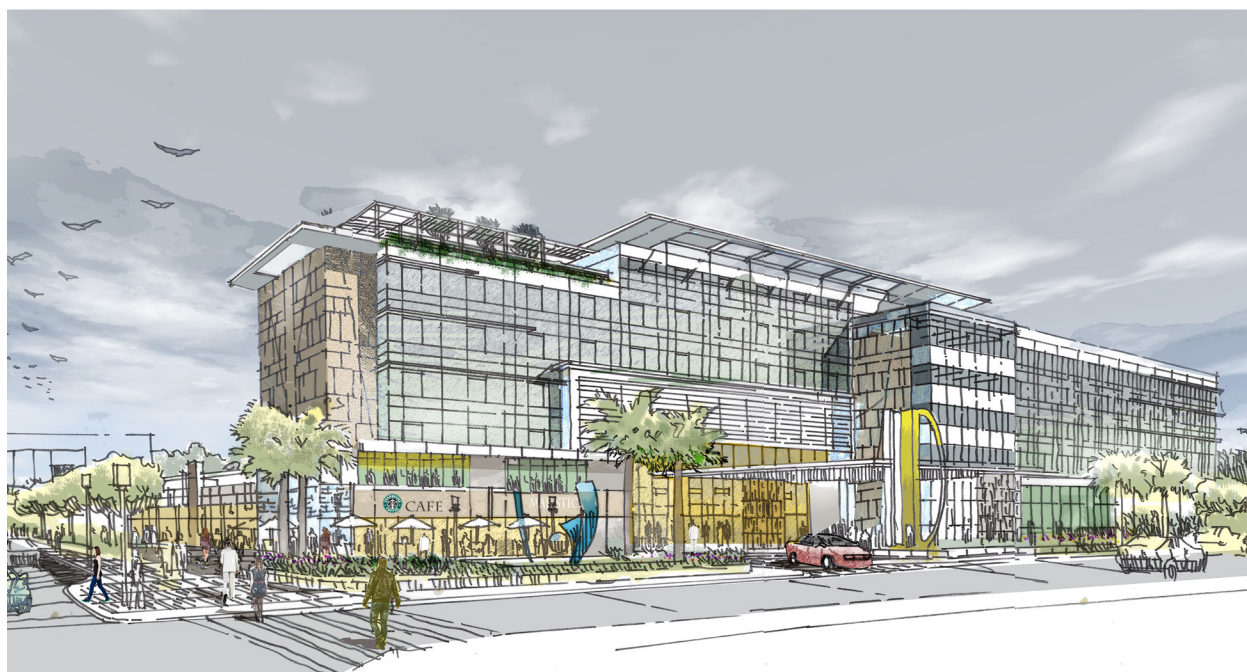


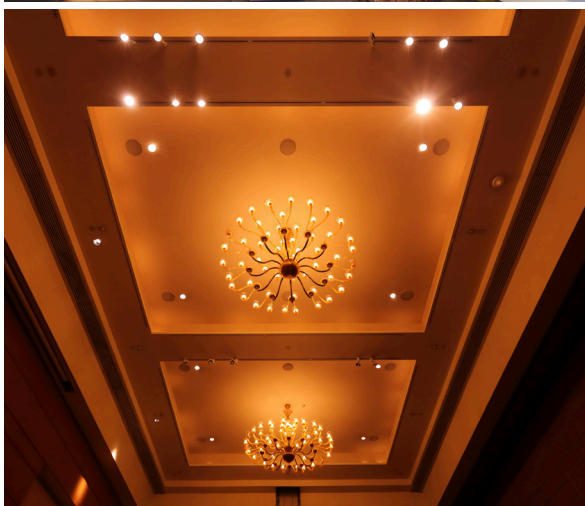
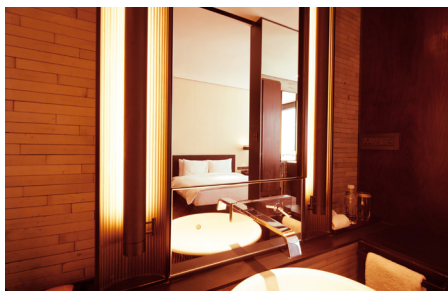


## CONCEPTUAL 8 STORY BUILDING FOR THE PROPOSED SITE











## PROGRAM DESIGN FOR LIFESTYLE HOTEL DALY CITY:

- 200 keys, 65% King, 35% Double Queen & 5% Suites
- Corridors, Foyers & Housekeeping Closets total square footage @ 9,280 (assumes 25 keys per floor)
- Lobby @ 800 square feet
- Food & Beverage @ 4,190 square feet
- Meeting Rooms @ 7,150 square feet
- Restrooms @ 800 square feet
- Recreational Areas @ 600 square feet
- Retail Shops @ 160 square feet
- Back of House @ 800 square feet
- Public Entrance @ 400 square feet
- Executive Offices @ 900 square feet
- Accounting @ 400 square feet
- Sales and Marketing @ 500 square feet
- Human Resources @ 300 square feet
- Food & Beverage Office @ 450 square feet
- Housekeeping Offices @ 500 square feet
- Food & Beverage Kitchen and Storage @ 3500 square feet
- Laundry Valet @ 250 square feet
- Employee Areas @ 1350 square feet
- Engineering @ 500 square feet
- MEP Systems @ 3200 square feet
- Service Entrance @ 350 square feet
- Security Offices @ 150 square feet
- Circulation Spaces @ 14,995 square feet
- Ground Floor All Day Dining Outlet-very high quality Market Café with supporting Bar
- Bar to include possible entertainment
- Street presence, possible outdoor terrace, or possibly stairs to a second floor outdoor terrace as a billboard to BART station
- Roof top bar with limited food menu
- 250 Square Feet Wellness Studio
- Enclosed roof top pool and amenity deck

## MARKET DATA

### STAR REPORT SUMMARY FOR SAN FRANCISCO AIRPORT MARKET

| CURRENT MONTH<br>(UPSCALE CHAINS)    |          | RUNNING 3 MONTH<br>(UPSCALE CHAINS) |          |
|--------------------------------------|----------|-------------------------------------|----------|
| PROPS:                               | 19       | PROPS:                              | 19       |
| ROOMS:                               | 9,368    | ROOMS:                              | 9,368    |
| OCCUPANCY:                           | 56%      | OCCUPANCY:                          | 50.1%    |
| ADR:                                 | \$140.00 | ADR:                                | \$133.49 |
| REVPAR:                              | \$78.41  | REVPAR:                             | \$66.86  |
| DEMAND % CHG:                        | 122.7    | DEMAND % CHG:                       | 136.8%   |
| REVENUE % CHG:                       | 117.3    | REVENUE % CHG:                      | 135.4%   |
|                                      |          |                                     |          |
| RUNNING 12 MONTH<br>(UPSCALE CHAINS) |          |                                     |          |
| PROPS:                               | 19       |                                     |          |
| ROOMS:                               | 9,368    |                                     |          |
| OCCUPANCY:                           | 37.4%    |                                     |          |
| ADR:                                 | \$127.26 |                                     |          |
| REVPAR:                              | \$47.60  |                                     |          |
| DEMAND % CHG:                        | -38.7%   |                                     |          |
| REVENUE % CHG:                       | -60.8%   |                                     |          |

*Full STR report available upon request.*

# COMMUNITY INVOLVEMENT

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|   |                                                                                                                                                                                 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Public Gathering space                                                                                                                                                          |
| 2 | Measures aimed at reducing Greenhouse Gases and Transportation trips including charging stations for electric vehicles, site specific transportation demand management programs |
| 3 | Co-host art exhibits, community & city events                                                                                                                                   |
| 4 | Public Safety enhancements including defibrillators, fire extinguishers                                                                                                         |
| 5 | Enhanced access improvements to adjoining facilities i.e. Bart Station, parking structure                                                                                       |
| 6 | Enhanced landscaping and street scape                                                                                                                                           |
| 7 | Enhancement of the BART station by the hotel so it can be easily accessible to guests and locals alike                                                                          |



# 02

## DEVELOPMENT TEAM OVERVIEW

# ABOUT THE TEAM

Under the leadership of Christopher Henry, the team for the Daly City Project consists of three unique companies.

Each member has diverse experience and areas of expertise including extensive hotel design, development & operational experience with: Four Seasons, Ritz-Carlton, Hyatt, Hilton Worldwide, Marriott International, Starwood, Wyndham, Dream Hotels, Standard Hotels, Prince Resorts, and many others.

## AT A GLANCE

Lead Developer



Christopher Henry

Co-Developer & Management



Adam Suleman

Architecture & Design



TS Architects

## MAJESTIC HOSPITALITY GROUP

### LEAD DEVELOPER



2050 S. Bundy Drive, Suite 225

Los Angeles, CA 90025

[majestic-hospitality.com](http://majestic-hospitality.com)

+1 310 895 7925

Majestic Hospitality Group assists owners, operators, investors and fellow developers with proven solutions that successfully transform older, distressed or green field hotel projects into optimal states for the particular markets they serve.

We believe that each project, no matter its current position or vision, can always be improved upon and polished. The hospitality industry is ever-changing; we help each client navigate current trends and achieve the highest potential. Formed in October 2008, our mission is to be the conduit for delivering transformative hospitality experiences to the clients we serve.

Majestic Hospitality is run by a small, dedicated team of professionals skilled in hotel development, operations, market assessment, financial analysis, environmental assessment, and leading consumer trends. We inform the decisions clients make so that their property delivers exceptional results and profitable guest experiences. Our goal is simple: our client's success. We achieve this goal because we are diligent and creative; not because we are big.

Our select group allows us to be closer to the decisions that matter and enables us to carry them out quickly and efficiently. Majestic has the freedom to work with the best talent, while our partners benefit from our tight-knit team of highly talented professionals. Our collaborative and flexible approach assures that our clients get the exact skill-sets to complement their team and their company's assets.

### ROLE ON PROJECT

Majestic's role on the Daly City Project will be as co-developer and responsible for day to day project and construction management during the pre-development and development process.

### CURRENT PROJECTS

- Margaritaville – Aruba
- Lake Travis Resort – Austin, Texas
- Cabo Wave Hotel – Cabo San Lucas, Mexico
- Maison Robert, a Bunkhouse Hotel – Houston, Texas



## EQUINOX HOSPITALITY



400 Spear Street, Suite 103  
San Francisco, CA 94105  
+1 415 298 4647  
[equinoxhotels.com](http://equinoxhotels.com)

Equinox Hospitality and Equinox Hotels is a premier hotel investment, management, acquisition, and development company. Founded in 1994, Equinox Hotels strive to provide exceptional experiences for our guests, while providing an excellent work environment for our staff and obtaining industry leading results in the United States, Europe, and Middle East.

As a developer, Equinox has successfully constructed and/or renovated over \$4 billion in assets. The company currently has a dual branded Choice hotel under construction in Mesa, Arizona. They also currently manage 3 other properties under the Hilton and IHG flags.

The mission of Equinox Hospitality is to:

- Acquire, develop, own and manage hotels
- Maximize yield for our investors
- Instill trust, respect and fairness in our dealings with colleagues, guests, and communities
- Strive for excellence in what we do, clarity in what we say and purpose of our actions
- Be deliberate and responsive in all our activities and sensitive to the needs of others
- Demonstrate generosity and genuine concern for everyone we know and the environment in which we work
- Profit from our endeavors and enjoy what we do

## ROLE ON PROJECT

Equinox Hospitality is involved with the Daly City project as co-developer and will manage investor relations. Once the hotel is complete, Equinox will be the operator and asset manager.

## PROJECTS & EXPERIENCE

- Walnut Creek Marriott & Athletic Club - Walnut Creek, CA
- Hyatt Regency Sacramento - Sacramento, CA
- Hilton Pleasanton at The Club - Pleasanton, CA
- Laguna Cliffs Marriott Resort & Spa - Dana Point, CA

## TS ARCHITECTS

### ARCHITECTURE & DESIGN



2050 S. Bundy Drive, Suite 225  
Los Angeles, CA 90025  
+1 310 901 6535  
tsarch.com

TSArchitects was founded in 2004 as a full service architectural firm that focuses on hospitality, retail, and lifestyle centers. The firm began with a 100-acre lifestyle complex in Huntsville, Alabama. As an early adopter of BIM program AutoCAD Revit, this project was the largest project to be done on Revit aside from the Freedom Tower in New York. All of our projects are on Revit from Schematic Phase through Construction Administration. To date, TS Architects has completed over 150 projects on Revit.

Services include Programming, Planning, Design, Interior Design, and Project Management. TS Architects has performed master planning for several thousand acres across the Western United States. The firm has assembled nationwide teams of consultants in order to make large scale projects come to fruition. Key to our strategy is meeting with local governing agencies early in the process and negotiate entitlement and permitting issues.

TS Architects (Tomasi Serrao Architects) was stated by Alan Tomasi and Chris Serrao. Both Alan and Chris grew up in architectural families so they bring to the profession a depth of knowledge that precedes themselves. TS Architects provides its employees that total security and freedom to do the best they can which allows them to provide their clients with unparalleled service and projects.

On a side note, TS Architects and Majestic Hospitality have been long term strategic partners and share a corporate office.

## ROLE ON PROJECT

TSA has done the preliminary architectural renderings and will oversee the design of the future proposed lifestyle hotel.

## PROJECTS & EXPERIENCE

- Westin Hotel – Huntsville, AL
- Westin Hotel – McKinney, TX
- Hyatt Place – Delano, CA
- Vecino Hotel – Dublin, CA

## KEY INDIVIDUALS

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### LEAD DEVELOPER

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#### CHRIS HENRY, CEO

MAJESTIC HOSPITALITY GROUP



Co-founding Majestic Hospitality Group in August 2008, Christopher is the company's CEO and oversees its development and consulting projects. Christopher's passion for resorts and their outdoors was fostered by his family's frequent trips to Hawaii. It was there that Laurance Rockefeller's philosophy of conservation through recreation captured him from a young age. Christopher seeks to endow this philosophy on all of the projects he works on. As a hotelier by training, a developer by business, and outdoor adrenaline junkie by habit, he has the thorough ability to blend all of these disciplines into one.

While growing up, Christopher worked and trained informally at various Four Seasons Hotels and Resorts and at Laurance Rockefeller's Mauna Kea Beach Hotel in Hawaii. When he formally joined Four Seasons and was involved with their properties in Los Angeles, San Diego, Hawaii, Jackson Hole, and Costa Rica.

During his time with Four Seasons, Christopher earned his Associate of Science in food and beverage management from Le Cordon Bleu and then received his Bachelor of Science degree in hotel management and entrepreneurship with a minor in ecotourism at Johnson & Wales University, Denver. After college, he officially joined the team at Mauna Kea, now owned by Prince Resorts Hawaii. It was here that Christopher formally made the transition from operations to development of hotels and resorts. Eventually, he left Hawaii and returned to Los Angeles with a focus to grow Majestic Hospitality into a fully-fledged hospitality development company.

Outside of the hotel sphere, Christopher has also been involved with the architecture and healthcare industries. While principally living in Los Angeles, he has now worked on four continents and draws on his experiences from spending time in over 50 countries.

### RELEVANT EXPERIENCE

- Fusaki Beach Resort – Ishigaki, Japan
- Cabo Wave Hotel – Cabo San Lucas, Mexico
- Home2 by Hilton – Inglewood, CA



## CO-DEVELOPER

### ADAM SULEMAN, EVP

EQUINOX HOSPITALITY.



Adam Suleman graduated from Santa Clara University in '07 (earned a bachelor's degree in Finance and Economics). He also studied international business at Imperial College in London in 2005 as well as completed a certificate program for Cornell in Hotel Real Estate and Asset Management.

Adam Suleman currently serves as a Principal for Equinox Hospitality with much of his career background focusing on real estate acquisitions/investments and extensive hotel operational experience from his time with Starwood Hotels & Resorts' W Brand. Moreover, he has been a repeat guest speaker at hospitality and business programs in the Bay Area, such as San Francisco State University and the University of San Francisco. He is also a registered broker with the Department of Real Estate in California. In the December 2014 issue of Hotel Business Magazine, Mr. Suleman was named as one of 2015's eight rising stars in the hotel industry.

In addition to working on hotel deals, Adam Suleman's group also invests in other real estate classes such as multifamily, assisted living, work-force housing, land, retail etc. Moreover, Adam Suleman serves on the Board for Pathways for Kids, a San Francisco-based charity focused on assisting inner city children and young adults. He has been with this organization for about 9 years.

Adam Suleman was featured in Hotel Business Magazine recently for a one to one interview: <https://vimeo.com/331065918>

## RELEVANT EXPERIENCE

- Crowne Plaza - Arlington, TX
- Hilton Garden Inn - Addison, TX
- The Davenport Hotel, Spokane, WA

# 03

## QUALIFICATIONS & EXPERIENCE

# LAKE TRAVIS RESORT

AUSTIN, TX

FEE DEVELOPER & PROJECT MANAGER



## PROJECT DESCRIPTION

A mere 30 minutes north of Austin, the Lake Travis Resort will be the first, world-class destination resort in the region. Spread over 200 acres and with a over a mile of water frontage, the Lake Travis Resort is based on a 99-year land lease with the Lower Colorado River Authority.

Currently in the planning phase, the project consists of a 230-key upper upscale resort hotel including villas and treehouses. The resort also features a 300-slip marina, 4 food & beverage outlets, 12,500 sqft of indoor meeting space, numerous outdoor event spaces, hiking/mountain biking trails, multiple pools, and a private members Lake Club.

The Lake Travis Resort is funded, fully entitled by right and is slated to commence vertical construction in mid-2022. The sponsors of the project are prominent local investors with over \$500 million of product currently under construction.

## LAND USES

Resort, Marina, Event Facility

## DATE TO COMPLETE

Mid-2024

## DEVELOPER

Legacy DCS, VIP Marinas,  
& Majestic Hospitality

## COST VS. VALUE

Cost to build \$52 Million

Anticipated value at year 10 \$141,000,000

## DURATION OF DEVELOPMENT PROCESS

36 months



# CABO WAVE HOTEL

CABO SAN LUCAS, MEXICO

FEE DEVELOPER, PROJECT MANAGER, OPERATOR



## PROJECT DESCRIPTION

Originally envisioned as a surf club and restaurant, this project took on a life of its own. Majestic Hospitality Group was hired for its expertise in hotel development and operations when the client decided to add a lodging component to the program. This funky 55-key boutique hotel features a fusion of modern Mexican architecture and Scandinavian inspired minimalism.

Key to this project is its “FlowRider” attraction which creates a surfable artificial wave. The hotel also offers an all-day dining venue, two bars, and a rooftop amenity deck.

The Cabo Wave Hotel is slated to complete construction in mid-2022. Majestic will also be providing pre-opening management services to support the owner’s independent team.

## LAND USES

Boutique Hotel

## DATE TO COMPLETE

Q3 2022

## DEVELOPER

Majestic Hospitality Group on behalf of High Net Worth Individual

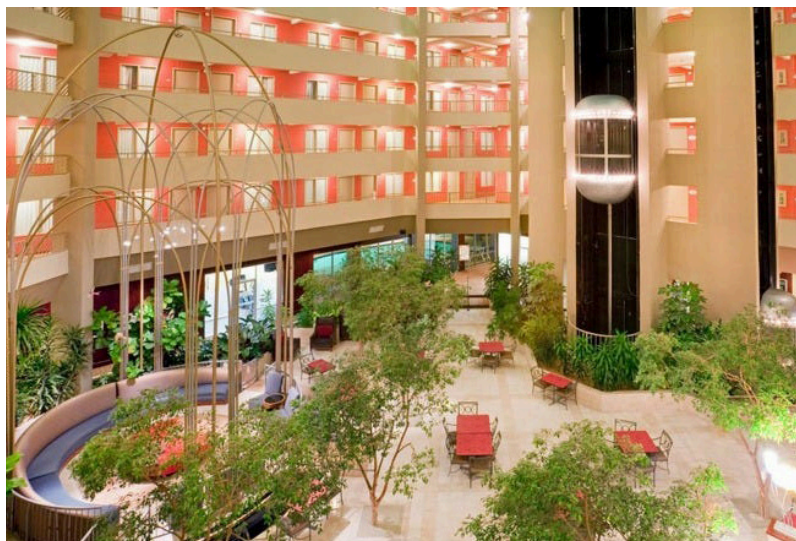
## DURATION OF DEVELOPMENT PROCESS

36 months (Impacted by COVID)

# CROWNE PLAZA

ARLINGTON (DALLAS), TEXAS

OWNER & OPERATOR



## LAND USES

Hotel and Conference Center

## DEVELOPER ROLE

Equinox Hospitality owns and operates this property.

## PROJECT DESCRIPTION

200 keys, 8,300 sf of meeting space, F&B Outlet



# HILTON GARDEN INN

ADDISON (DALLAS), TX

DEVELOPER, OWNER, & OPERATOR



## LAND USES

Limited Service Hotel

## DEVELOPER ROLE

Equinox Hotels developed, own, and operate this property

## PROJECT DESCRIPTION

96 keys, 1,000 sf of meeting space, restaurant



# PROJECT APPROACH

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Our team approaches projects in a distinct manner committed to a philosophy of forward thinking design, innovation, conservation, service and fantastic guest experiences.

Our concept is centered around the sense of a communities history. We always look to make each facility specific to its environment. We start with looking at the historical significance of an area or place and then add all the latest innovations to the concept once it has been designed. We create a place where residents of the region can escape and enjoy the fantastic atmosphere and offerings that make us unique. We want to make a destination that will capture the heart and soul of the Daly City, while providing the best in cutting edge hospitality experiences. Attention to detail in the rooms and the common areas allows us to provide an improved stay. We create a destination for the traveler and a place for the best in Food and Beverage experiences.

Food and Beverage is a key element to any of our projects. Our innovative and exciting use of Food and Beverage to enhance the travelers stay is what adds the touches that we are so known for. We favor personality and individuality over cookie cutter conformity and trends. We provide experiences in Food and Beverage that makes us a leader in the industry. We are known for the many exciting options we provide for dining. Our Food and Beverage partners will make this a destination in the region.

We focus on offering the traveler a unique experience using a truly original approach.

# 04

## FINANCIAL PROFILE

### DISCLOSURE AGREEMENT

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The following pages contain information that is proprietary and is protected by law. You are being provided access to this information to enable you to more effectively discuss our business opportunities. You shall maintain strict confidentiality of this information and shall not copy, distribute, forward and/or disseminate this information for any other purpose. Any distribution shall include this notice.

# HOTEL COST ANALYSIS

## EQUINOX Full Service Hotel Daly City, Ca

Number of Rooms 200  
Annual Growth Rate 2.5% for Revenues and Real Estate/Business Taxes

|                                     | Opening 2024 (est)  |               | Year 2              |               | Year 3              |               | Year 4              |               | Year 5              |               | Year 6              |               |
|-------------------------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| Occupancy                           | 68.5%               |               | 75.5%               |               | 79.0%               |               | 79.0%               |               | 79.0%               |               | 79.0%               |               |
| Average Daily Rate                  | \$194.00            |               | \$198.85            |               | \$203.82            |               | \$208.92            |               | \$214.14            |               | \$219.49            |               |
| RevPAR                              | \$132.89            |               | \$150.13            |               | \$161.02            |               | \$165.04            |               | \$169.17            |               | \$173.40            |               |
| Available Room Nights               | 73,000              |               | 73,000              |               | 73,000              |               | 73,000              |               | 73,000              |               | 73,000              |               |
| Occupied Room Nights                | 50,005              |               | 55,115              |               | 57,670              |               | 57,670              |               | 57,670              |               | 57,670              |               |
| <b>Revenues:</b>                    |                     |               |                     |               |                     |               |                     |               |                     |               |                     |               |
| Rooms Revenue                       | \$9,700,970         | 84.2%         | \$10,959,618        | 85.4%         | \$11,754,371        | 86.0%         | \$12,048,231        | 86.0%         | \$12,349,437        | 86.0%         | \$12,658,172        | 86.0%         |
| F&B Revenue                         | \$1,450,000         | 12.6%         | \$1,486,250         | 11.6%         | \$1,523,406         | 11.1%         | \$1,561,491         | 11.1%         | \$1,600,529         | 11.1%         | \$1,640,542         | 11.1%         |
| Other (Parking)                     | \$345,000           | 3.0%          | \$353,625           | 2.8%          | \$362,466           | 2.7%          | \$371,527           | 2.7%          | \$380,815           | 2.7%          | \$390,336           | 2.7%          |
| Misc.                               | \$28,000            | 0.2%          | \$28,700            | 0.2%          | \$29,418            | 0.2%          | \$30,153            | 0.2%          | \$30,907            | 0.2%          | \$31,679            | 0.2%          |
| <b>TOTAL REVENUE</b>                | <b>\$11,523,970</b> | <b>100.0%</b> | <b>\$12,828,193</b> | <b>100.0%</b> | <b>\$13,669,661</b> | <b>100.0%</b> | <b>\$14,011,402</b> | <b>100.0%</b> | <b>\$14,361,687</b> | <b>100.0%</b> | <b>\$14,720,730</b> | <b>100.0%</b> |
| <b>Departmental Expenses:</b>       |                     |               |                     |               |                     |               |                     |               |                     |               |                     |               |
| Rooms                               | \$3,007,301         | 31.0%         | \$2,959,097         | 27.0%         | \$3,114,908         | 26.5%         | \$3,192,781         | 26.5%         | \$3,272,601         | 26.5%         | \$3,354,416         | 26.5%         |
| F&B Revenue                         | \$623,500           | 43.0%         | \$639,088           | 43.0%         | \$655,065           | 43.0%         | \$671,441           | 43.0%         | \$688,227           | 43.0%         | \$705,433           | 43.0%         |
| Other (Parking)                     | \$86,250            | 25.0%         | \$88,406            | 25.0%         | \$90,616            | 25.0%         | \$92,882            | 25.0%         | \$95,204            | 25.0%         | \$97,584            | 25.0%         |
| Misc.                               | \$4,200             | 15.0%         | \$4,305             | 15.0%         | \$4,413             | 15.0%         | \$4,523             | 15.0%         | \$4,636             | 15.0%         | \$4,752             | 15.0%         |
| <b>Total Departmental Expenses</b>  | <b>\$3,721,251</b>  | <b>32.3%</b>  | <b>\$3,690,896</b>  | <b>28.8%</b>  | <b>\$3,865,002</b>  | <b>28.3%</b>  | <b>\$3,961,627</b>  | <b>28.3%</b>  | <b>\$4,060,668</b>  | <b>28.3%</b>  | <b>\$4,162,185</b>  | <b>28.3%</b>  |
| <b>Departmental Profit</b>          | <b>\$7,802,719</b>  | <b>67.7%</b>  | <b>\$9,137,297</b>  | <b>71.2%</b>  | <b>\$9,804,659</b>  | <b>71.7%</b>  | <b>\$10,049,775</b> | <b>71.7%</b>  | <b>\$10,301,020</b> | <b>71.7%</b>  | <b>\$10,558,545</b> | <b>71.7%</b>  |
| <b>Undistributed Expenses:</b>      |                     |               |                     |               |                     |               |                     |               |                     |               |                     |               |
| Admin. & General                    | \$1,106,301         | 9.6%          | \$1,154,537         | 9.0%          | \$1,230,269         | 9.0%          | \$1,261,026         | 9.0%          | \$1,292,552         | 9.0%          | \$1,324,866         | 9.0%          |
| Sales & Marketing                   | \$979,537           | 8.5%          | \$1,026,255         | 8.0%          | \$1,093,573         | 8.0%          | \$1,120,912         | 8.0%          | \$1,148,935         | 8.0%          | \$1,177,658         | 8.0%          |
| Franchise Fees                      | \$485,049           | 4.2%          | \$547,981           | 4.3%          | \$587,719           | 4.3%          | \$602,412           | 4.3%          | \$617,472           | 4.3%          | \$632,909           | 4.3%          |
| Repairs & Maintenance               | \$380,291           | 3.3%          | \$423,330           | 3.3%          | \$451,099           | 3.3%          | \$462,376           | 3.3%          | \$473,936           | 3.3%          | \$485,784           | 3.3%          |
| Utility Costs                       | \$460,959           | 4.0%          | \$513,128           | 4.0%          | \$546,786           | 4.0%          | \$560,456           | 4.0%          | \$574,467           | 4.0%          | \$588,829           | 4.0%          |
| <b>Total Undistributed Expenses</b> | <b>\$3,412,137</b>  | <b>29.6%</b>  | <b>\$3,665,232</b>  | <b>28.6%</b>  | <b>\$3,909,446</b>  | <b>28.6%</b>  | <b>\$4,007,182</b>  | <b>28.6%</b>  | <b>\$4,107,362</b>  | <b>28.6%</b>  | <b>\$4,210,046</b>  | <b>28.6%</b>  |
| <b>Gross Operating Profit</b>       | <b>\$4,390,582</b>  | <b>38.1%</b>  | <b>\$5,472,065</b>  | <b>42.7%</b>  | <b>\$5,895,213</b>  | <b>43.1%</b>  | <b>\$6,042,593</b>  | <b>43.1%</b>  | <b>\$6,193,658</b>  | <b>43.1%</b>  | <b>\$6,348,499</b>  | <b>43.1%</b>  |
| <b>Mangement Fees:</b>              |                     |               |                     |               |                     |               |                     |               |                     |               |                     |               |
| Management Fees                     | \$403,339           | 3.5%          | \$448,987           | 3.5%          | \$478,438           | 3.5%          | \$490,399           | 3.5%          | \$502,659           | 3.5%          | \$515,226           | 3.5%          |
| <b>Total Management Fees</b>        | <b>\$403,339</b>    | <b>3.5%</b>   | <b>\$448,987</b>    | <b>3.5%</b>   | <b>\$478,438</b>    | <b>3.5%</b>   | <b>\$490,399</b>    | <b>3.5%</b>   | <b>\$502,659</b>    | <b>3.5%</b>   | <b>\$515,226</b>    | <b>3.5%</b>   |
| <b>Income Before Fixed Expenses</b> | <b>\$3,987,243</b>  | <b>34.6%</b>  | <b>\$5,023,079</b>  | <b>39.2%</b>  | <b>\$5,416,774</b>  | <b>39.6%</b>  | <b>\$5,552,194</b>  | <b>39.6%</b>  | <b>\$5,690,999</b>  | <b>39.6%</b>  | <b>\$5,833,274</b>  | <b>39.6%</b>  |
| <b>Fixed Expenses:</b>              |                     |               |                     |               |                     |               |                     |               |                     |               |                     |               |
| Insurance                           | \$334,195           | 2.9%          | \$333,533           | 2.6%          | \$341,742           | 2.5%          | \$350,285           | 2.5%          | \$359,042           | 2.5%          | \$368,018           | 2.5%          |
| Real Estate/Business Taxes          | \$345,719           | 3.0%          | \$354,362           | 3.0%          | \$363,221           | 3.0%          | \$372,302           | 3.0%          | \$381,609           | 3.0%          | \$391,149           | 3.0%          |
| Other Taxes                         | \$92,192            | 0.8%          | \$102,626           | 0.8%          | \$109,357           | 0.8%          | \$112,091           | 0.8%          | \$114,893           | 0.8%          | \$117,766           | 0.8%          |
| Misc.                               | \$34,572            | 0.3%          | \$38,485            | 0.3%          | \$41,009            | 0.3%          | \$42,034            | 0.3%          | \$43,085            | 0.3%          | \$44,162            | 0.3%          |
| <b>Total Fixed Expenses</b>         | <b>\$806,678</b>    | <b>7.0%</b>   | <b>\$829,005</b>    | <b>6.5%</b>   | <b>\$855,329</b>    | <b>6.3%</b>   | <b>\$876,712</b>    | <b>6.3%</b>   | <b>\$898,630</b>    | <b>6.3%</b>   | <b>\$921,096</b>    | <b>6.3%</b>   |
| <b>Total Expenses</b>               | <b>\$8,343,404</b>  | <b>72.4%</b>  | <b>\$8,634,119</b>  | <b>67.3%</b>  | <b>\$9,108,215</b>  | <b>66.6%</b>  | <b>\$9,335,921</b>  | <b>66.6%</b>  | <b>\$9,569,319</b>  | <b>66.6%</b>  | <b>\$9,808,552</b>  | <b>66.6%</b>  |
| <b>NET OPERATING INCOME</b>         | <b>\$3,180,566</b>  | <b>27.6%</b>  | <b>\$4,194,074</b>  | <b>32.7%</b>  | <b>\$4,561,445</b>  | <b>33.4%</b>  | <b>\$4,675,482</b>  | <b>33.4%</b>  | <b>\$4,792,369</b>  | <b>33.4%</b>  | <b>\$4,912,178</b>  | <b>33.4%</b>  |
| Reserves For Replacements           | \$345,719           | 3.0%          | \$384,846           | 3.0%          | \$546,786           | 4.0%          | \$560,456           | 4.0%          | \$574,467           | 4.0%          | \$588,829           | 4.0%          |
| <b>CASH FLOW FROM OPERATIONS</b>    | <b>\$2,834,846</b>  | <b>24.6%</b>  | <b>\$3,809,228</b>  | <b>29.7%</b>  | <b>\$4,014,659</b>  | <b>29.4%</b>  | <b>\$4,115,026</b>  | <b>29.4%</b>  | <b>\$4,217,901</b>  | <b>29.4%</b>  | <b>\$4,323,349</b>  | <b>29.4%</b>  |



## FINANCIAL DATA

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### VECINO HOTEL

DUBLIN, CALIFORNIA (ON HOLD)

Total Development Cost: \$62 million

#### 1. Capital Stack

- o Equity Contribution – 28.1%
- o TOT Relief – 14.1%
- o Key Money – 2.8%
- o Debt – 55%

#### 2. How was the capital provided or in progress?

- o Sponsor closed on land with 100% equity
- o Sponsor raised joint venture capital from one source in 90 days
- o TOT Relief has been earmarked and the City is implementing its legal mechanisms
- o Debt is currently being raised by licensed broker

#### 3. Financial Participants

- o Sponsor – Concept Hotel Group – 40%
- o Private Equity – (confidential) – 60%
- o Debt Financing – George Smith Partners

#### 4. Size of the project

- o 175 keys
- o 16,000 square feet of meeting space–600 people count
- o 8,075 square feet Rooftop and garden
- o 7,500 square feet of Restaurant and Bar @ ground level
- o 9,500 square feet of Retail
- o 7,500 pool deck and fitness facility

## THE LODGE AT COLEBURN DISTILLERY

### SPEYSIDE, SCOTLAND (ON HOLD)

Total Development Cost: £51 million

#### 1. Capital Stack

- o Land Contribution – 1.59%
- o Equity Contribution – 31.72%
- o Government Grant – 3.18%
- o Key Money – 2%
- o Debt – 60%

#### 2. How was the capital provided or in progress?

- o Sponsor acquired the land for all cash over a five year period
- o Sponsor has also invested additional personal capital
- o Majestic rolled 50% of its development fee into a equity stake
- o Majestic is providing additional capital as Key Money
- o Highland and Islands Enterprises is the investment arm of Her Majesty's (Scottish) Government and provided a grant to show commitment to project success
- o Additional funding was provided by a larger company in the Scotch Whisky industry
- o Debt funding was secured through a local bank

#### 3. Financial Participants

- o Sponsor – D&M Winchester Limited
- o Private Equity – Majestic Hospitality Group
- o Private Equity – Highlands and Islands Enterprise
- o Private Equity – (Confidential)
- o Debt Financing – Bank of Scotland

#### 4. Size of the project

- o 121 keys (guestrooms and cottages)
- o 3 Food & Beverage Outlets
- o 7,500 sf of indoor meeting space
- o 15,000 sf of outdoor event space
- o 12,000 sf spa
- o Micro-whisky distillery (800,000/liters/year)
- o Bonded Warehouse (12,000 casks)
- o Whisky School

## **CABO WAVE HOTEL**

CABO SAN LUCAS, MEXICO (UNDER CONSTRUCTION)

Total Development Cost: \$25 million

- 1. Capital Stack**
  - o Equity – 100%
- 2. How was the capital provided or in progress?**
  - o Sponsor closed on land with 100% equity
  - o Sponsor is self-funding 100% of construction with equity
- 3. Financial Participants**
  - o Sponsor – Private Individual (Confidential)
- 4. Size of the project**
  - o 55 keys
  - o 2 Food & Beverage Outlets
  - o 5,000 sf of outdoor event space
  - o FlowRider



## LAKE TRAVIS RESORT

AUSTIN, TEXAS (UNDER DEVELOPMENT)

Total Development Cost: \$52 million

**1. Capital Stack**

- o Equity - 40%
- o Debt - 60%

**2. How was the capital provided or in progress?**

- o Sponsor invested 50% of the equity required
- o Remaining 50% of equity was raised from closely held family offices
- o Debt provided on balance sheet based relationship with local bank

**3. Financial Participants**

- o Legacy DCS
- o VIP Marinas
- o Lower Colorado River Authority

**4. Size of the project**

- o 230 keys
- o 4 food & beverage outlets
- o 12,500 square feet of Meeting Space
- o Lake Club
- o 300 slip marina

## LIST OF REFERENCES

---

1. Walter Barela, CEO  
Peak Hospitality  
6407 Menaul Blvd. NE, Albuquerque, NM 87110  
(505) 244-1114  
wbarela@peakhotels.com  
(JV Partner)
2. Adam Burke, CEO  
Los Angeles Tourism & Convention Board  
633 W. 5th St., Suite 1800, Los Angeles, CA 90071  
(213) 236-2388  
aburke@latourism.org  
(Board Member)
3. Andrew Cohan, Managing Director  
Horwath HTL – Miami  
(305) 606-2898  
acohan@horwathhtl.com  
(Strategic Partner)
4. Fred Runde, Owner  
Cabo Wave Hotel  
(608) 778-0328  
fred@ccrrecycling.com  
(Client)
5. Cass Brewer, President  
Legacy Companies  
205 Wild Basin Road South, Building 1  
Austin, TX 74746  
(512) 848-7221  
cassbrewer@legacydcs.com  
(Client)
6. Kenny Reed, Business Development  
Lower Colorado River Authority  
(512) 578-3573  
Kenny.Reed@lcra.org  
(State Agency)
7. John Rennels, Project Manager  
Real Estate & Property Development Manager  
Bay Area Rapid Transit (BART)  
(510) 464-6893  
JRennel@bart.gov  
(State Agency)
8. H.P. Kang, Community Development Director  
City of Hemet  
445 E. Florida Avenue, Hemet, CA 92543  
(951) 765-2456  
hkang@cityofhemet.org
9. Fiona Hyslop MSP  
Cabinet Secretary for Culture, Europe  
and External Affairs  
Her Majesty's Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh EH1 3DG  
+44 300 244 4000  
Scottish.ministers@scotland.gsi.gov.uk
10. J MacDougall  
Energy and Climate Change Directorate  
Her Majesty's Scottish Government  
Victoria Quay  
Edinburgh EH6 6QQ  
+44 131 244 0930  
Johann.machdougall@scotland.gsi.gov.uk
11. Hon. John D'Amico, Mayor  
City of West Hollywood  
8300 Santa Monica Boulevard  
West Hollywood, CA 90069  
(323) 848-6460  
jdamico@weho.org



**2050 South Bundy Dr. Suite 225**

**Los Angeles, CA 90025**

**+1 310 895 7925**

**[www.majestic-hospitality.com](http://www.majestic-hospitality.com)**

**EQUINOX**  
HOSPITALITY

**400 Spear Street, Suite 103**

**San Francisco, CA 94105**

**+1 415 298 7674**

**[www.equinoxhotels.com](http://www.equinoxhotels.com)**

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# Daly City Hotel/Mixed Use Development



City of Daly City  
Request for Developer Qualifications and Proposals  
1837 Junipero Serra Blvd



JM McLennan Development

City of Daly City  
333 90<sup>th</sup> Street  
Daly City, CA 94015

August 27, 2021

### **Letter of Intent**

The project we are submitting is what we feel is the best achievable development at this location in Daly City. The current Planned Development site has had a number of approvals in the past, including an approved mixed-use proposal in 2001, all failing to be developed. It is my intention to be selected to have the Exclusive right to negotiate awarded to Bob McLennan of McLennan Development. If awarded the right, we will submit a \$250,000 deposit to the City of Daly City. In return, we will ask the City of Daly City for a 10-month period to negotiate the development mix of:

- a. The combination of Hotel and Residential room mix.
- b. Specific design criteria of the conference center and athletic club.
- c. A fee mechanism that will satisfy the City's need for revenue generated from this site.
- d. Our negotiation will be an open book negotiation between our team members and a committee consisting of the City's staff and council members. The goal is to provide the City of Daly City with the best possible revenue stream that is feasible from this site.
- e. A realistic construction timeline.

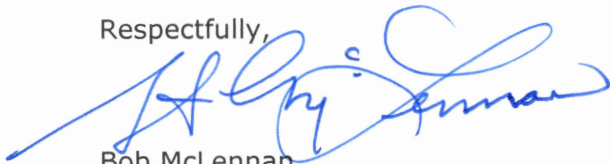
At the end of the 10-month period, we will either decide to move forward or to withdraw from the project. If there is the need to extend the period for an additional 90 days, an increase in deposit of \$50,000 will be required.

If the decision is made to proceed with the project at the end of our timeline, 100% of the deposit will become non-refundable and passed through to the City of Daly City.

This aggressive approach is to show the City of Daly City that we have the desire and knowledge to make this development a reality. It's time to make this vacant lot of 22 years a prize development in Daly City.

As the sole proprietor of JM McLennan Development, I am authorized to make legally binding commitments.

Respectfully,



Bob McLennan  
JM McLennan Development

2945 Junipero Serra Blvd. Daly City, CA 94014

## PROJECT Summary

We believe this project can be built in today's complex financial environment. With the creation of a mixed use plan this project gives the developer the flexibility to make the development a huge success for the City of Daly., The plan calls for over 230 residential / Hotel units, a 30,000 conference Center and a 30,000 Athletic Club. Not only will it create the desired increase in revenue to the City of Daly City's general fund it will create a substantial robust development at the City's entry from San Francisco. The positive variables with this plan are endless.

## PROJECT Team

Lead by Bob McLennan, The project investor/manager that gets things built. Bob will have the who's who of advisors/ investors at his disposal. They are:

Adrienne Tissier of Bay Relations.

Adrienne's experience with North San Mateo County developments is unmatched. Adrienne's knowledge of the City of Daly City's community and the trust from City Council members up and down San Mateo County make her a valued team member. She is the past Mayor of the City of Daly City and the past President of San Mateo County Board of Supervisors.

Bob Eaton. Bob is considered one of the most distinguished and knowledgeable investor/Advisor/brokers in the hotel business today. Bob will head up the search for the best current hotel model that will benefit the City's needs.

Bridge Housing,

An absolute powerhouse in residential housing and finance in the State of California. As you will see in the supporting documents, Bridge's accomplishments in San Mateo County and San Francisco are unmatched by any other firm.

Heller Manus Architects

Based in San Francisco, Award winning High-rise/Hotel/ Residential buildings in San Francisco and China, Jeff Heller is the past president of AIA in San Francisco, Advisory board member of SPUR.

GSR Financial-Lee Reposa

Lee's knowledge of today's complex financial environment is invaluable. His past relationships with McLennan Development makes his ability to package the construction/take-out financing a seamless process. The complexity of this project requires a firm that is knowledgeable in the private and public sector.



## PROJECT Feasibility/ Financial Data

In our attached letters from GSR Financial and Bridge Housing we will have various avenues to finance this project. We feel in today's financial market, a mixed use development is very attractive, this was not the case 2 years ago, times have changed dramatically. In its current state, McLennan Development will provide 100% of the soft cost needed for entire project as well as 100% of the financing for the development of the Athletic Club

## References

Direct contact with our team members will be provided for future interviews and to hone in on references the City would like to explore.

## Litigation History

There has been no litigation with any public agency over the past 10 or more years.

## Time Line

### Month 0-10

Execute exclusive right to negotiate document, determine Hotel/Residential mix and project details

### Month 11-18

Submit Construction Drawings and receive building permit

### Month 19

Break ground

### Month 35

Complete construction



# PROJECT SUMMARY

Daly City Hotel/Mixed Use Development







# 1837 Junipero Serra

Daly City, CA

Heller Manus Architects

August 27, 2021

## PROGRAM SUMMARY

| AREA SUMMARY |                       |                 |                         |             |                |           | PARKING |                | UNITS               |
|--------------|-----------------------|-----------------|-------------------------|-------------|----------------|-----------|---------|----------------|---------------------|
| Level        | Conference Center GSF | Health Club GSF | Hotel / Residential GSF | Parking GSF | Mechanical GSF | Total GSF | Stalls  | Loading Spaces | Hotel / Residential |
| MP           |                       |                 |                         |             | 4,377          | 4,377     |         |                |                     |
| 10           |                       |                 | 16,280                  |             |                | 16,280    |         |                | 24                  |
| 9            |                       |                 | 19,078                  |             |                | 19,078    |         |                | 30                  |
| 8            |                       |                 | 21,548                  |             |                | 21,548    |         |                | 34                  |
| 7            |                       |                 | 21,548                  |             |                | 21,548    |         |                | 34                  |
| 6            |                       |                 | 21,895                  |             |                | 21,895    |         |                | 36                  |
| 5            |                       |                 | 21,895                  |             |                | 21,895    |         |                | 36                  |
| 4            |                       |                 | 21,895                  |             |                | 21,895    |         |                | 36                  |
| 3            |                       | 33,912          |                         |             |                | 33,912    |         |                |                     |
| 2            | 31,685                |                 |                         |             |                | 31,685    |         |                |                     |
| 1            | 1,676                 | 1,676           | 4,050                   | 26,945      |                | 34,347    | 60      |                |                     |
| B            |                       |                 |                         | 38,533      |                | 38,533    | 91      | 2              |                     |
| TOTAL        | 33,361                | 35,588          | 148,189                 | 65,478      | 4,377          | 286,993   | 151     | 2              | 230                 |





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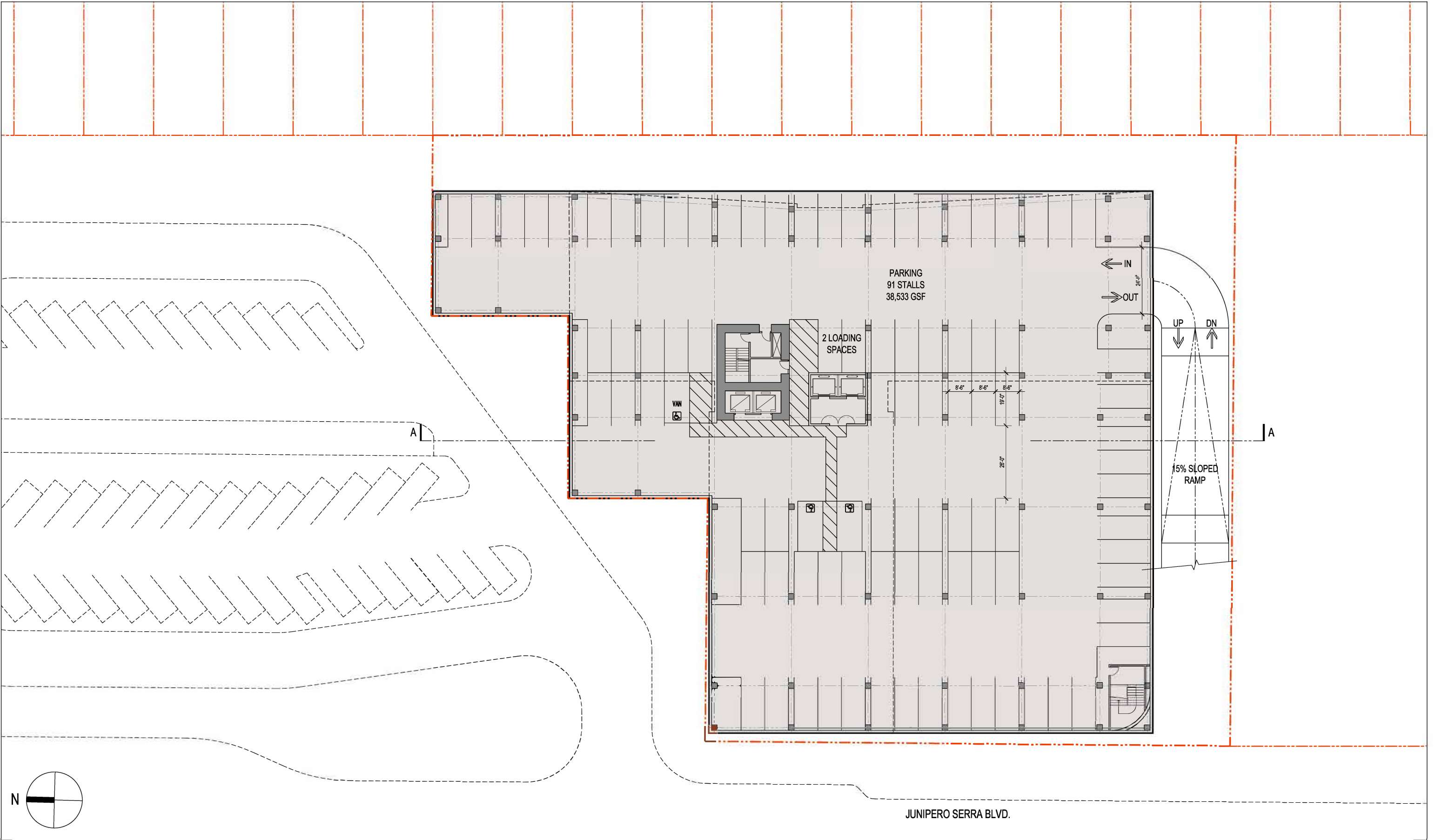
1837 JUNIPERO SERRA

DALY CITY, CA

AERIAL SITE PLAN

HELLER MANUS  
ARCHITECTS **HM**  
Page 91 of 161





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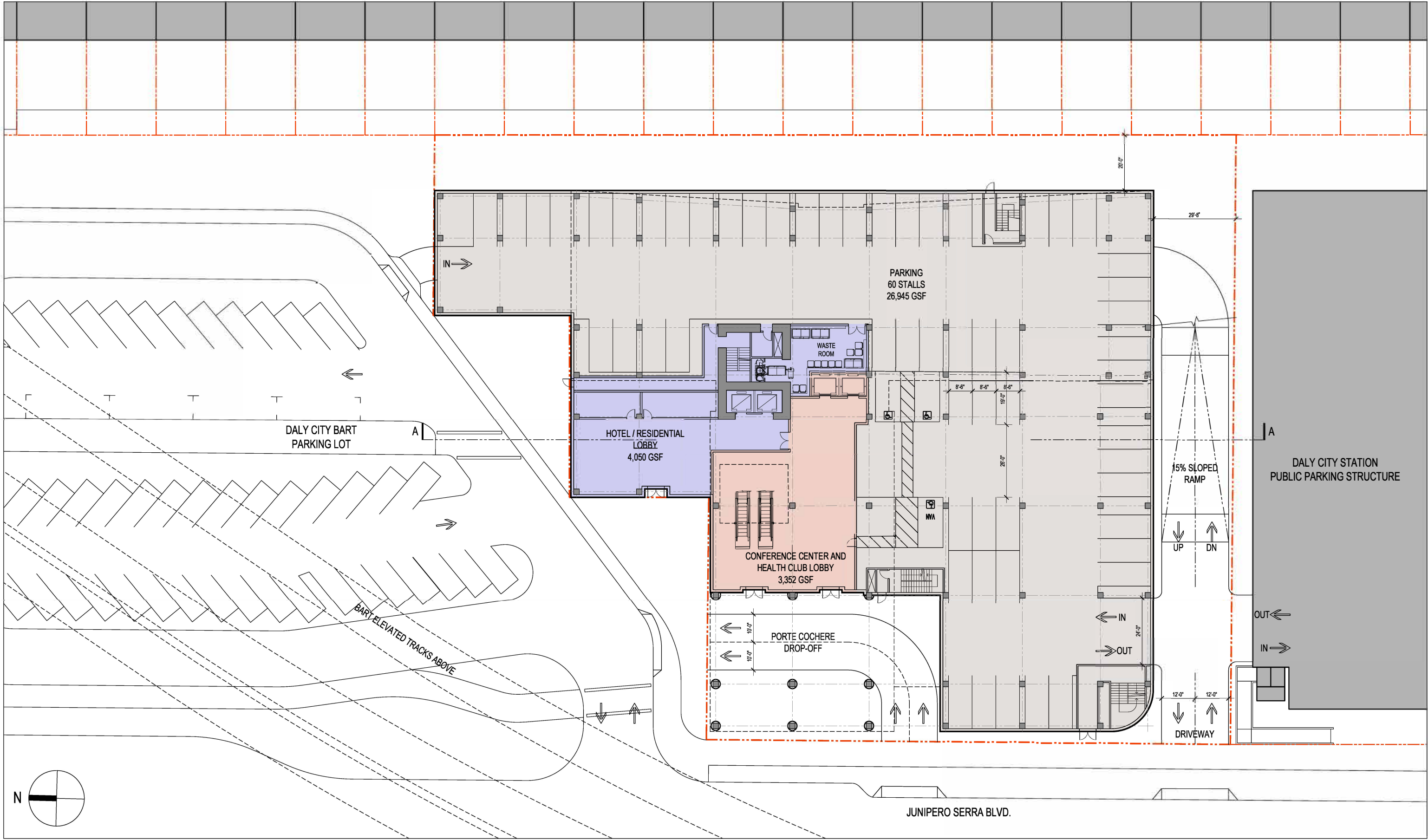
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LEVEL B PLAN



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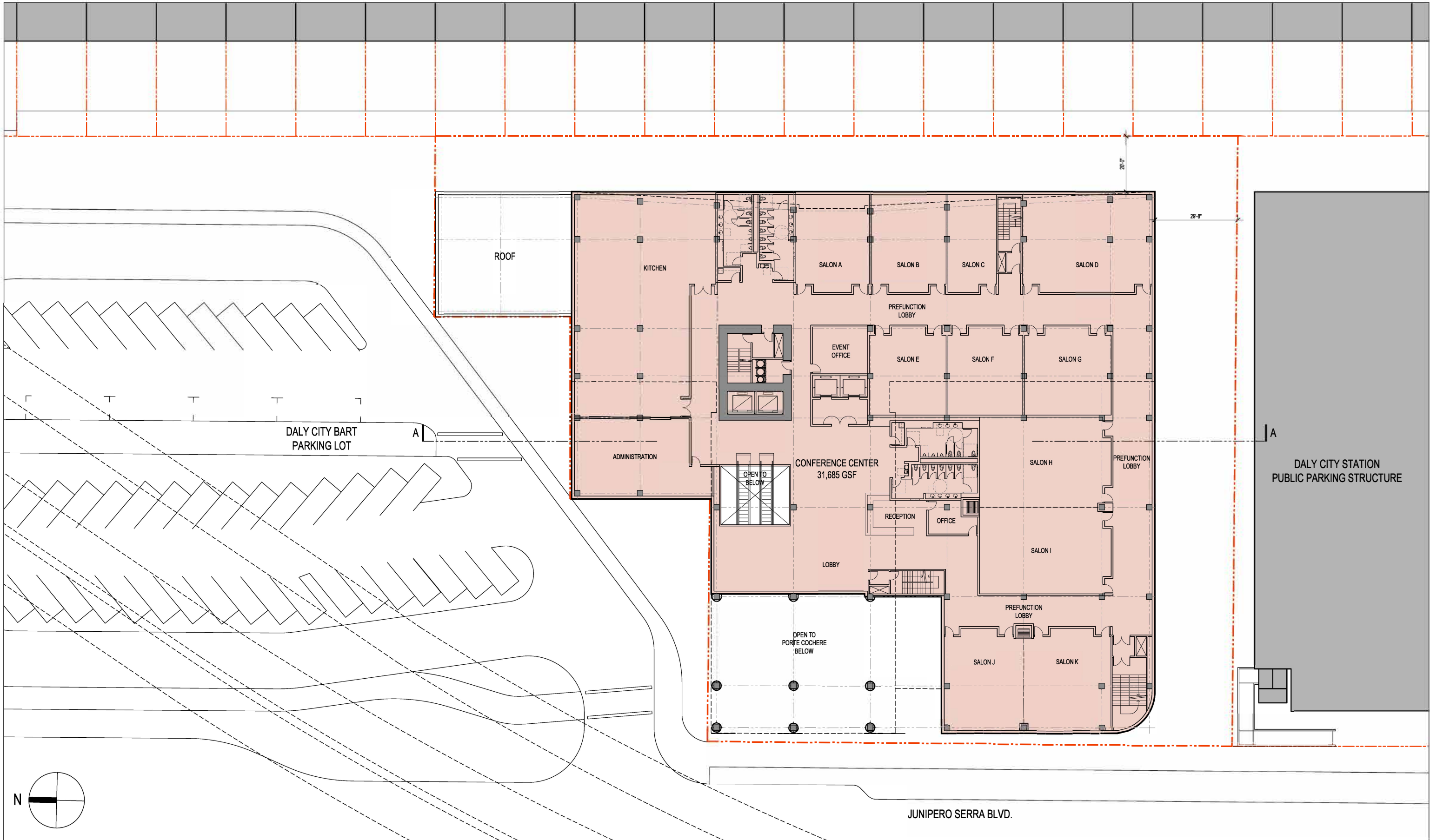
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LEVEL 1 PLAN

HELLER MANUS  
ARCHITECTS

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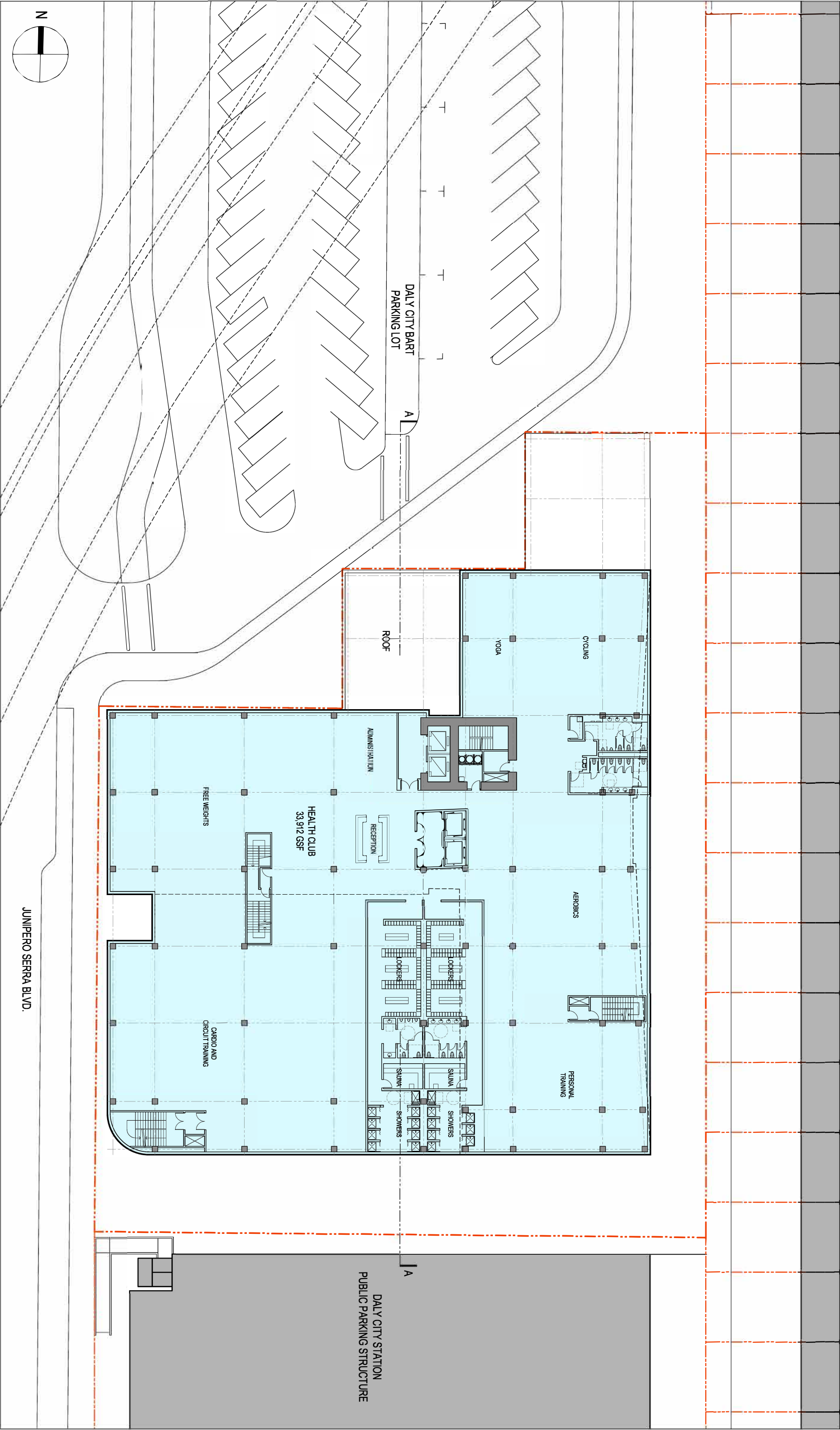


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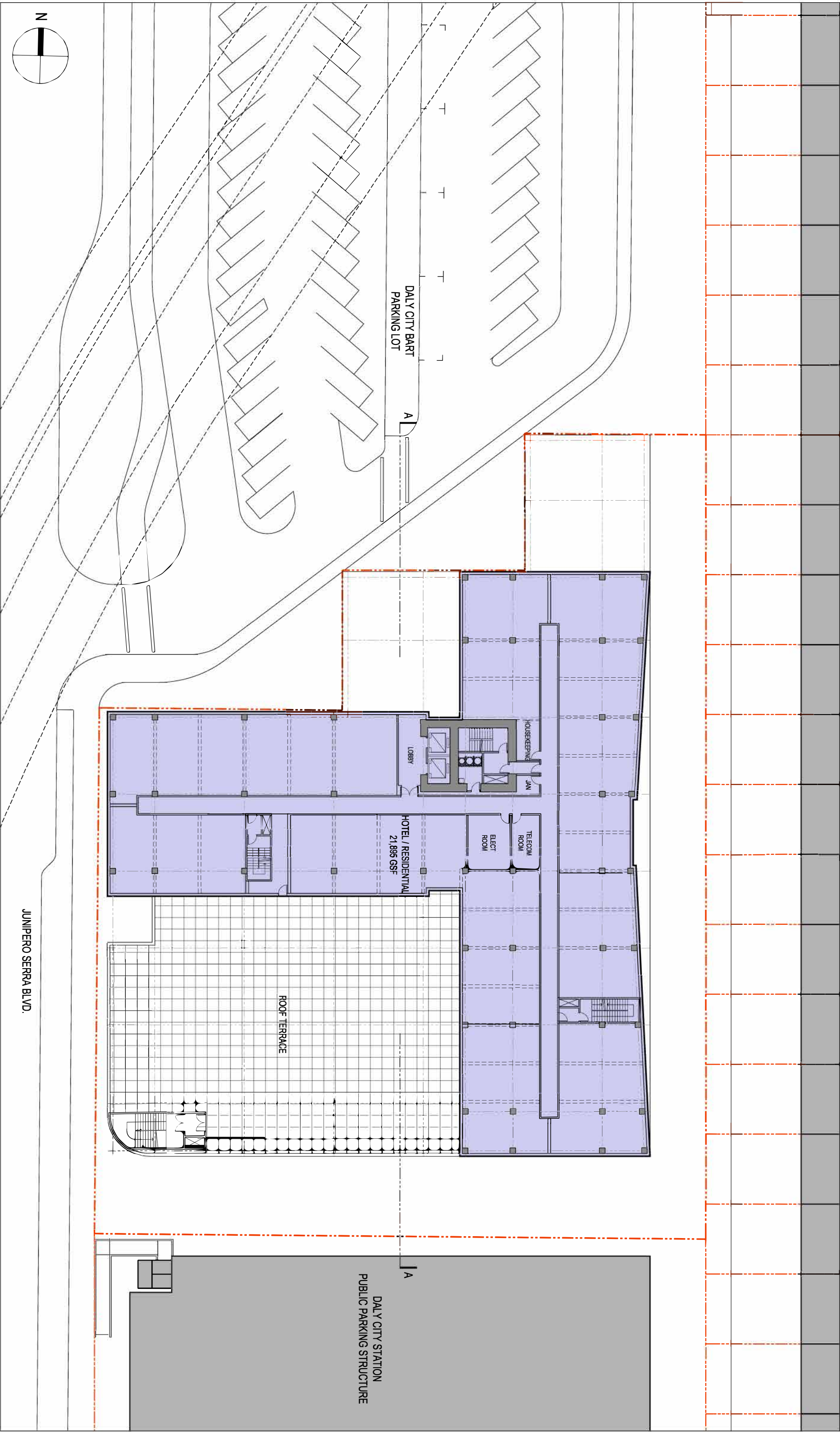
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DALY CITY, CA

LEVEL 2 PLAN



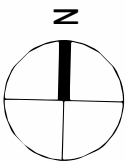




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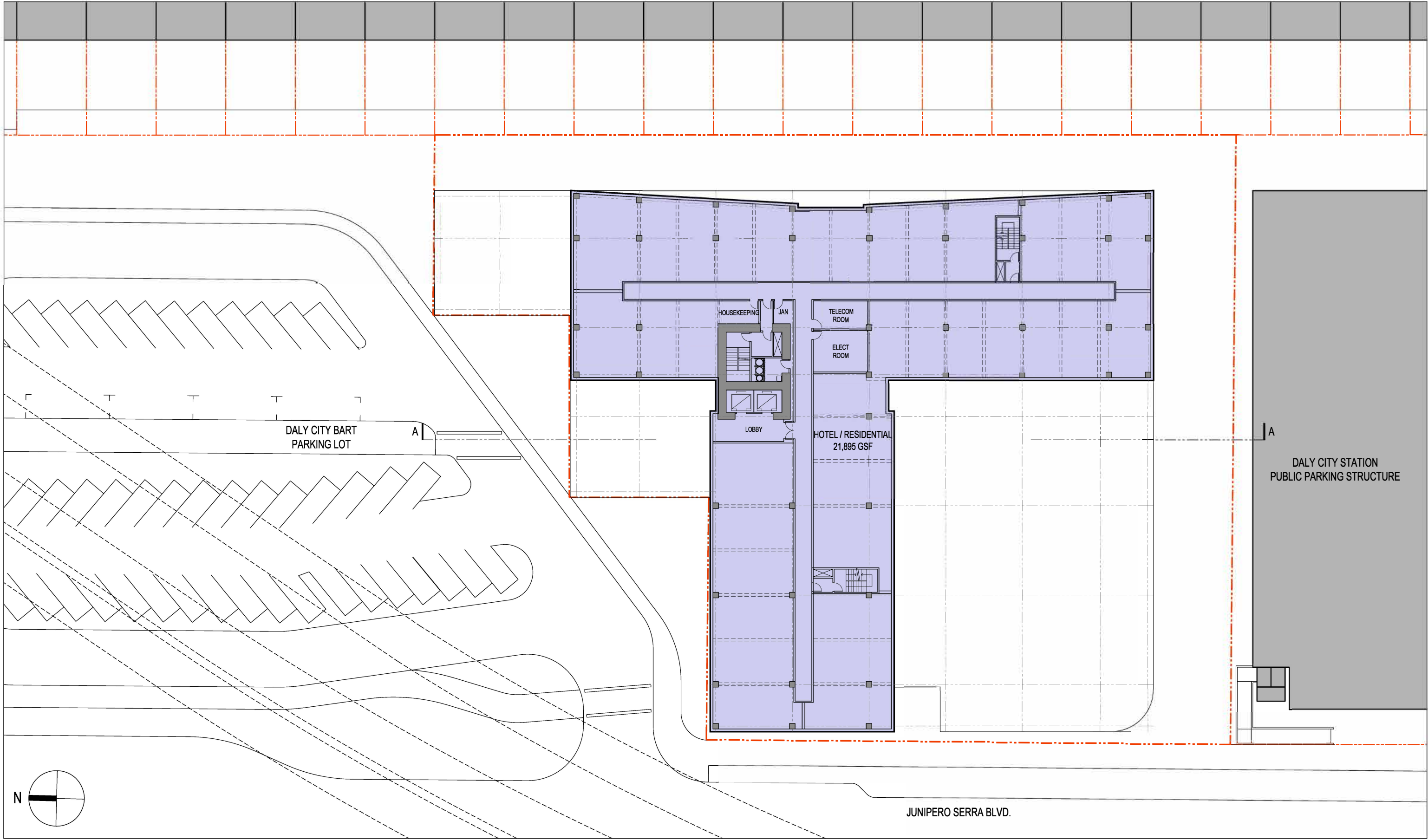
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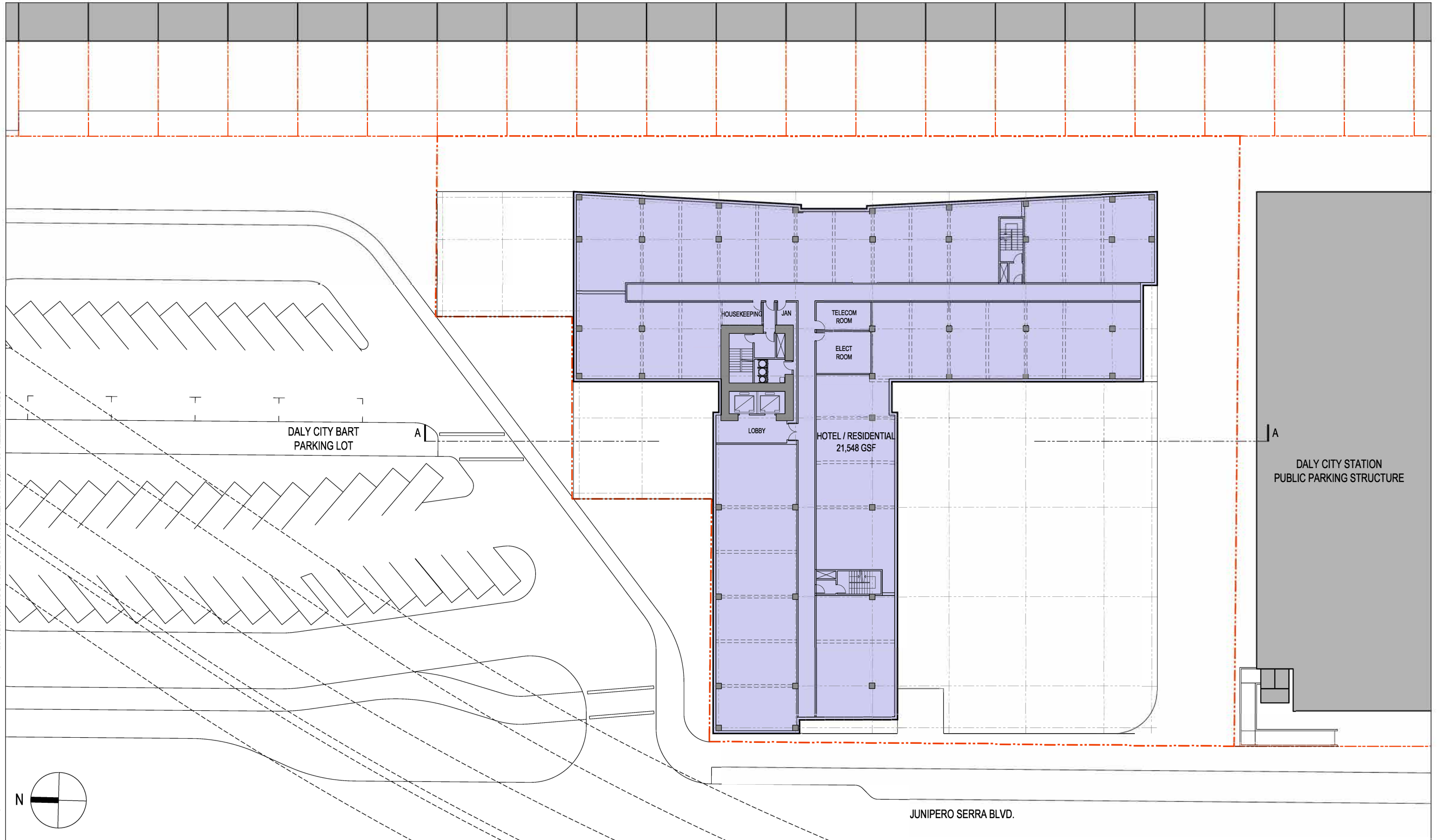
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LEVEL 5-6 PLAN

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LEVEL 7-8 PLAN



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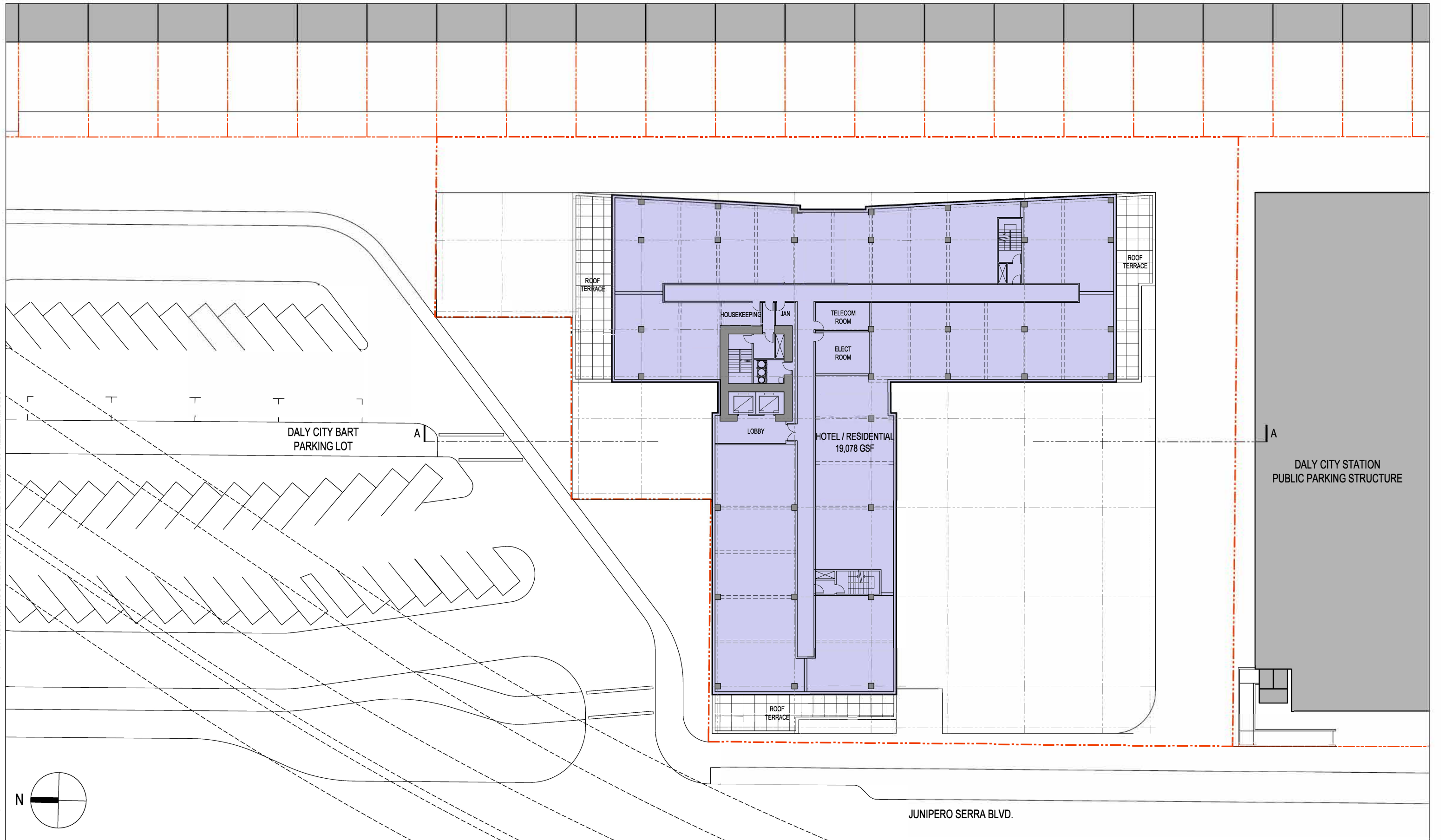
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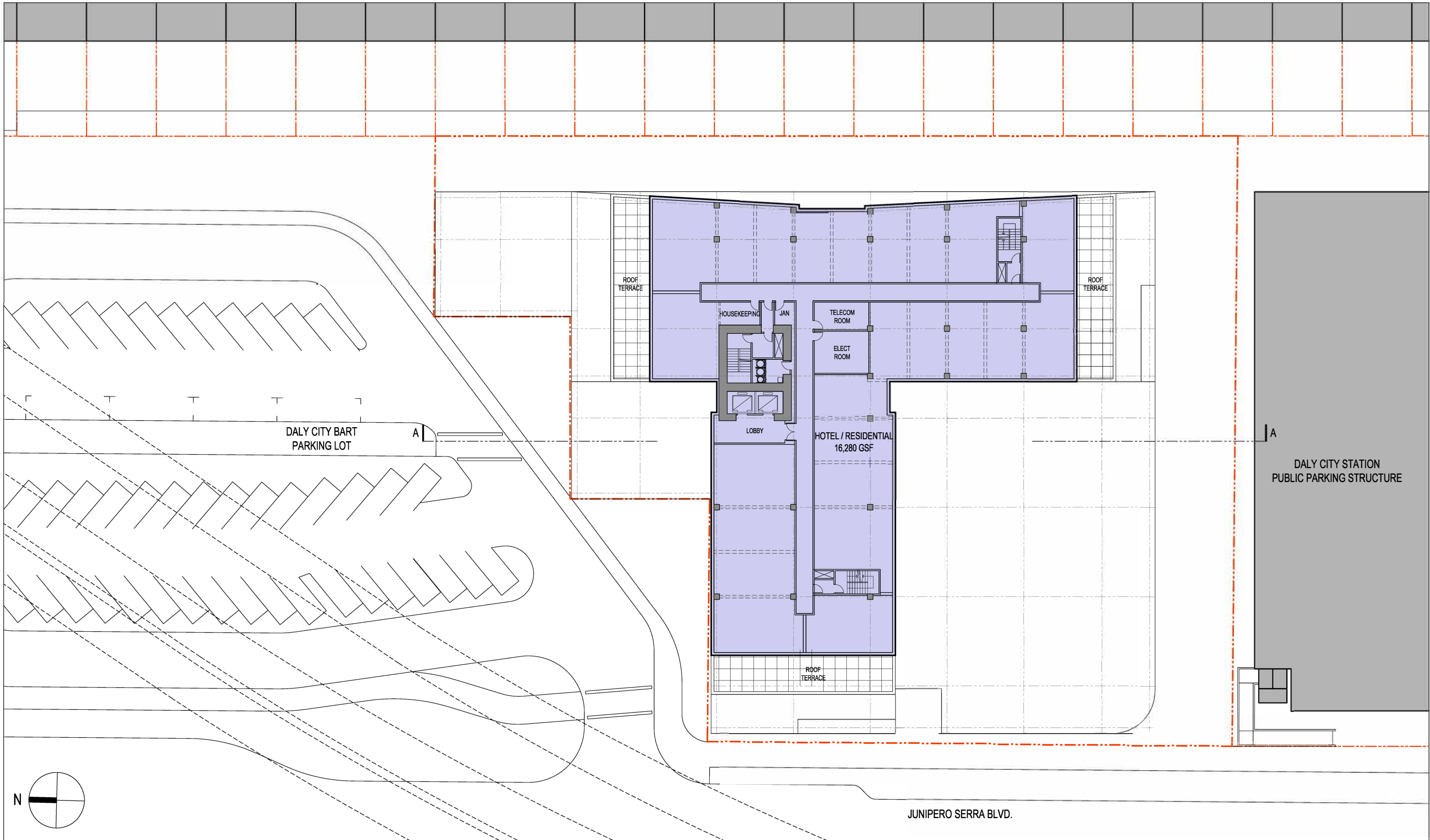
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LEVEL 9 PLAN

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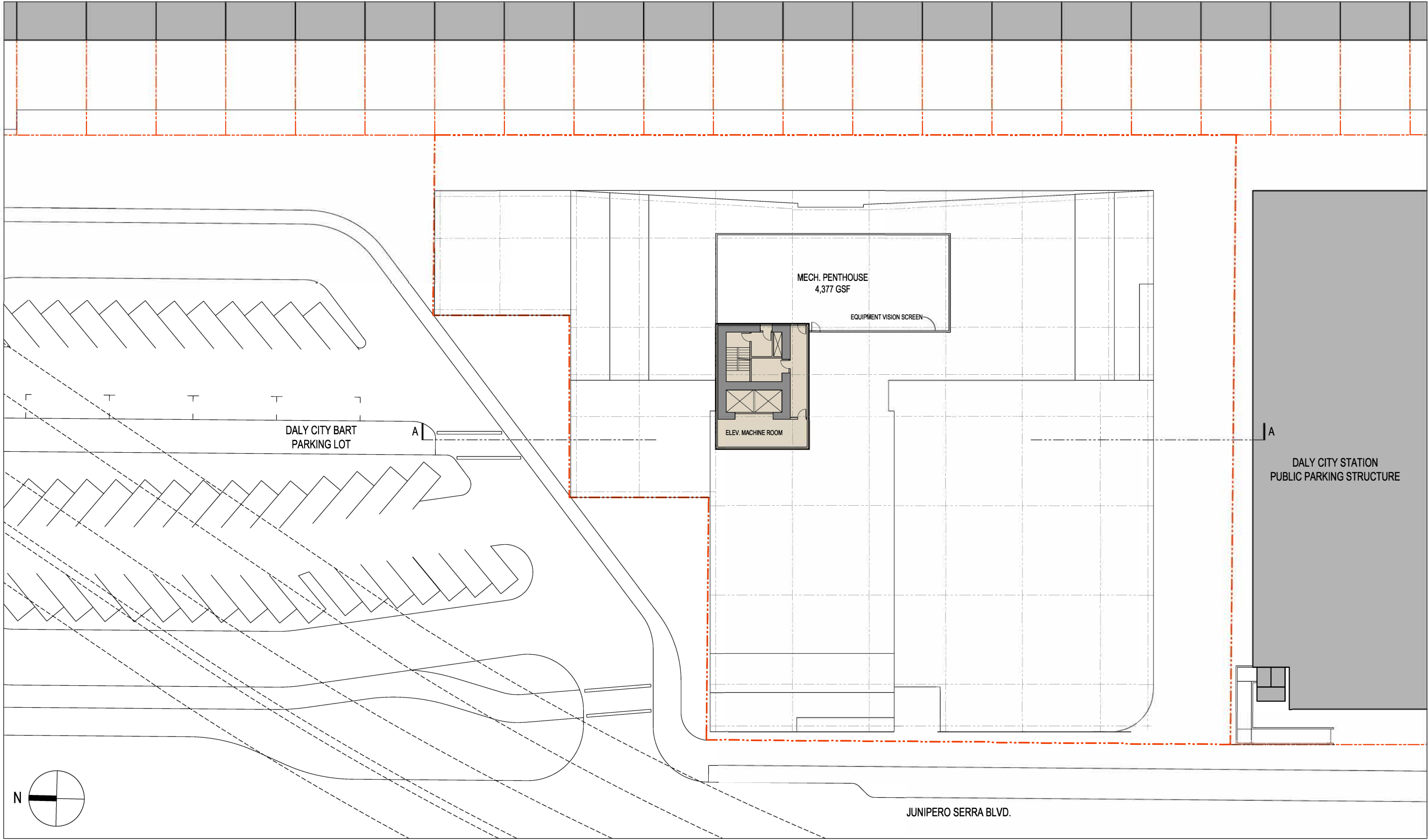
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LEVEL 10 PLAN

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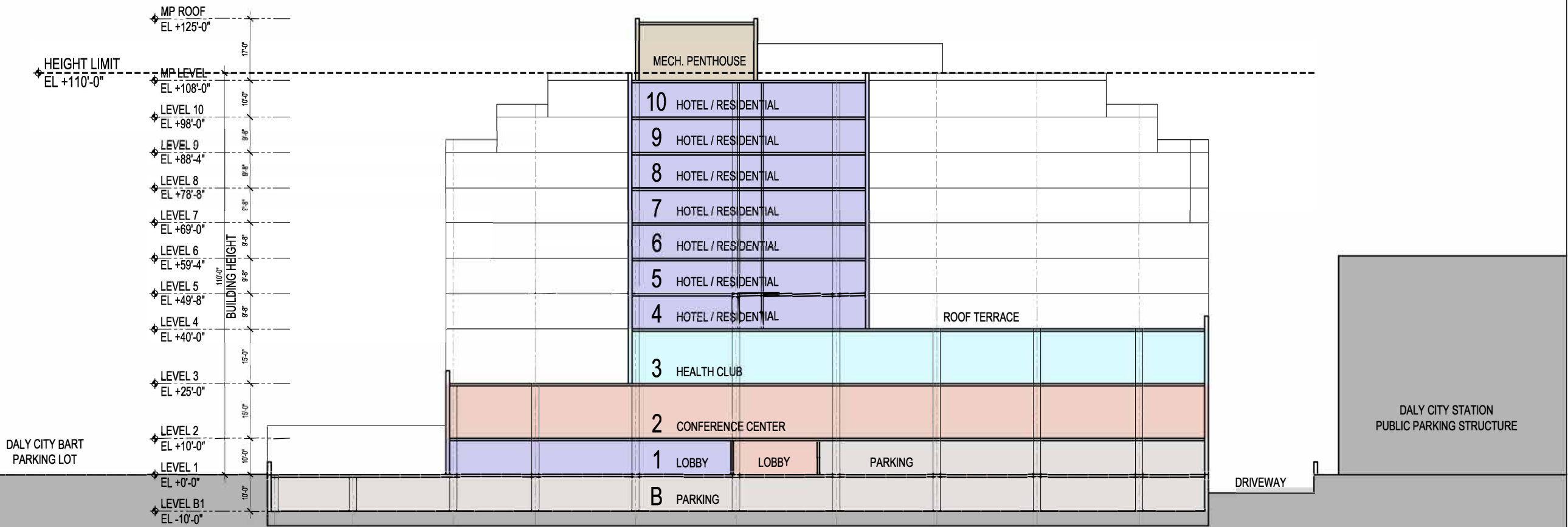
MECH. PENTHOUSE PLAN



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# 1837 JUNIPERO SERRA

DALY CITY, CA

SITE SECTION A-A

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# PROJECT Team

## Bios and Project Experience



Bob McLennan

Bob is a 3rd generation San Franciscan who grew up in Daly City starting in 1960. Bob's family built and operated several hotels on Lombard Street in San Francisco and was the lead developer of the Sheraton at Fisherman's Wharf in San Francisco, a 585-room hotel. Two of the hotels, the Lombard Motor Inn and the Buena Vista were under Bob's development team.

Starting back in 1985 through the JM McLennan Development banner, Bob has built over 53 single family homes in San Francisco, Daly City and Colma. Bob's development experience has been all in-fill projects in San Mateo County or San Francisco.

Bob has been one of the leaders in the Fitness Industry in Northern California starting back in 1979 with the opening of What a Racquet Athletic Club which is still in business today as Planet Fitness, a forty-two-year run at the same Daly City location. This fitness facility is in the top 20 Planet Fitness franchises of over 2100 units in the United States.

Bob's companies have always had ties with the local community and a supporter of many local charities and civic fund raisers. In 2006, Bob was voted by the City of Daly City Council, Citizen of the Year. Bob's community service accomplishments can be verified by the City of Daly City's current council members.





## COLMA HEIGHTS

TOWNHOMES

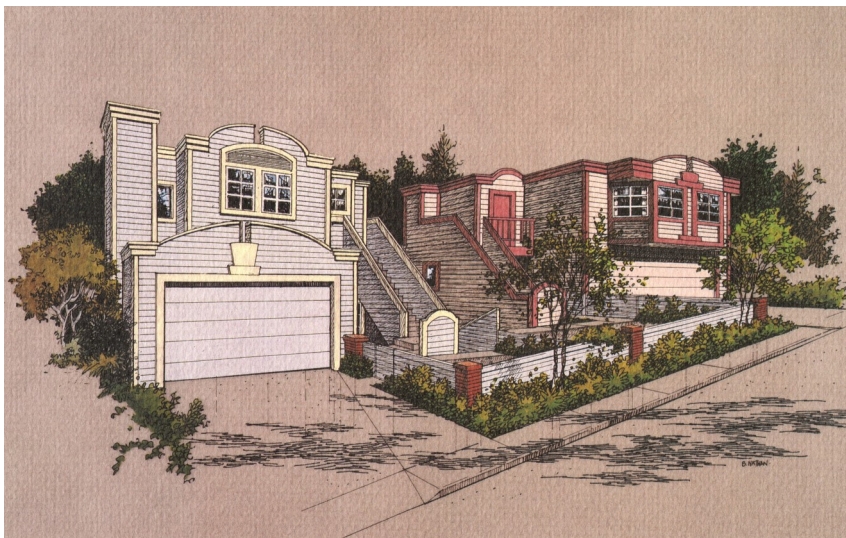
## COLMA HEIGHTS

TOWNHOMES

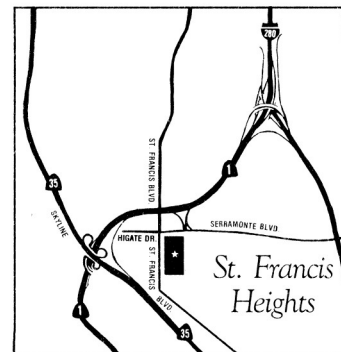


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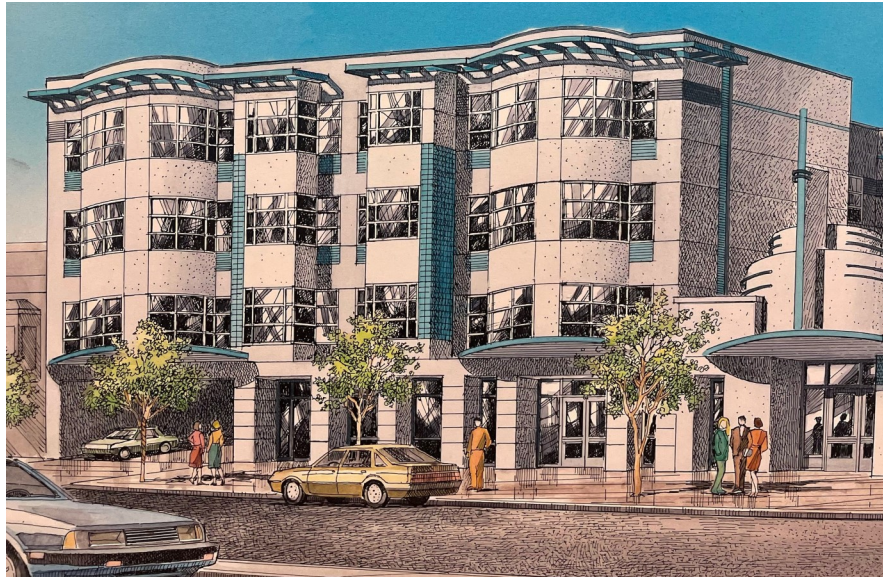


## St. Francis Heights



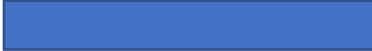
a development of

**J.McLennan**  
Development Inc.





## BAYRelations



Bay Relations, a woman owned business lead by Adrienne Tissier, is a public relations and communications consulting firm specializing in land use entitlements. She has over 25 years of experience in residential, commercial and retail development in Daly City and the San Mateo County Peninsula.

Much of the success is advising clients of the importance of strong communication with community members and project stakeholders.

Several projects successfully entitled include:

Village in the Park (residential) Daly City  
Pointe Pacific (residential) Daly City  
Duggans Serra Mortuary (expansion) Daly City  
MV Transportation  
Bart to SFO  
Costco—South San Francisco  
Terrabay (residential) South San Francisco





Prior to founding Eaton Hotel Investments, Mr. Eaton was head of U.S. Hotel Investment Sales under PKF Capital and responsible for all hotel and resort property transactions in the United States with an emphasis on California and the southwestern United States. Prior to Colliers' acquisition of PKF Consulting, Mr. Eaton spent eighteen years as Executive Managing Director and a senior hotel broker for Colliers International Hotels, based in San Francisco.

Prior to joining Colliers in 1989, Mr. Eaton spent fifteen years with Hyatt Hotels and Laventhol & Horwath gaining marketing, finance, and development expertise in the lodging and real estate industries. He has worked on behalf of large hotel companies, developers, governmental agencies and private owners and developers. Mr. Eaton was part of the opening team at the Hyatt Regency San Francisco from 1973 through 1978.

Mr. Eaton is a graduate of the School of Hotel Administration at Washington State University and holds a California Real Estate Broker license (CDRE 01047309). He is currently on the advisory board of the Recreation, Parks and Tourism Advisory Board at Cal Poly San Luis Obispo, was on the advisory board of the School of Hospitality Management at the University of San Francisco and is a former member of the International Society of Hospitality Consultants. He has spoken extensively on the lodging industry throughout the United States.

Eaton Hotel Investments 181 Second Street, Suite 580 San Mateo, CA 94411 415.706.4955

[www.eatonhi.com](http://www.eatonhi.com)



Marriott Del Mar

Del Mar, CA

320 room upscale, full service hotel



Hyatt Saine Claire Hotel

San Jose, CA

171 room upscale boutique hotel



Silverado Resort & Spa

Napa, Ca

400 unit condo hotel and two  
championship golf courses



Sheraton at Fisherman's  
Wharf

San Francisco, CA

524 room full service hotel



BUILDING SUSTAINING LEADING

BRIDGE HOUSING  
CORPORATION

BRIDGE PROPERTY  
MANAGEMENT COMPANY

BAY AREA SENIOR SERVICES, INC.

BRIDGE ECONOMIC  
DEVELOPMENT CORPORATION

August 24, 2021

*Delivered Electronically*

**Subject:** Hotel Development Opportunity

On behalf of BRIDGE Housing Corporation (BRIDGE), we are excited to submit our qualifications for the development of a mixed use hotel development at the Daly City BART station. We applaud J. M. McLennan Development's leadership in seeking to partner with a nonprofit affordable housing developer like BRIDGE in conceptualizing a mixed-use opportunity at the Daly City BART station. We are committed to delivering on the City's goals while also providing new affordable housing. Our organization and staff bring experience that is uniquely matched with the challenges of this project:

- **Unmatched track record:** Since 1983, BRIDGE has developed more than 18,000 housing units in over a hundred properties. We are one of the largest non-profit developers of affordable housing on the West Coast. BRIDGE has \$3.8 billion in total development cost under construction and in pipeline and approximately 12,500 apartments currently under property and/or asset management
- **Innovation-driven:** BRIDGE is a thought leader in the affordable housing industry and led the way for modular housing with two recently completed projects, Marea Alta and La Vereda in San Leandro. We are also the developer that created the 4%/9% hybrid in California while working with the California Tax Credit Agency on how to implement the financing in a successful model. We believe the urgency of this housing crisis requires new thinking and new approaches, whether it is in financing or design and construction.
- **Financial strength:** BRIDGE is unique among nonprofit developers in possessing the financial strength and expertise to play a lead role in complex, public-private projects. We frequently team with market-rate partners such as Brookfield Properties, Holland Partners, Lowe Enterprises, Avalon Bay Communities, Essex Residential Trust, and Summerhill Homes – allowing our local partners to leverage limited public resources. Unique amongst our peers, we have an A+ rating from Standard & Poor's which allows BRIDGE to obtain financing at more advantageous terms than others.

BRIDGE is prepared to bring the full breadth of our experience, financial capacity, and innovative thinking to this project.

Respectfully Submitted,

Brad Wiblin, Executive Vice President



600 CALIFORNIA STREET, SUITE 900, SAN FRANCISCO, CA 94108-2706 TEL: 415.989.1111 FAX: 415.495.4898 BRIDGEHOUSING.COM  
2202 30TH STREET, SAN DIEGO, CA 92104-5427 TEL: 619.231.6300 FAX: 619.231.6301  
20321 IRVINE AVENUE, SUITE F-1, NEWPORT BEACH, CA 92660 TEL: 949.229.7070 FAX: 949.274.7688  
925 NW 19TH AVENUE, STUDIO B, PORTLAND, OR 97209 TEL: 503.360.1828 FAX: 503.961.8897  
BRIDGE HOUSING IS A NOT-FOR-PROFIT, PUBLIC-BENEFIT CORPORATION





## BRIDGE HOUSING

**BRIDGE Housing Corporation:** BRIDGE Housing Corporation (“BRIDGE”) strengthens communities and improves the lives of its residents, beginning — but not ending — with affordable housing. We are the largest nonprofit developer of affordable and workforce housing on the West Coast and bring a 35-year track record of building high-quality affordable and mixed-income housing together with local partners. As a mission-driven nonprofit, we pay close attention to the double-bottom line of financial and social return on investment, always in pursuit of quality, quantity, affordability.



Since 1983, BRIDGE has participated in the development of 18,000 homes, 12,500 of which we currently own or manage in Washington, Oregon and California. Headquartered in San Francisco, BRIDGE has four regional offices across the West Coast and has a professional staff of six in Los Angeles/ Orange County and three in San Diego. Our Southern California team has more than 80 years of combined affordable housing experience in the County and City of Los Angeles. BRIDGE’s current pipeline consists of \$3.8 billion in total development costs representing 7,000 homes. Together with our partners, we currently offer 350+ resident programs at 80+ properties and have an A+ rating from Standard and Poor’s, the first nonprofit developer of its kind to be rated. BRIDGE has also received more than 180 local, national and international awards, including five ULI Global Awards for Excellence.

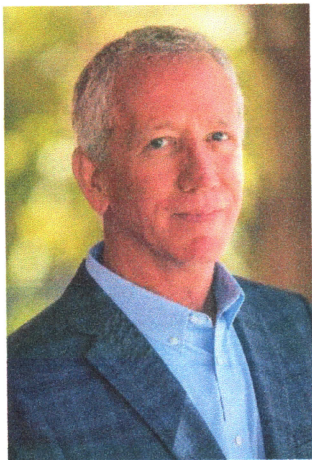
**BRIDGE Property Management Company:** In 1988, BRIDGE launched an in-house property management company to maintain high-quality standards and community responsiveness in our award-winning developments. To the benefit of our residents, partners and partners, we are careful stewards of the operational, physical and financial health of our properties. Today BPMC manages approximately 9,000 rental apartments in more than 90 developments. BPMC also manages 61,000+ square feet of commercial space within our buildings, including projects with community-serving uses such as childcare centers and health clinics. Property management revenues in excess of costs are reinvested to support resident and community services, and to create new affordable housing opportunities. BPMC has a proven track record of managing proper ties with complex regulatory requirements, including set-asides for special populations, a range of rental tiers and layered subsidy programs such as low-income housing tax credits, tax exempt bonds, HOME, CDBG, HOPWA, Section 8, Federal Home Loan Bank Affordable Housing Program, MHP, RHCP and other sources.

## Meet the BRIDGE Team



**Susan M. Johnson, Interim President & CEO:** Ms. Johnson is responsible for the overall direction of BRIDGE Housing as Interim President & CEO, and oversees the asset management, property management, resident programs and evaluation, and community development activities of BRIDGE, including a portfolio of more than 12,500 units of rental housing. She joined BRIDGE in 1983, when both the organization and the field of affordable housing were in their formative stages. Over the years, she has served BRIDGE in multiple capacities with increasing responsibility, including Corporate Secretary, VP of Administration, and Executive Vice President, with functional roles as diverse as human resources, fundraising, accounting, compliance, leasing and insurance risk management. In 2017, she was also named the company's first Chief Operating Officer. As COO, Ms. Johnson connects strategy and operations across the organization, with a focus on measuring progress

toward and achieving the goals of BRIDGE's five-year Strategic Plan. Ms. Johnson is an expert in marketing and lease-up strategies for affordable, mixed-income and mixed-population communities, and a sought-after expert in compliance and fair housing. She holds a B.S. in Sociology from U.C. Santa Cruz.



**Brad Wiblin, Executive Vice President:** Since joining BRIDGE in 1994, Mr. Wiblin has completed the development of over 2,000 units of affordable and market-rate housing in San Jose, Irvine, Carlsbad, San Marcos and San Diego. In 1998 he opened BRIDGE's San Diego office, establishing a solid foundation for BRIDGE's expanded presence in Southern California. Currently based in San Francisco, he leads the company's Business Development Group, which sources and acts on development and acquisition opportunities and positions BRIDGE to enter new markets. Prior to BRIDGE, Mr. Wiblin was a land planner and urban designer primarily responsible for the design elements of residential and mixed-use communities. He is an associate member of the Urban Land Institute and a member of the Residential Real Estate Committee of the University of San Diego. He has a B.S. in Design from Arizona State University and a Master's in City and Regional Planning from UC Berkeley.



**Smitha Seshadri, Executive Vice President:** Smitha Seshadri comes to BRIDGE from Habitat for Humanity Greater San Francisco, where she has served as Vice President of Real Estate since April 2015. At Habitat, she was deeply involved in building the organization's infrastructure, leading real estate development and construction teams, planning for strategic growth, and implementing processes and procedures to track increasingly complex budgets and managing financial risk. Prior to Habitat, she worked for BRIDGE for nine years, as a Senior Project Manager and then Director of Development. During her tenure, she delivered \$175 million worth of projects under budget, including the resyndication of the Carquinez Apartments, Ironhorse at Central Station, 474 Natoma and St. Joseph's in Oakland, which won a 2015 Urban Land Institute Global Award for Excellence. At BRIDGE, she supervised a negotiated with market-rate partners on structuring a \$360 million joint venture development with inclusionary housing.



## PREVIOUS AFFORDABLE HOUSING EXPERIENCE

### Montara Apartments

**Applicants Role:** Developer

**Location:** 2775 S. Delaware Street, San Mateo CA, 94403

**Number of Units:** 68 Affordable Units/1 Managers Unit

**Date Completed:** November 2020

**Population Served:** Families and Veterans

**Development Costs:** \$58,481,495

| Units | Unit Type | AMI%    |
|-------|-----------|---------|
| 5     | 1 Bedroom | 30%     |
| 3     | 2 Bedroom | 30%     |
| 3     | 3 Bedroom | 30%     |
| 3     | 1 Bedroom | 40%     |
| 1     | 2 Bedroom | 40%     |
| 1     | 2 Bedroom | 40%     |
| 2     | 3 Bedroom | 40%     |
| 17    | 1 Bedroom | 50%     |
| 7     | 2 Bedroom | 50%     |
| 5     | 3 Bedroom | 50%     |
| 7     | 1 Bedroom | 60%     |
| 7     | 2 Bedroom | 60%     |
| 6     | 3 Bedroom | 60%     |
| 1     | 3 Bedroom | Manager |



**Public/Private Partnerships:** The City of San Mateo owned the property because it was donated the by the master developer as part of the Bay Meadows Development Agreement (“Development Agreement”) executed in 2005.

This property was explicitly dedicated to the City for development by the City or a designated public or nonprofit agency solely for low, very affordable housing. BRIDGE worked with the City of San Mateo to meet a variety of affordability.



**Amenities:** Amenities include a community courtyard at the podium, a laundry room, a bike room, a community room, office space for property management and resident services activities, and below-grade parking.

**Project Description:** Montara, a 68-unit, transit-oriented development in the City of San Mateo, comprises one-, two- and three-bedroom apartments affordable to households with incomes between 30% and 60% AMI. Thirty-four of the 68 apartments will have Project-Based Section 8 subsidy and will be filled with referrals from the Housing Authority of the County of San Mateo, and 16 apartments will be filled with referrals from Veterans Affairs and the Continuum of Care.

**Sustainability:** Montara was developed in accordance with GreenPoint Rated, and includes many green features such as solar thermal PV, low flow faucets and energy efficient electrical fixtures, and Energy Star or equivalent appliances.



**Financing:** City of San Mateo, County of San Mateo, San Mateo County Department of Housing, National Equity Fund, Silicon Valley Bank, Walker Dunlop, HEART of San Mateo County, U.S. Department of Housing and Urban Development, Federal Home Loan Bank of San Francisco, California Tax Credit Allocation Committee

**Resident Services:** To serve the needs of the resident population, BRIDGE is contracting with Abode Services. A full-time on-site service coordinator provides case management and enrichment programming to all residents of Montara. Additionally, the formerly homeless veterans are all assigned a Case Manager through the HUD-VASH program. Together they develop a Housing Stabilization Plan, a recovery-focused plan that identifies housing needs and sets treatment goals that engage active participation from the veterans.

**Community Engagement:** BRIDGE Housing conducted multiple neighbor outreach sessions to provide a description of proposed project and to obtain feedback and answer questions of neighbors. Our team explains to community members why affordable housing is needed in

the region, and a background on why an affordable housing project has been proposed on this site. From there we help answer questions and alleviate fears regarding increased traffic, potential blight, and neighborhood character.





## Mural Apartments

**Project Name:** Mural Apartments

**Applicants Role:** Developer

**Location:** 3838 Turquoise Way, Oakland, CA 94609

**Number of Units:** 89 Affordable Units/1 Managers Unit

**Date Completed:** 7/26/2016

**Population Served:** Families

**Development Costs:** \$43,800,000

| Units | Unit Type | AMI%    |
|-------|-----------|---------|
| 1     | Studio    | 30%     |
| 8     | 1 Bedroom | 30%     |
| 10    | 2 Bedroom | 30%     |
| 10    | 3 Bedroom | 30%     |
| 9     | 3 Bedroom | 45%     |
| 1     | Studio    | 50%     |
| 14    | 1 Bedroom | 50%     |
| 19    | 2 Bedroom | 50%     |
| 17    | 3 Bedroom | 50%     |
| 1     | 3 Bedroom | Manager |



**Public/Private Partnerships:** This project included a Development Agreement with the City of Oakland, an Owner Participation Agreement with the Redevelopment Agency of

the City of Oakland, and a Purchase and Lease Option with Bay Area Rapid Transit for 99 Years.

**Amenities:** Amenities include a large community room and kitchen, laundry facilities, two landscaped courtyards and a tot lot.



**Project Description:** Mural is the second phase of MacArthur Station, a master-planned development on the site of the MacArthur BART station parking lot. Mural includes 90 rental apartments for low and very-low income households with incomes ranging from 30% to 50% of the area median income. Amenities include a large community room and kitchen, laundry facilities, two landscaped courtyards and a tot lot.

**Sustainability:** Mural is GreenPoint-Rated, achieving 167 points. Mural includes a solar hot water system that preheats the domestic water supply, reducing the building's gas demand. Landscaping includes no invasive species and are hydrozoned to control water needs for specific plant species. Highly efficient water fixtures and low flow valves are integrated throughout the building to reduce water use. Energy star appliances including refrigerators and dishwashers, along with high efficacy lighting are supplied in every units. Additionally, Mural features low-VOC paints, sealants, adhesives, and flooring.



**Financing:** 4% LIHTC Tax Credits, City of Oakland Soft Loan, Oakland Housing Authority Project Based Section 8, California Department of Housing and Community Transit Oriented Development Program, California Tax Credit Allocation Committee, California Debt Limit Allocation Committee

**Resident Services:** All Star Academics provides residents with an Afterschool Program free to all residents. Their mission is to provide children with a high-quality educational program, and tutoring assistance to help reach their full academic potential. The program consists of homework assistance and academic enrichment in the key areas of reading, writing, and mathematics. Their tutors teach problem solving skills to help kids gain confidence in their ability to learn new concepts.

**Community Engagement:** During Mural's predevelopment phase, BRIDGE met with community groups close to 30 times, providing information and updates on all facets of the process including affordability levels, open and community space, city approvals, building design and retail and commercial. In doing so BRIDGE created a level of transparency and trust which allowed Mural's development to proceed with complete community support.





## 500 Folsom

**Applicants Role:** Affordable Developer

**Location:** 500 Folsom St, San Francisco CA, 94105

**Affordable Units / Total Units:** 109 / 537

**Date Completed:** May 2019

**Population Served:** Families

**Development Costs:** \$189,838,000

| Units | Unit Type | AMI%    |
|-------|-----------|---------|
| 34    | Studio    | 50%     |
| 61    | 1 Bedroom | 50%     |
| 13    | 2 Bedroom | 50%     |
| 1     | 3 Bedroom | Manager |



**Public/Private Partnerships:** In 2013, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco selected the team of BRIDGE, Essex Property Trust and TMG Partners to develop 500 Folsom, a high-density, mixed-use, mixed-income project in San Francisco's Transbay Redevelopment Project Area.

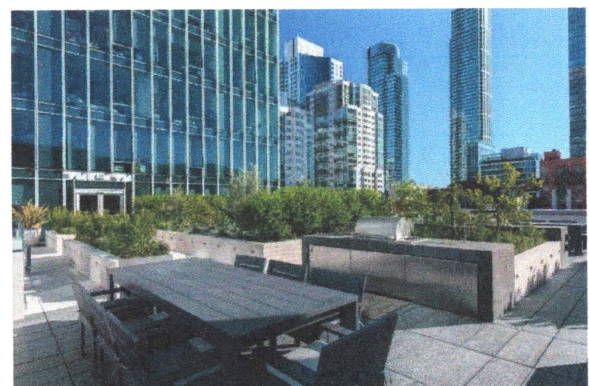
**Amenities:** Amenities include outdoor open spaces, roof decks, a fitness center, ground floor retail and underground parking.

**Project Description:** The centerpiece of the district is 500 Folsom, a 42-story residential tower strategically sited adjacent the Bay Bridge offramp where it welcomes visitors arriving from the East Bay. Rising in a series of stacking volumes and topped with a unique terracotta

crown, the tower is an iconic and distinguishing presence in San Francisco's multifaceted skyline. The building features 428 market-rate units, 109 below-market-rate units, residential amenities such as a spa and indoor-outdoor recreation areas, and 289 below-grade parking spaces.

The building's stacked composition echoes the scale of the neighborhood, strengthened by a series of alternating vertical spaces punctuated by red terracotta and residential balconies. Two mid-rise podiums, designed by Fougerson Architecture, anchor the tower and form an outdoor paseo that creates a link from Folsom to Clementina Street and Oscar Park beyond.

**Sustainability:** 500 Folsom is designed to achieve LEED Silver certification standards. The building features natural ventilation through operable windows, exterior shading, high-performance glass and an energy-efficient hydronic heat pump system at each residence. The structure is equipped with low-flow fixtures and photovoltaics to pre-heat boilers, while a rainwater harvesting and greywater system collects, treats and recycles water for landscape irrigation. Additionally, the building uses high-recycled content and other materials that meet strict low-emissions and low-VOC standards.



**Financing:** 4% LIHTC Tax Credits, California Debt Limit Allocation Committee, Private Equity Contribution







## COMMUNITY OUTREACH AND ENGAGEMENT

BRIDGE knows that developing a high-profile site within a close-knit community like Daly City requires care and sensitivity in working with neighbors and stakeholders. We have excelled in working with communities in support of our developments throughout our history and look forward to engaging with interested parties to garner support for this project. We are aware that there may be community/resident opposition to the development of this site. Given this, BRIDGE plans to enhance our ability to create effective community outreach by using data to inform broad-based and targeted strategies, address concerns, and build a coalition of supporters for the project.

A sound working relationship between BRIDGE and local communities underlies the approval and success of all of our developments. BRIDGE relies on community support to ensure that each project meets the needs of the community it serves. With a long history of leading community outreach efforts for projects large and small, we have learned some key lessons that enable us to garner meaningful input and gain buy-in from stakeholders in order to improve our developments, and reduce the time and cost of lengthy entitlement battles.

### Outreach

The outreach strategy for each BRIDGE development is tailored to each specific site community. It is our intention to work closely the State, and City of Daly City staff in refining and finalizing an outreach strategy to ensure we are coordinated with outreach goals and communication. Generally, each strategy has initial components that are refined thereafter. For this discussion we are providing a general strategy with components from BRIDGE's experience. Our preliminary outreach plan would consist of the following actions:

- Conduct an initial meeting with the City of Daly City staff to solicit input and comments and identify local community groups with interest in the site, especially near the BART station. We would then conduct a follow up meeting with to address any open questions and comments.
- Conduct an initial meeting with the homeowners in the vicinity of the property by hosting a neighborhood introductory event. We would anticipate a follow up meeting after receiving initial comments. We would also reach out to any other local homeowner associations or nearby neighborhoods having an interest and hold meeting events.
- Concurrently with the first two steps, BRIDGE would reach out to the neighbors of the potential property. BRIDGE's goal would be to educate the community about our proposal and prevent misinformation from being spread. Engaging neighbors early would be helpful in strengthening local support for our proposal while assuaging the fears of potential opponents.
- After holding the meetings noted above, we anticipate holding a preliminary workshop to present our refined proposal incorporating City Staff and community suggestions. The intent of the preliminary workshop meeting would be to solicit any comments and suggestions prior to any formal applications being submitted.



- The project team would develop a website for the project that could be used both to disseminate information as well as to collect feedback and comments.
- If Staff deems it appropriate, BRIDGE would welcome meetings with members of the City Council at any stage of the process to help guide and refine our proposal.

The initial community meetings and the website will help the BRIDGE team build a contact list of interested parties, with the intention of following up with information on the progress of the development as necessary. Follow-up communications could potentially cover topics such as the introduction of team members, proposed building program, community services and discussion of design ideas. The contact list could also potentially be educated on the eventual tenant population makeup and how affordable housing works, the multi-generations that the project will likely house, and a presentation of the development team's initial design thoughts including the development's focus on community serving retail, childcare, and transportation.

The community's interest in the project will not end once the project receives schematic design approval, and neither will the development team's outreach efforts. By including community members and their input in the design development phase we believe the design intent shown in schematic drawings has the best chance of being retained as the architecture is refined. The community members may also request more detailed discussions about the development team's plans



for property management, community and resident services, retail, and childcare. Smaller and more informal community meetings will continue to be held as needed. During these meetings, community residents will be updated on the project's progress, and will have the opportunity to ask questions, raise concerns, and share ideas. BRIDGE is willing and able to engage the community as intensively as necessary and in coordination with our public agency partners. Opposition to affordable housing projects is not uncommon, and we have found that working with the community early and often is our best tool to achieving project support. Our team includes professionals with many years of experience in building coalitions and working with community and neighborhood groups. Although we recognize that some neighbors will remain opposed to the project despite our good faith outreach efforts, the goal with all our projects is to work with potential opponents and help them become project supporters.

## Community Outreach Examples

After being awarded the **Balboa Reservoir** project in 2017, BRIDGE Housing collaborated with the Balboa Reservoir Citizens Advisory Committee (BRCAC) to lead a community process to shape the master plan for the Reservoir. This phase of the community process included eight meetings with the BRCAC, two on-site tours, two community-wide open house events, and multiple meetings with individuals and community groups. This engagement process also included ongoing meetings and coordination with City College, as well as city agencies.

Community input has provided important guidance for developing these Design Standards and Guidelines for the Balboa Reservoir Neighborhood, particularly open space, building placement, transportation options, and neighborhood access. The Balboa Reservoir neighborhood sponsors anticipate ongoing community involvement as the plan is implemented, including input on the detailed design of the open space and individual building blocks. Here are a few examples of how the community engagement process influenced the design of the project:



- The Reservoir Park was re-oriented to provide better shelter from prevailing ocean breezes, to maximize solar access, and to provide a stronger connection to north and east neighborhoods;
- SFPUC Open Space was programmed and designed to provide for an active neighborhood-serving recreational uses such as urban soccer and food trucks;
- North Drive was shifted south to create better alignment with Cloud Drive at Frida Kahlo Way, shorter distance between pedestrian crossings, and to provide more direct access to the Balboa Reservoir neighborhood;
- Lee Avenue was widened to allow for improved bike and pedestrian access, and to provide more flexibility for future development at City College;
- To improve the transition in scale adjacent to single family homes, the number of lower scale townhouse units has expanded and the taller buildings were consolidated nearer to Ocean Avenue and City College;
- Building Standards and Guidelines encourage buildings that create a cohesive neighborhood and complement the existing neighborhood fabric;
- Every aspect of the plan is designed to encourage walking, biking, and transit use—and to reduce the reliance on private automobile trips; and
- Commitments to on-site renewable energy, stormwater management, and habitat restoration were strengthened and expanded.

In 2016, BRIDGE completed **AveVista**, a 68-unit affordable development in the heart of Oakland. Located across from Lakeside Park in Oakland's Adams Point neighborhood on Lake Merritt, AveVista features four levels of studio, one-, two- and three-bedroom apartments plus a landscaped courtyard, a community room and on-site laundry. A critical hurdle in the process was sitting down with the neighbors and other community members that challenged the project in 2006 and gaining their approval of the revamped development plan. Overall, the input was positive and incredibly beneficial in building support, receiving



feedback and identifying future topics to be addressed. BRIDGE followed up and met with nearby property owners and City Council Members to further discuss potential impacts during construction. In discussions with the immediate neighbors, noise impacts during construction were identified as a concern. Typical of any infill development, consistent communication during construction is imperative. In addition to implementing the City's requirements for noise, the contractor's construction management plan included scheduling and noticing requirements to ensure neighboring owners and tenants were made aware of potential noise and short-term construction impacts. BRIDGE staff was also in contact with owners and tenants to confirm construction impacts were kept to a minimum. BRIDGE has also reached out to neighborhood organizations in the area over the years providing updates on the progress of development and potential community program partnerships.



## PUBLIC AGENCY EXPERIENCE

BRIDGE is proud to be a trail blazer for public-private partnerships in California. MacArthur Station is a partnership between BRIDGE, BART (Bay Area Rapid Transit), Hines, and Boston Properties that is delivering multi-modal amenities, a new parking garage, and 790 units of mixed-income housing to Oakland. Measuring over eight acres, MacArthur Station includes the newly-constructed BART parking garage along with Mural Apartments, a 100% affordable building owned and developed by BRIDGE, and *three other residential and mixed-use market-rate projects in construction*. BRIDGE was chosen through an RFP process in 2004 when the site was considered a pioneering location that did not pencil. The City of Oakland had committed early redevelopment funds to spark development at the site. The commitment of \$37 million in California Proposition 1C funds (the forerunner of the State's Infill Infrastructure Grant program) was the keystone in making the deal work. Four years later, in 2008, the 675-unit development was approved by the Oakland City Council. BRIDGE moved forward with Mural as the first vertical development phase that continued to catalyze development at the station. This project included a Development Agreement with the City of Oakland, an Owner Participation Agreement with the Redevelopment Agency of the City of Oakland, and a Purchase and Lease Option with Bay Area Rapid Transit. BRIDGE will bring this level of collaboration and innovative financing to the State Surplus Land.

BRIDGE frequently partners with public agencies to apply for funding, secure city land, and/or find a rental subsidy for future residents. AvéVista is the result of an innovative partnership between BRIDGE and the Oakland Housing Authority (OHA). The OHA purchased the site and entered into a long-term ground lease with BRIDGE. In addition to purchasing the land, the OHA provided a predevelopment loan, a commitment of 34 Project Based Section 8 vouchers, and gap financing of \$8,300,000. When BRIDGE developed La Fenix at 1950, a 155 unit affordable housing project in San Francisco, BRIDGE served as master developer in partnership with the Mayor's Office of Housing and Community Development (MOHCD) and Mission Housing Development Corporation, to develop this affordable community in the Mission District of San Francisco. The property is owned by the City of San Francisco, which will maintain ownership and lease the land to the partnership under a long-term ground lease.

## FINANCIAL CAPABILITY

BRIDGE Housing Corporation has successfully completed financial closings on over 200 projects since 1983, each involving different types and combinations of financing. BRIDGE has ample access to capital, multiple successful lender and investor relationships, exemplary past performance and strong creditworthiness. It is important to note that BRIDGE is also in excellent financial health and has ample access to capital, successful lender/ investor relationships, exemplary past performance and strong credit worthiness which is essential to a successful site acquisition. BRIDGE's long track record of success has resulted in the company having access to both debt and equity resources at extremely favorable rates. We have also used a variety of innovative financing tools to finance the construction and operations of our developments (for example we are in the process of putting an Opportunity Zone fund together). BRIDGE has a strong balance sheet and sufficient working capital to invest as predevelopment funding into our projects. BRIDGE has strong relationships with all of the industry's major real estate lenders, including Bank of America, JP Morgan Chase, Union Bank, Citibank, and Wells Fargo Bank, amongst others.

BRIDGE's enviable track record typically attracts large equity investments from private parties, most often utilizing Low Income Housing Tax Credits. BRIDGE's experience in developing and managing high quality, sustainable communities results in lower risk for investors, which in turn leads investors to pay higher rates when investing in BRIDGE developments.

BRIDGE has an A+ issuer credit rating from Standard & Poor's Rating Services. In its 2015 rating report, S&P mentioned BRIDGE's strong overall management, enterprise risk profile, asset quality, financial profile, and liquidity as well as its effective strategic planning and diverse portfolio. BRIDGE and its Consolidated Affiliates form a financially strong company with total assets of more than \$2.3 billion along with \$65.3 million in cash and cash equivalents, of which \$16.7 million is in working capital for operations and predevelopment costs. BRIDGE Housing's "A+" issuer credit rating has been reaffirmed by Standard & Poor's Ratings Services in 2020.

Public subsidy funding as well as a private investment are crucial for the development of affordable communities, and BRIDGE has an excellent record in competing strongly in the programs that need to be targeted. BRIDGE is very knowledgeable and resourceful regarding public funding sources and has secured loan and grant funding every program including the California Housing and Community Development Department's (HCD) Multifamily Housing Program; AHSC funds for the Fruitvale Transit Village in Oakland and , \$7.5M in IIG for Vermont and Manchester Family Building and \$1.9M in IIG funds for Jordan Downs Phase II. In addition, BRIDGE utilizes available local sources such as Local Housing Trust funds and HOME funds and often incorporated Redevelopment funds prior to the elimination of Redevelopment Agencies. These programs all reward experience, financial strength, and management company performance, all areas in which BRIDGE routinely scores the maximum available points, which is crucial when competing for scarce resources. Furthermore, BRIDGE has been successful in the recruitment of leveraging subsidy funding including Federal Home Loan Bank Affordable Housing Program (FHLB AHP) funds, Community Development Block Grant (CDBG) loans, solar incentives and greening rebates, and increased US Housing and Urban Development (HUD) support including RAD and project-based Section 8 contracts.



## PARTNERSHIP EXPERIENCE

BRIDGE frequently teams with market-rate partners such as Brookfield Properties, Holland Partners, Lowe Enterprises, Avalon Bay Communities, Essex Residential Trust, and Summerhill Homes—allowing our local partners to leverage limited public resources. Below we will highlight our relationship with AvalonBay, L37 Partners, Holliday Development, and the Irvine Company.

In 2017, BRIDGE Housing and AvalonBay Communities formed an LLC to act as the master developer for Balboa Reservoir, a new 1,100-unit mixed income community that will include up to 50% affordable housing. The Balboa Reservoir project is a public-private partnership with the City of San Francisco to develop a 17-acre parcel located adjacent to CCSF. Balboa Reservoir will transform land that is presently being under-utilized as a parking lot into a vibrant new community affordable to a wide range of residents. BRIDGE is utilizing in-lieu fees from AvalonBay to help construct more than 200 units of affordable housing. This project received its entitlements in three years and is slated to begin construction in 2023.

Over the past 15 years, principals at L37 Partners and BRIDGE Housing have collaborated successfully on the pursuit and development of prominent projects in the Bay Area. With a mutual commitment to creating developments that serve the greater community, L37 Partners and BRIDGE continue to execute on delivering exceptional developments with mixed affordability to the greater Bay Area. In 2012-13, the parties were awarded Transbay Block 9 (500 Folsom) from the Successor Agency of the Redevelopment Agency of the City and County of San Francisco. In 2019, the parties entered into a Development Agreement with the City of South San Francisco for the development of 800 units at the former SSF PUC site approximately 0.5 miles south of the South San Francisco BART Station. A master development including 20% on-site affordable units, which will be built by BRIDGE, childcare facilities, a market hall, over 3 acres of public accessible parks and open space, the South San Francisco PUC development, in conjunction with the adjacent SSF Civic Campus project, will be a new central destination of the bustling city of South San Francisco.



In addition to their own independent work over the past decades, Holliday Development and BRIDGE Housing have successfully built mixed income, transit-oriented developments integrated with each other. This includes the Iron Horse Lofts and Coggins Square projects adjacent to Pleasant Hill BART, and the Central Station Master Plan near West Oakland BART, which includes Holliday's Pacific Cannery Lofts and BRIDGE's Ironhorse Apartments projects along with several other development parcels comprising over 1,000 additional ownership and rental homes. Together, BRIDGE and Holliday are currently working on Mayfair Apartments adjacent to El Cerrito del Norte BART. The proposed project includes two buildings with a combined total of 223 residential units, shared parking in a garage, along with public, common and private open space creating an interconnected campus. The five story north building by BRIDGE will provide 67 below market rate units with levels of affordability ranging from 30% to 60% of area median income. This building will contain 17 studios, 30 one bedrooms, 12 two bedrooms, and 8 three bedrooms. It will also include property management and service offices and amenity space for its residents. The six



story south building proposed by Holliday Development will provide 156 units of market-rate housing. The mix includes 25 studios, 107 one bedroom, and 24 two bedroom dwelling units. 8,893 square feet of commercial space is located along San Pablo Avenue and Cutting Boulevard and pedestrian access will primarily be through mews which connect the main lobby of both buildings.

BRIDGE collaborated with **The Irvine Company** over a 15 year period to develop affordable housing in various planned communities throughout the City of Irvine. In each case, BRIDGE developed, built and continues to manage each asset. In all, BRIDGE developed five buildings on ground leases with The Irvine Company. The Irvine Company retained the fee interest in the land and in many projects, Don Bren the chairman and owner of the Irvine Company, also purchased the tax credits that the BRIDGE properties generated.

These projects helped the Irvine Company fulfill the City of Irvine inclusionary requirements in lieu of paying affordable housing fees for Low and Very Low Income units. At the time, The City of Irvine's inclusionary ordinance required 5% of total units at Moderate (80% AMI), 5% at Low Income (60% AMI), and 5% at Very Low (50% AMI). BRIDGE partnered with the Irvine Company building the required Very Low and Low income units, and The Irvine Company building the moderate income units in their adjacent market rate apartments.

Properties include:

- San Paulo: 382 total units, 174 affordable
- Santa Alicia: 84 affordable units
- Laguna Canyon: 120 affordable units
- Windrow Apartments: 96 affordable units
- Woodbury Walk: 150 affordable units



## QUALIFICATIONS







# FIRM PROFILE

Heller Manus Architects has dedicated more than 35 years to developing a diversified, client-oriented firm that is a design and sustainability leader in the profession.

Our design philosophy is based on innovative design, grounded in a respect for continuity and context, particularly in the urban setting. Our designs express not only a functional purpose but also the physical and social context, thereby ensuring quality and relevance for generations to come. Ours is a philosophy that embraces timeless values.

Our portfolio includes a variety of project types ranging from master plans to hotels, high-rise office towers, in-fill buildings, transportation facilities, multi-family residential, historic, adaptive reuse, and civic complexes. Our design is done with a common characteristic: high-quality, cost-effective design that is responsive to the end-users' function. Each new commission is treated as a unique project with distinct attributes. We take the challenges and constraints to create the ideal design solution tailored to the project. Long-standing client relationships and repeat business is a true measure of the success of our personal approach to our work.

Since 2004, Heller Manus International has experienced dynamic growth throughout China. Fostered by strong professional relationships with clients, decision-makers, government entities, and working with local design firms. Our desire to be fully engaged with Asian culture and people has been the catalyst to broaden our portfolio as well as our expertise.

Heller Manus has a long-established track record of maintaining high-quality design and execution while obtaining approvals from governing agencies and neighborhood groups under difficult circumstances. By understanding the public nature of buildings in urban settings, our experience is seamlessly integrated into the design process. This approach consistently produces buildings with a strong, popular appeal.





# Commitment to SUSTAINABLE DESIGN

With the construction and operation of buildings now contributing up to 50 percent of the total greenhouse gases generated, and automobile commuting making up a significant percent as well, Heller Manus recognizes the key role the architecture profession serves in championing the importance of creating sustainable cities and architecture. We are committed to cutting-edge practice in sustainable design, as well as developing strategies to cut construction and operating costs where appropriate. Currently, over half of our staff are LEED Accredited Professionals (AP).

Sustainability is not the only key to reducing the negative impact of buildings on the environment, but it helps to reduce our client's operating costs by increasing their building's energy, water, and sewage efficiencies. Healthy buildings in sustainable communities can be achieved by appropriate design of energy, water, and transportation, thereby reducing operating costs and attracting more tenants. We encourage our clients, whenever possible, to adopt criteria that will result in the best value for their investment. Our firm is a leader in the profession and sustainable movement with some of the first sustainable architecture and large-scale urban planning projects in the U.S. and China, including the first LEED Gold office towers in both San Francisco and Shanghai, the first LEED Platinum neighborhood master plan in the U.S., and sustainable master plans for Guangzhou and other Chinese cities.

# JEFFREY HELLER, FAIA

Founding Principal



## EDUCATION

Master of Science, Architecture and Urban Design, *Massachusetts Institute of Technology*

Bachelor of Science, Architecture and Urban Design, *Massachusetts Institute of Technology*

## PROFESSIONAL REGISTRATIONS

Registered Architect: *California, Colorado, Hawaii, Idaho, Michigan, Oregon, Washington, Nevada, Arizona, Montana*

## AWARDS OF NOTE

181 Fremont, *SF Chronicle*, Building of the Decade, 2019 (John King)

MIT Lifetime Achievement Award, 2017

181 Fremont, *CTBUH Best Tall Building* 2019

350 Bush, *Grand Prizes in Best Commercial Project and Best Rehabilitation Project*, PCBC Gold Nugget Awards 2020

181 Fremont, *Merit Award, Best Mixed-Use Project*, PCBC Gold Nugget Awards 2020

Menlo Gateway, *Merit Award, Best Mixed-Use Project*, PCBC Gold Nugget Awards 2020

Guangzhou South Axis Awards, 2020 *Merit Award, Best Commercial*, Guangdong Lingnan Characteristic Planning Bronze Award 2011

Guangzhou North Axis, *Guangdong Planning Institute Award, First & Second Prize*, 2009

Honorary Citizen of Ulanhot, Inner Mongolia

Armenian Earthquake Task Force, *Citation for Excellence in Urban Design*, AIA National Design Awards, 1990

555 Mission Street, *San Francisco Beauty Contest Winner*, 2001

275 Sacramento St., *Award of Merit, Best Office Development*, Gold Nugget Awards, 2002

EmeryStation, *Best Suburban Office Development*, *San Francisco Business Times*, 2000

San Francisco City Hall Improvement, *Honor Award for Interior Architecture* AIA National Design Awards, 2000

Hayward City Hall, *Helen Putnam Award for Excellence*, PCBC Gold Nugget Awards, 2000

Jeffrey Heller, FAIA is the Founding Principal of Heller Manus Architects. Since its beginning in 1984, the firm has established a reputation for influencing architecture and urban design in the Bay Area, nationally and internationally.

Jeffrey's experience covers a broad range of professional endeavors. He is a leader in the profession and green movement with some of the first sustainable architecture and large scale urban planning projects in the US and China, including the first LEED Gold office towers in the sister cities of San Francisco and Shanghai, the first LEED Platinum neighborhood development master plan, a sustainable/livable master plan for Guangzhou's North and South Axes, a sustainable urban plan proposal for Shanghai's Yangpu Waterfront, and a sustainable urban plan for the city expansion area of Ulanhot, Inner Mongolia. His work in China often now involves land use implications for high speed rail.

## AFFILIATIONS

- International Green Growth Leaders' Council, Copenhagen
- Board Member, Bay Area Council, and Co-Chair of Climate Change Committee
- Senior Urban Planning Advisor, Yangpu District, Shanghai
- Leadership Council, Urban Land Institute (ULI)
- Advisory Board Member, Asia Society
- Board Member and Past President, California Architects Board
- Leadership, Council on Tall Buildings & Urban Habitat (CTBUH)
- Past President, AIA San Francisco Chapter; Past Board Member, California Council
- Advisory Board, San Francisco Planning and Urban Research Association (SPUR)
- San Francisco-China Committee (ChinaSF) Advisory Board Member
- Bay Bridge Design Advisory Panel
- Lambda Alpha International Honorary Land Use Organization

Jeffrey is a Fellow of the American Institute of Architects. He has been recipient of several awards and honors including AIA design awards and various professional organizations' awards. He is particularly proud of receiving the National AIA Honor Award, 'Citation for Excellence in Urban Design'. He has been guest lecturer and speaker at various academic and professional venues for more than 20 years.

Prior to forming Heller Manus Architects, Jeffrey held various roles at well-known architecture firms including SOM, Gensler, and KMD where he was a Partner.

## SIGNIFICANT PROJECTS IN UNITED STATES AND NORTH AMERICA

*Projects of note where Jeffrey has been Principal-in-Charge both at Heller Manus and prior include:*

- **Daly City BART Mixed-Use Plan**, Daly City, CA: 382,905 gsf transit based, mixed-use hotel, office, residential, garage
- **Emeryville Marketplace**, Emeryville, CA: 1.2M gsf, first LEED-ND Platinum, transit based, mixed-use
- **Oceanwide Center, San Francisco**, CA: 1.15M sf office space, 770,000 sf residential, 262,000 sf hotel space designed to LEED Platinum standards
- **Andaz Napa Hotel**, Napa, CA: 141-room boutique hotel, courtyard, restaurant
- **Avia Hotel (Napa Inn at Town Center)**, Napa, CA: 142 room hotel, 107,991 sf, health club, restaurant
- **Playa Diamante Marsur**, Acapulco, Mexico: 400,000 sf mixed-use beachfront resort, residential, hotel, retail, commercial

## JEFFREY HELLER, FAIA

(cont'd)

Pleasant Hill Downtown Master Plan, *Project Award*, APA Northern Planning, 2000

### SPEAKING ENGAGEMENTS

ULI Fall Meeting 2013, Chicago, IL

US-China Green Energy Council Mayor Summit & Smart City Development

Forum 2011 Infocom Conference, 2011, Calcutta, India

Pacific Cities Green Transportation Conference, 2011 ULI Fall Meeting 2011, Los Angeles, CA

U.S. Department of Energy Eco-Cities Development Training for The China National Academy for Mayors, 2011

Stanford University (SPRIE), Innovation Beyond Boundaries, 2011

American Institute of Architects National Convention, New Orleans

Global Green Cities of the 21st Century, 2011

Urban Land Institute California High-Speed Rail TOD MarketPlace

Council for Tall Buildings & Urban Habitat Congress Conference, Dubai

### PUBLICATIONS

*Bloomberg*, Master Class: Taking Your Business Global, 2011

*Jyske Bank TV*, "Can the World Copenhagenize", 2011

*Residential Architect*, "Shedding Borders", 2011

*South-South News*, "Green Growth Leaders Meet in Copenhagen", 2011

*The Registry*, "SF Architects Tapped for More Work in China", 2011

*The New York Times*, "Architects Find Their Dream Client, in China", 2011

*The Planning Report*, "Jeffrey Heller — Bay Area Architect Designing & Planning Sustainable Projects in China", 2010

*Shanghai Daily*, "Sisters Are Doing It for Themselves", 2010

*Globe Street*, "Secrets to High-Speed Rail in CA Unveiled", 2010

*Urban Land Magazine*, "Repositioning Guangzhou", 2009

- **Emery Station Transit Village**, Emeryville, CA: 4-story, 98,000 sf public/private joint development, mixed-use, city hall, residential, retail
- **350 Bush Street**, San Francisco, CA: 19-story, office/retail, galleria, LEED NC Platinum
- **555 Mission Street**, San Francisco, CA: 31-story, 499,000 sf, First LEED-CS Gold office in San Francisco
- **55 Second Street**, San Francisco, CA: 25-story, 420,000 sf office, retail, parking
- **71 Stevenson**, San Francisco, CA: 23-story, 395,000 sf commercial office building
- **Montgomery Washington Tower**, San Francisco, CA: 15-story, 232,000 sf office, 87,000 sf residential
- **505 Brannan (Pinterest HQ)**, San Francisco, CA: 154,925 gsf, 12-story office with ground floor retail
- **500 Pine Street**, San Francisco, CA: 5-story, 78,000 sf LEED-CS Gold office, retails
- **55 Stockton Street**, San Francisco, CA: 8-story, 135,000 sf office, retail, residential
- **275 Sacramento**, San Francisco, CA: 7-story, 92,740 sf building, 16,000 sf street level retail space, 63,000 sf Class "A" office space, 1 basement level with 15 parking stalls
- **901 Kifer/Fortiner Headquarters**, Sunnyvale, CA: 4-story, 172,740 SF office building, executive briefing center, cafeteria, fitness center, yoga room, bicycle shower, and locker
- **Menlo Gateway**, Menlo Park, CA: 694,000 sf three office buildings designed to LEED\ Gold Standards, parking, pre-leased by Facebook
- **181 Fremont**, San Francisco, CA: Rincon Hill 65-story, 495,000 sf LEED-CS Gold office, residential
- **Camelback Master Plan**, including Orchid Tree, Scottsdale, AZ: 1M sf mixed-use, residential office, retail
- **Hacienda Master Plan**, Pleasanton, CA: 1.4M sf, office, retail, residential, BART plaza, parking
- **Hayward City Hall**, Hayward, CA: 4-story, 98,000 sf public/private joint development, mixed-use, city hall, residential/retail
- **Walnut Creek Center**, Walnut Creek, CA: 2-building complex with 7-story, 185,000 sf office, 6-story 60,000 sf office
- **Hilton Financial District**, San Francisco, CA: new executive lounge, buffet
- **Pleasant Hill Downtown**, Pleasant Hill, CA: 42 acres, 1.2M sf, retail, office, hotel
- **Levi Plaza** (Project Designer), San Francisco, CA

### SIGNIFICANT PROJECTS IN CHINA AND ASIA

- **Zhujiangdijing**, Guangzhou, China: 350,000 sqm office, hotel, retail
- **China Automotive Technology & Research Center (CATARC)**, Tianjin, China: 65,750 sqm, high-tech office, hotel, research facilities
- **Eastern Harbor International Tower**, Shanghai, China: 26-story, 372,000 sf, first LEEDCS Gold high-rise office in Shanghai
- **Guangzhou Urban Master Plan**, Guangzhou, China: North Axis, 6.88 sq km, waterfront development, central business district, sports center, railway station, parks South Axis, 40.26 sq km, waterfront development, central government districts, transit oriented development, ferry terminal, residential
- **Ulanhot Hedong District Urban Design**, Inner Mongolia, China: 9.42 sq km, administrative office, commercial-retail, residential community
- **Ulanhot Hedong District Urban Design**, Inner Mongolia, China: 9.42 sq km, administrative office, commercial-retail, and residential community





### EDUCATION

Master of Arts, Architecture,  
University of Virginia

Bachelor of Science, Architecture,  
University of Virginia

### PROFESSIONAL REGISTRATIONS

Registered Architect: California  
LEED Accredited Professional

### RECENT PROJECT AWARDS

SF Chronicle, *Building of the Decade*, 2019  
(John King) 181 Fremont

181 Fremont, *CTBUH Best Tall Building* 2019

350 Bush, *Grand Prizes in Best Commercial Project and Best Rehabilitation Project*, PCBC Gold Nugget Awards 2020

181 Fremont, *Merit Award, Best Mixed-Use Project*, PCBC Gold Nugget Awards 2020

Guangzhou South Axis, *Guangdong Lingnan Characteristic Planning Bronze Award* 2011

Guangzhou North Axis, *Guangdong Planning Institute Award, First & Second Prize*, 2009

555 Mission Street, *San Francisco Beauty Contest Winner*, 2001

San Francisco City Hall Improvement, *Honor Award for Interior Architecture AIA National Design Awards*, 2000

Hayward City Hall, *Helen Putnam Award for Excellence*, PCBC Gold Nugget Awards, 2000

733 Front Street, *Northwest Edition, Building of America Award*, 2009

555 Mission Street, *San Francisco Business Times Real Estate Deals of the Year Best New Office Building*

The Metropolitan, *PCBC Best in the West Gold Nugget Awards 2005 Merit Award, Best Residential*

During his 41-year career, over 31 of which has been with Heller Manus, Eric Lundquist has led as a design director, master planner and project leader for extensive key USA and international projects, being responsible for design, coordination and management. He is currently is President and CFO of Heller Manus. Mr. Lundquist has a vision of internationalism, intercultural competence, diversity, theory and practice and has demonstrated problem solving, critical thinking and team leadership in eco city planning, sustainable building design, tall building design, building construction and technical solutions. With perseverance and patience, he has implemented professional knowledge to solve various problems in urban construction, using new techniques to analyze the processes of complex projects and respond quickly and accurately in key steps. He has proven to be skilled at communicating with all members of the team to develop a shared vision and foster a high-quality project. He consistently delivers enhancements and solutions that drive customer satisfaction and loyalty. Mr. Lundquist is a California registered professional architect .

### RECENT PROJECT EXPERIENCE

- **Daly City BART Mixed-Use Plan**, Daly City, CA: 382,905 gsf transit based, mixed-use hotel, office, residential, garage
- **Hotel Vitale**, San Francisco, CA: 200-room boutique hotel, public transit integration
- **Emeryville Marketplace**, Emeryville, CA: 1.2M gsf, first LEED-ND Platinum, transit based, mixed-use
- **Oceanwide Center**, San Francisco, CA: 1.15M sf office space, 770,000 sf residential, 262,000 sf hotel space designed to LEED Platinum standards
- **Emery Station Transit Village**, Emeryville, CA: 4-story, 98,000 sf public/private joint development, mixed-use, city hall, residential, retail
- **China Automotive Technology & Research Center (CATARC)**, Tianjin, China: 65,750 sqm, high-tech office, hotel, research facilities
- **181 Fremont**, San Francisco, CA: Rincon Hill 65-story, 495,000 sf LEED-CS Gold office, residential
- **350 Bush Street**, San Francisco, CA: 19-story, office/retail, galleria, LEED NC Platinum
- **555 Mission Street**, San Francisco, CA: 31-story, 499,000 sf, First LEED-CS Gold office in San Francisco
- **Metropolitan**, San Francisco, CA: 550,000 sf, 33-story, office/retail, LEED CS Gold
- **55 Second Street**, San Francisco, CA: 25-story, 420,000 sf office, retail, parking
- **505 Brannan (Pinterest HQ)**, San Francisco, CA: 154,925 gsf., 12-story office with ground floor retail
- **500 Pine Street**, San Francisco, CA: 5-story, 78,000 sf LEED-CS Gold office, retail
- **733 Front Street**, San Francisco, CA: Conversion of office building into 69 luxury condominiums, 39 off-street parking spaces
- **Hayward City Hall**, Hayward, CA: 4-story, 98,000 sf public/private joint development, mixed-use, city hall, residential/retail
- **The Hayes**, San Francisco, CA: 128 units, 8-story, retail, parking
- **Eastern Harbor International Tower**, Shanghai, China: 26-story, 372,000 sf, first LEEDCS Gold high-rise office in Shanghai
- **Guangzhou Urban Master Plan**, Guangzhou, China: North Axis, 6.88 sq km, waterfront development, central business district, sports center, railway station, parks South Axis, 40.26 sq km, waterfront development, central government districts, transit oriented development, ferry terminal, residential

# RICHARD KOZONO

Principal/Director of Design



## EDUCATION

Bachelor of Science, Architecture,  
*Cal Poly, San Luis Obispo*

## PROFESSIONAL REGISTRATIONS

Registered Architect: *California*

## RECENT PROJECT AWARDS

*SF Chronicle, Building of the Decade, 2019*  
(John King) 181 Fremont

181 Fremont, *CTBUH Best Tall Building 2019*

181 Fremont, *Merit Award, Best Mixed-Use Project, PCBC Gold Nugget Awards 2020*

Hotel Vitale, *PCBC Best in the West Gold Nugget Awards 2006 Merit Award, Best Specialty Project, PCBC Best in the West Gold Nugget Awards 2005*

The Metropolitan, *Merit Award, Best Residential, PCBC Best in the West Gold Nugget Awards 2003*

The Terraces, *Merit Award, Best Residential, PCBC Best in the West Gold Nugget Awards 2003*

Richard has a broad background in architectural design, urban and master planning projects. Richard has been with Heller Manus for more than 24 years, and as a Director and Senior Designer, he focuses on the development and coordination of major design projects: and works directly with clients, consultants, contractors and planners. With over 35 years of experience, his knowledge encompasses a wide range of building types, including office, residential, hotel and retail projects. As a senior designer with detailed knowledge of planning codes throughout the Bay Area, the majority of Richard's project involvement focuses mainly on the early stages of the concept design and planning approval phases.

## RECENT PROJECT EXPERIENCE

- **Daly City BART Mixed-Use Plan**, Daly City, CA: 382,905 gsf transit based, mixed-use hotel, office, residential, garage
- **Hotel Vitale**, San Francisco, CA: 200-room boutique hotel, public transit integration
- **Emeryville Marketplace**, Emeryville, CA: 1.2M gsf, first LEED-ND Platinum, transit based, mixed-use
- **Oceanwide Center**, San Francisco, CA: 1.15M sf office space, 770,000 sf residential, 262,000 sf hotel space designed to LEED Platinum standards
- **China Automotive Technology & Research Center (CATARC)**, Tianjin, China: 65,750 sqm, high-tech office, hotel, research facilities
- **181 Fremont**, San Francisco, CA: Rincon Hill 65-story, 495,000 sf LEED-CS Gold office, residential
- **555 Mission Street**, San Francisco, CA: 31-story, 499,000 sf, First LEED-CS Gold office in San Francisco
- **Metropolitan**, San Francisco, CA: 550,000 sf, 33-story, office/retail, LEED CS Gold
- **55 Second Street**, San Francisco, CA: 25-story, 420,000 sf office, retail, parking
- **505 Brannan (Pinterest HQ)**, San Francisco, CA: 154,925 gsf., 12-story office with ground floor retail
- **The Infinity**, San Francisco, CA: Rincon Hill high-rise residential village, 655 units
- **500 Pine Street**, San Francisco, CA: 5-story, 78,000 sf LEED-CS Gold office, retail
- **733 Front Street**, San Francisco, CA: Conversion of office building into 69 luxury condominiums, 39 off-street parking spaces
- **Cityline Subblock 3S**, Sunnyvale, CA: Two 12-story residential buildings/mixed-use development with a total 461 units, ground level retail and restaurant uses of approximately 37,300 sf, two basement residential parking levels of 484 parking spaces
- **Eastern Harbor International Tower**, Shanghai, China: 26-story, 372,000 sf, first LEEDCS Gold high-rise office in Shanghai
- **The Royal at 201 Sansome Street**, San Francisco, CA: 48-unit residential conversion
- **The Montaire at 1340 Clay Street**, San Francisco, CA: 9-story, 20 luxury condominiums
- **One Ecker Place**, San Francisco, CA: 58,000 sf, 51 residential units
- **The Hayes**, San Francisco, CA: 128 units, 8-story, retail, parking
- **San Francisco City Hall**, San Francisco, CA: 500,000 sf interior renovation
- **Hayward City Hall**, Hayward, CA: 4-story, 98,000 sf public/private joint development, mixed-use, city hall, residential/retail
- **Newark City Hall**, Newark, CA: master plan of new 25,000 sf administration building (included design), 24,000 sf library, 17,000 sf police headquarters and training cent

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# GSR Financial

GSR Financial  
Commercial Lending Group  
Petaluma, CA 94954  
707-364-0388 Office

August 25, 2021

Bob McLennan  
2945 Junipero Serra Blvd.  
Daly City, CA 94014

RE: Commercial Development Financing Request

Dear Mr. McLennan:

GSR Financial (hereafter referred to as "GSR") has reached out to several financial institutions and investors regarding interest the proposed project at 1837 Junipero Serra Blvd. Daly City, CA. We have interest in providing financing on the project based on the feedback received and will be in discussion with you on next steps.

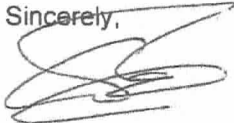
Total estimated project ranges from \$100 Million to \$138 Million dependent on the project mix. The project is noted as mixed use retail space on the first floor, a proposed athletic club specifically Planet Fitness as well as other options to build out further floors, up to 10, for use as a 100 to 150 room Hotel Development and or 150 to 200 Apartment/Condo Units. Location and use are appropriate for the surrounding areas and adjacent to Bart locations which is an added value. The proposed use is in high demand for the area and we feel this is solid project to move on.

We are confident in our relationship based on past projects completed with various companies and entities that you manage or own. Your experience as a business owner and developer on this project is invaluable and we look forward to working with you to bring this project to completion.

This letter is for discussion purposes only and should not be construed as a lending commitment on the part of GSR or the Bank/Investors. A commitment may be made but only after and subject to the completion of the Bank's/Investors underwriting process, management approval, and the signing of documentation acceptable to Bank/Investors counsel.

Please review the information provided and call me at 707-364-0388 if you have any questions or require additional information. We appreciate the opportunity to present this project and look forward to assisting you with your financial needs.

Sincerely,



Lee Reposa  
President  
GSR Financial  
[LeeReposa@GSRFinancial.com](mailto:LeeReposa@GSRFinancial.com)  
707-364-0388 cell



October 15, 2021

Daly City  
C/O Ken Hira  
Kosmont Companies  
1230 Rosecrans Ave, Ste 630 | Manhattan Beach, CA 90266

RE: Expression of Interest – 1837 Junipero Serra, Daly City, CA

Dear Ken,

Phase 3 Real Estate Partners, Inc. (“Phase 3”) would like to formally express interest in the development of 1837 Junipero Serra Boulevard, Daly City, CA, into a world-class research and development building. Given Daly City’s clear interest in developing a hotel on the site, Phase 3 is submitting this Expression of Interest in lieu of a Request for Qualifications/Proposal.

Property: The property consisting of 1.26 acres, located at 1837 Junipero Serra Boulevard, Daly City, CA.

Use: Our proposal is to incorporate the highest and best use at the property, which we believe to be R&D. While the COVID-19 Pandemic had the result of materially reducing hotel demand across the country, it caused demand for life science real estate to accelerate as a result of record high venture capital funding and streamlined FDA approval processes. Phase 3 is currently in the process of developing the neighboring office building at 2001 Junipero Serra Boulevard for R&D use and has experienced tremendous early leasing success at terms that rival those of South San Francisco, one of the country’s epicenters of life science.

Due to the requirements of its investors, Phase 3 is not able to develop hospitality uses on the site without partnering with another developer, which it would be open to.

Development: Phase 3 would develop the site into a +/- 210,000 square foot, Class A building specifically designed for use by R&D tenants. The site may also contain ground-floor retail and public areas such as meeting spaces, conference rooms, fitness centers, and outdoor spaces. *Exhibit A* contains renderings that illustrate potential developments on the site that range in size. The final design is subject to collaboration with Daly City and its residents. Phase 3 is open to developing more than the proposed 210,000 square feet if a variance could be obtained.

Process: After being awarded the project, Phase 3 would work with Daly city to amend PD-54 to allow for R&D and office uses and potentially increase the maximum development size, should it be determined that a larger project would be of interest to Daly City.

Fiscal Impactful: An R&D development on the site would result in the creation of a significant amount of high-paying jobs. As developable parcels in South San Francisco become increasingly scarce, we believe that a new Genesis life science project of this scale could be the catalyst to significant life science development in Daly City. While an R&D building would not be subject to the same level of taxation as a hotel building, **Phase 3 is open to devising a structure that produces comparable long-term revenue for the city.**

Developer: Phase 3 and Bain Capital Real Estate (together “the Venture”), through its “Genesis” programmatic life science joint venture. *Exhibit B* contains a sponsorship overview while *Exhibit C* contains several case studies highlighting Genesis projects.

Upon request, Phase 3 can furnish additional information regarding our proposal. Phase 3 has enjoyed working with Daly City on its Genesis Station (2001 Juniper Serra Blvd) project and hopes to continue the relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Neil Fox, III", with a stylized flourish at the end.

W. Neil Fox, III  
Chief Executive Officer

**EXHIBIT A: Proposed Project**



# 110' Building Height Massing



Height: 110'  
Total GFA: 184,562 sf  
Total FAR: 3.36  
No. of R&D Floors: 7



Height: 110'  
Total GFA: 212,563 sf  
Total FAR: 3.87  
No. of R&D Floors: 7



Height: 110'  
Total GFA: 213,000 sf  
Total FAR: 3.88  
No. of R&D Floors: 7



# 200' Building Height Massing



Height: 200'  
Total GFA: 393,250 sf  
Total FAR: 7.16  
No. of R&D Floors: 13



Height: 200'  
Total GFA: 325,000 sf  
Total FAR: 5.92  
No. of R&D Floors: 13



Height: 200'  
Total GFA: 339,600 sf  
Total FAR: 6.19  
No. of R&D Floors: 12

## **EXHIBIT B: Sponsorship Overview**



## SPONSORSHIP OVERVIEW

# GENESIS

- Created in 2015 by the Bain Capital Real Estate and Phase 3 venture, Genesis was established as a national brand to trademark their high-quality, well-located, and high-image projects in the top U.S. life sciences clusters.
- Genesis provides premier ready-to-occupy research and development facilities in the major innovation clusters of the U.S.
- Genesis aims to deliver a clean, modern design aesthetic, coupled with the right combination of amenities to create community and appropriate infrastructure to meet the changing needs of the companies who call the portfolio home.
- Expertise in development, construction, and management of life science buildings, where the team's deep experience in meeting the needs the life science industry has resulted in a strong partnership between tenants and the Genesis team.



- Bain Capital Real Estate was formed in 2018 and pursues investments in often hard-to-access sectors underpinned by enduring secular trends that drive long-term demand growth for real estate assets and services.
- The Bain Capital Real Estate team has been executing its strategy since 2010 (formerly as a part of Harvard Management Company), having invested \$4.3 billion of equity in over 400 assets across multiple sectors.



- Phase 3, with over 30 years of experience in the life science industry, has owned, operated, repositioned or developed over 3 million square feet in the top life science clusters in the U.S.
- Phase 3's focus on delivering the highest quality space with accelerated speed to occupancy within these key geographies allows companies to immediately pursue their scientific goals.
- As one of the most experienced industry participants, Phase 3's expertise allows it to create research and development space that meets tenants needs today while maintaining maximum re-usability for the future.
- Phase 3, one of the most experienced teams converting office to lab, pioneered the vertical lab conversion disrupting the model of the typical 1-4 story format. Phase 3 has converted the tallest lab buildings in both San Diego and San Francisco markets, and has executed the tallest life science development at 21 stories in the North Tower at Genesis SSF.

## **EXHIBIT C: Genesis Case Studies**

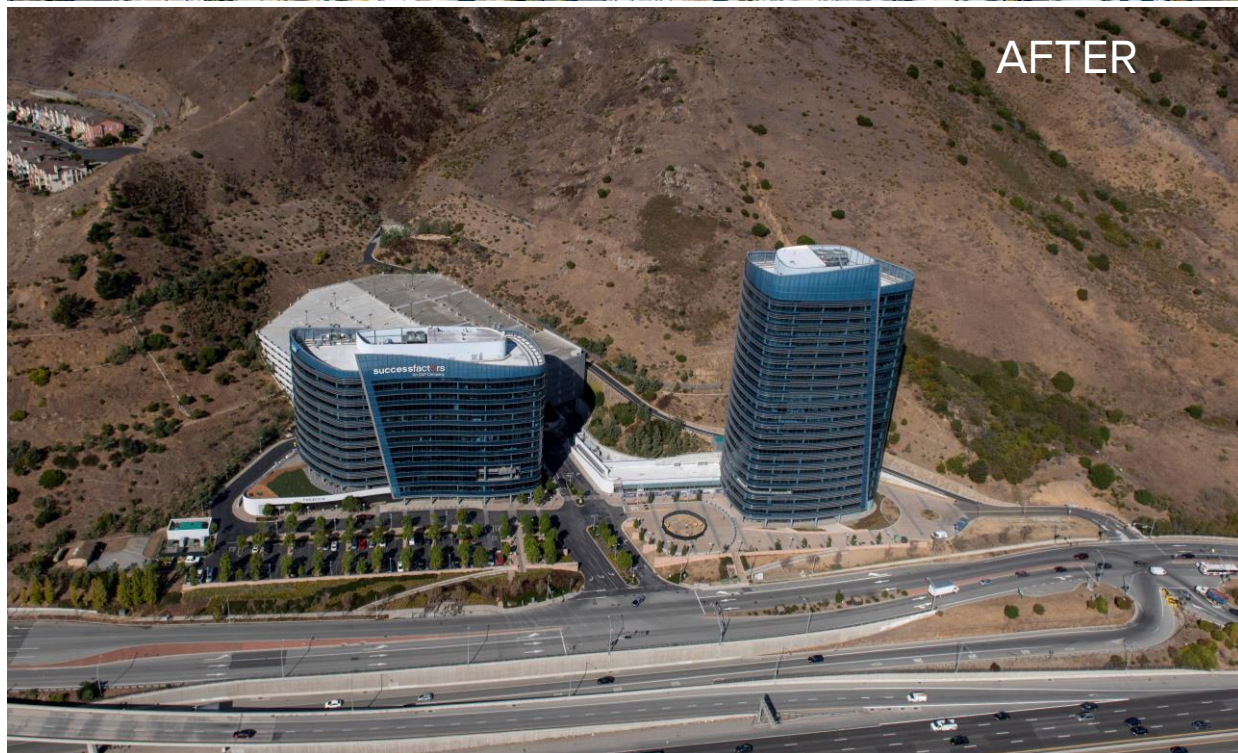


## BUILDING CONVERSIONS TO GENESIS BRAND





## 1 & 2 TOWER PLACE





## 1 & 2 TOWER PLACE

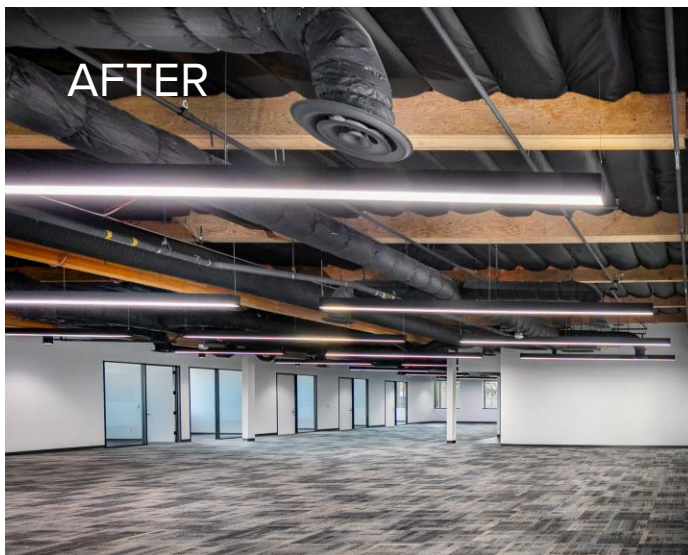
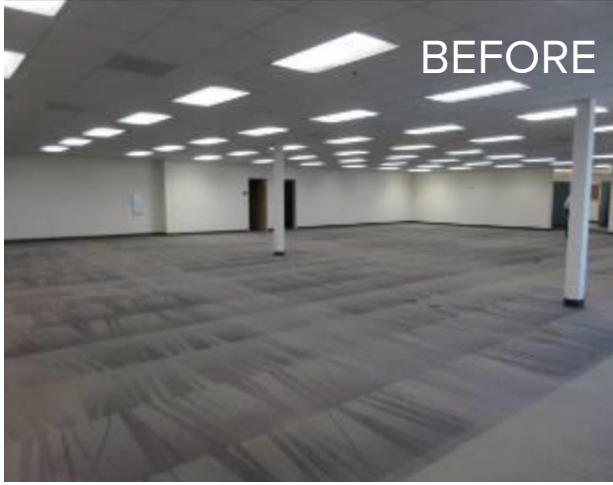


## 5590 MOREHOUSE DRIVE





# 5580 MOREHOUSE DRIVE



## 4224 CAMPUS POINT DRIVE





4242 CAMPUS POINT DRIVE





## 10210 CAMPUS POINT DRIVE



## 1900 ALAMEDA DE LAS PULGAS



## GENESIS PLATFORM

GENESIS  
[ The root of innovation ]

### WHY THE “GENESIS” LIFE SCIENCE PLATFORM?

- Market demand is life science centered on the UTC market and surrounding sub-markets
- “GENESIS” is a nationally recognized brand
- Known commodity in San Diego life science community with 30 plus years in the space
- Timeless, modern designs
- Proven business model done at a scale that no other developers have achieved
- Reduction of future capital expenditures
- Speed of delivery
- Durable income
- Unique business model delivery
- No stronger private platform in San Diego in the life science market
- Not a “Johnny Come Lately” to the life science market

Located in the TOP-CORE life science markets - San Diego, San Francisco, and Boston - the GENESIS brand is a nationally recognized, respected, and valued. When bringing a new asset to the market and working with the local brokers, the expectations have been set to deliver:

- A premier laboratory space
- Desirable location and great access
- Infrastructure that supports life science needs
- Flexible environments
- High-end amenities that create a truly innovative ecosystem
- Helps to retain valuable talent for companies



# PREMIER CLASS A LIFE SCIENCE PROJECTS

GENESIS  
[ The root of innovation ]





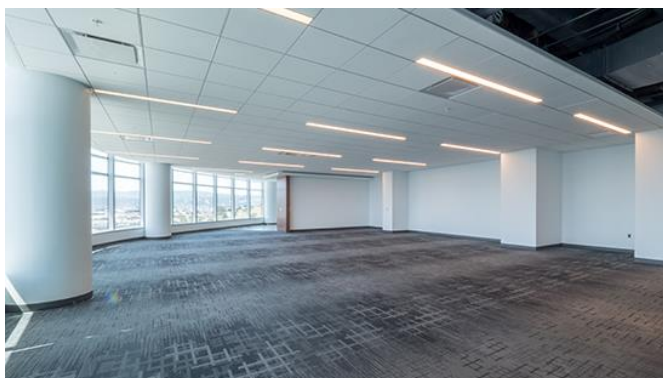
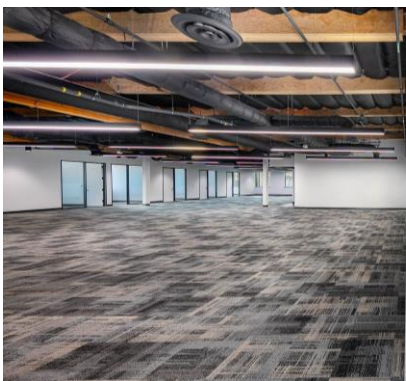
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## LAB & OFFICE HYPER FLEXIBLE

## GENESIS

[ The root of innovation ]

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# TIMELESS MODERN AMENITY-RICH

GENESIS  
[ The root of innovation ]





## CASE STUDY 1

### 1 & 2 TOWER PLACE

GENESIS  
[ The root of innovation ]

## GENESIS – South San Francisco

### Pre-Existing Conditions



#### South Tower

- ±315,000 RSF, Existing 12-Story Building
- Class A Office
- 6 Vacant, Cold Shell Floors
- 47.4% Vacant upon Acquisition
- 230 Person Auditorium
- Fitness Center
- Shipping and Receiving Dock
- 50% Complete 7 Story Parking Structure



#### North Tower

- ±375,000 RSF, 21 Story (Future Ground Up)
- Existing North Tower Foundation
- Third Amenity Building Designed
- Open Permits (Since 2007)
- Curtain Wall and Steel Frame Fabricated



## CASE STUDY 1

### 1 & 2 TOWER PLACE

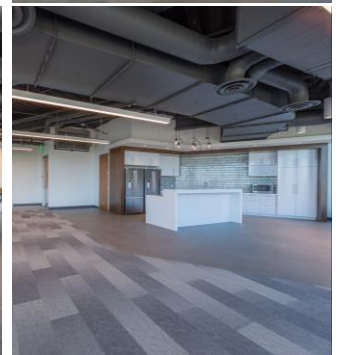
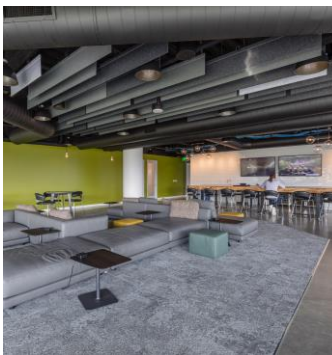
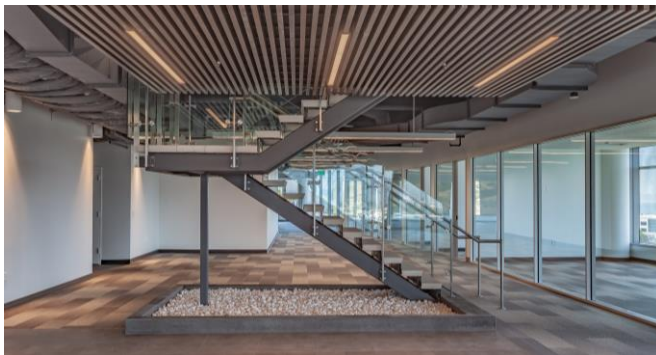
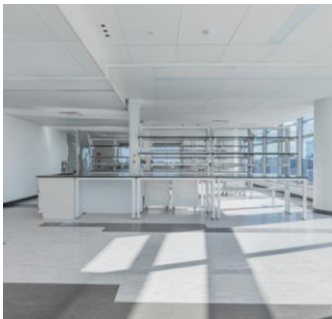
GENESIS  
[ The root of innovation ]

## GENESIS – South San Francisco

### Executed Business Plan



- Class A High Rise R&D/Office Campus
- 92% Leased at Sale
- Completed South Tower Conversion on 6 Floors
- Completed North Tower Ground Up High Rise
- Complete Third Amenity Building
- North & South Tower - MEP Infrastructure Upgrades
- North & South Tower - Dedicated Emergency Generators
- North & South Tower - Freight Elevators
- South Tower - Two Exterior Exhaust Shafts
- Relocated & Completed Fitness Center
- Completed Patio/Lounge





# CASE STUDY 1

## 1 & 2 TOWER PLACE

# GENESIS

[ The root of innovation ]



| Property Summary      |                                         |                      |
|-----------------------|-----------------------------------------|----------------------|
|                       | North Tower                             | South Tower          |
| Address               | 2 Tower Place                           | 1 Tower Place        |
| Built / Renovated     | 2018                                    | 2009 / 2016          |
| RSF                   | 374,432                                 | 348,482              |
| % Leased <sup>2</sup> | 84%                                     | 100%                 |
| WALT <sup>2</sup>     | 10.1 Years                              | 4.8 Years            |
| Parking               | 2,050 Spaces – 3.00 / 1,000 SF (Shared) |                      |
| Stories               | 21                                      | 12                   |
| Avg. Floor Plate      | 20,000                                  | 33,000               |
| Slab-to-Slab          | 13' - 18'                               | 13' - 18'            |
| Live Load             | 100 lbs PSF                             | 100 lbs / 80 lbs PSF |
| % Lab                 | 100%                                    | 60%                  |
| APN                   | 007-650-190                             | 007-650-180          |
| Site Area             | 4.9 Acres                               | 16.1 Acres           |

- **Trophy-Core Life Science Towers with Upside:** Two trophy-caliber buildings designed by renowned architecture firm Skidmore Owings & Merrill occupying what we believe is the most prominent site in the world's premier life science cluster, South San Francisco. Approximately 92% leased to a diversified rent roll, the property featured a combination of nearly eight years of weighted average lease term on existing leases, with the opportunity to lease up the remaining 59k SF of vacancy in a market with growing demand, low single-digit vacancy rates, and rising rents.
- **Market-Leading Lab Improvements:** The towers feature 21- and 12-stories of lab, or lab-ready conversion, space designed to appeal to the market's most discerning and innovative life science firms. As evidenced by the ~580k SF of leasing completed under Genesis ownership, these assets are achieving some of the highest lab rents in the broader South San Francisco life science market.
- **Flexibility:** The South Tower, originally designed as a creative office campus, has been mostly converted into plug-and-play life science. However, we believe the property offers a future buyer the opportunity to convert the remaining office space into additional life science facilities, providing for higher rents and lower recurring capital costs. The North Tower was purpose built as a life science campus featuring move-in ready lab facilities throughout 100% of the rentable floors. Although we believe life science fundamentals (rents and demand) currently favor lease-up of the remaining vacancy to the life science tenants, these buildings are designed to appeal to both life science and creative technology users. We believe a recent lease at Oyster Point with Stripe, a technology company, suggests assets that appeal to both user bases may provide significant and enduring advantages in the marketplace.
- **Unobstructed Views:** At 21- and 12-stories, we believe the towers offer an exceptionally unique lab-user experience in the marketplace by providing tenants with unobstructed views at higher elevations – an advantage over other laboratory facilities in the South San Francisco life science market.
- **Best-in-Class Life Science Campus Amenities:**
  - Fit Genesis: Premier gym facility available to all tenants with workout equipment, yoga room, Pilates room, fitness classes, and showers / locker rooms
  - Genesis Kitchen + Drinks: Genesis-branded restaurant operated by Bon Appetit
  - Conference Center: Features large and small rooms, allowing tenants to build more efficient space plans
  - Lounge: Newly completed tenant lounge with an outdoor deck, putting green, bar, and training room
  - Focaccia: Provide breakfast and lunch options for tenants along with catering services



## CASE STUDY 2

### 5590 MOREHOUSE DRIVE

GENESIS  
[ The root of innovation ]

## GENESIS – Science Center

### Pre-Existing Conditions



#### 5590 Morehouse Drive

- Existing Two-Story level office
- ±35,000 SF total building
- Vacant for 12+ years Prior to Acquisition
- Cold shell condition
- Zero amenities
- Demoed portion of 2<sup>nd</sup> floor
- Demoed extra passenger elevator
- Opened lobby entrance to attain aesthetically pleasing ceilings heights



## CASE STUDY 2

### 5590 MOREHOUSE DRIVE

GENESIS  
[ The root of innovation ]

## GENESIS – Science Center

### Executed Business Plan



#### Building Upgrades

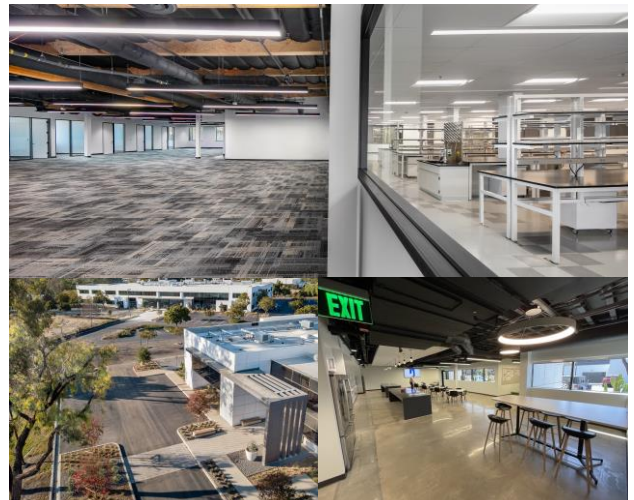
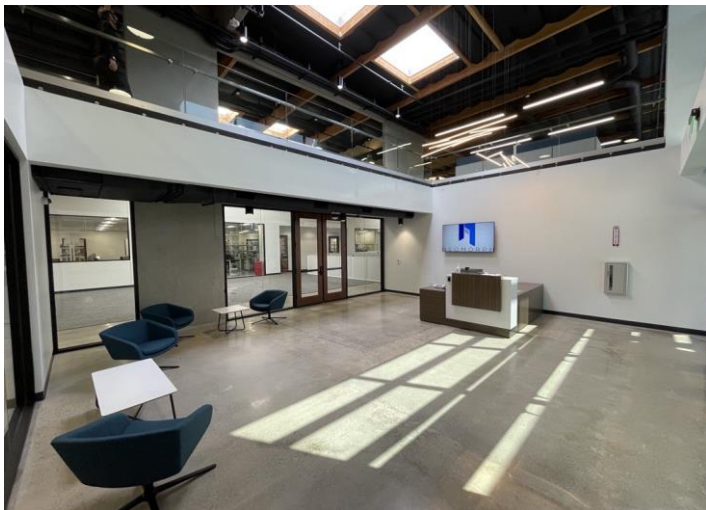
- Complete exterior re-skinning
- MEP upgrades meeting laboratory standards
- Created new double level entry
- Emergency generator
- Landscaping

#### Campus Upgrades

- Fitness center
- Outdoor amenity patio
- Conference Center

#### Notable Outcomes

- Executed GENESIS business plan
- Pre-Leased entire building at 50% construction completion





## CASE STUDY 2

### GENESIS SCIENCE CENTER

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#### Property Summary

|                           |                              |
|---------------------------|------------------------------|
| Address                   | 5510-5590 Morehouse Drive    |
| Buildings                 | 4 (+ 1 developable lot)      |
| Built / Renovated         | 1984 - 2013                  |
| RSF (Current / Potential) | 249,798 / 570,000            |
| % Leased                  | 42%                          |
| Parking                   | 680 Spaces – 2.87 / 1,000 SF |
| Stories                   | 1 – 4                        |
| Avg. Floor Plate          | 23,000 – 33,000              |
| Slab-to-Slab              | 10' – 20'                    |
| Live Load (Lab / Office)  | 100 lbs / 80 lbs PSF         |
| % Lab                     | 85%                          |
| APN                       | 341-031-57/70/72             |
| Site Area                 | 17.05 Acres                  |



- **Newly Assembled Life Science Campus:** Consisting of five sizable parcels with four existing office buildings and a 4.13-acre parcel entitled for development of a 333k SF life science building assembled off-market, the campus allows for a future density of up to 583k SF in the Sorrento Mesa San Diego cluster.
- **Located in the Sorrento Mesa Life Science Cluster:** Since 2013, Sorrento Mesa has seen an almost 25% increase in life science space, from 3.8 M SF to 4.8 M SF, with a majority of this increase occurring over the last 18 months. Sorrento Mesa is the second largest life science submarket in San Diego and continues to be a dominant submarket for life science real estate. Genesis Mesa is situated in what we believe is the desirable western portion of the Sorrento Mesa cluster near the premier existing and anticipated life science developments and the clusters amenity core, including a new food hall concept currently under construction.
- **Convenience-Driven Amenity Collection:** Planned amenities include a unique food truck program, staffed shipping and receiving, on-site property management, and potential on-site fitness center, vivarium, and training rooms.