

February 4, 2015

Curtis Banks, Community Development Director  
City of Foster City  
610 Foster City Boulevard  
Foster City, CA 94404

RE: Pilgrim Triton Phase C – Preliminary Review Hearing Request

Dear Mr. Banks,

Sares Regis Group is a local real estate company which has been headquartered in or near Foster City throughout our history. We have a long track-record of successful projects in the City, including Citypark at the base of the Metro Center Tower in the 1990s, the Pilgrim Triton Master Plan in 2006, and the Plaza Apartments in 2013. We are proud of the work we have completed and the collaborative relationship we have built with the City over the years.

In July 2014, we acquired the Phase C property within the Pilgrim Triton Master Plan Area from The Northwestern Mutual Life Insurance Company and have spent considerable time and effort analyzing the existing market to determine the best redevelopment option for the property. The 3.5 acre property currently consists of 38,000 square feet (sf) of light industrial/office and is entitled for 17 residential homes and 172,943 sf of commercial uses under the City's General Plan, Pilgrim Triton Master Plan and Master Development Agreement between the land owners of the Pilgrim Triton Project Area. The purpose of this letter is to outline a request for a Preliminary Review Hearing regarding our proposal, based on our analysis, for a land use change to replace the existing 172,943 sf of commercial uses/17 residential homes with 65 to 70 for-sale townhomes.

Sares Regis Group's history within the Pilgrim Triton Master Plan Area dates back to 2005 when the City identified the area as an opportunity to create a sustainable and vibrant community to replace suburban office/industrial uses which had become obsolete. The City Council approved a General Plan Amendment, General Development Plan (referred to as the Master Plan) and an Environmental Impact Report (EIR) in 2008, and approved the Master Development Agreement, Phasing Plan, and Phase A (the Plaza) Development Agreement, Owner Participation Agreement and Use Permit in 2010. The owners also entered into a private, recorded Cooperation and Reimbursement Agreement (Coop Agreement) to facilitate the coordinated development of the project. Since that time, The Plaza (Phase A, 307 apartments) has been completed, and Phases B and D are also under construction. The park, which adds over two acres of new public green space where there was originally none, is intended to be phased in with development of Phases A, B and C as set forth on the Phasing Plan. The portion of the park on Phase A has been complete, and the remainder of the park will be complete with the redevelopment of Phases B and C.

While the residential component of the Master Plan has been largely developed, the retail and commercial uses have been either slow to lease or the required demand has not yet been realized. There has been significant growth in demand for office space offered in large (300,000+) contiguous blocks, as well as located close to public transit. However, commercial office tenants have not shown interest for the amount

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of office space provided by the Phase C entitlement at rents which would support the development costs for a new building and associated parking.

Coming full circle from where we started with the City in 2005, we would like to complete the Master Plan by assisting in accelerating the completion of the park in cooperation with the developer of Phase B , and developing an award winning medium density residential community on the Phase C site. We believe this is an appropriate location for medium density, for-sale housing which will provide new ownership options to Foster City residents who do not wish to leave Foster City when they decide to own rather than rent. The large-user office growth in Foster City (Gilead, BioMed, Chess Dr) has generated many jobs, however, local housing options remain very limited, particularly for-sale housing options for those who spend hours each day on our highways commuting to work. We would like to work with the City to re-envision our portion of the Pilgrim Triton Master Plan, enabling us to complete the final piece of a vibrant ownership housing community near work, shopping, and parks.

Some specific benefits of our proposal will include:

- A significant traffic reduction from the currently entitled use for the site. A preliminary traffic analysis by Fehr & Peers (included with this letter) studied the office use traffic versus a residential only use. The results show about a 60% reduction in total daily trips, and an 80% to 90% reduction in peak hour “AM trips in/PM trips out”. Traffic trips contribute significantly to air quality, GHG and noise impacts, so we anticipate similar reductions in those areas as well.
- A significant reduction in building height to 40 feet (vs 95 feet) from the currently entitled use for the site, greatly reducing any shadows on the park.
- Accommodates and accelerates the final completion of the Pilgrim Triton Park (in cooperation with the construction of the Waverly).
- A best-in-class, high quality community which complements adjacent land uses and provides ownership housing options for residents who wish to remain in Foster City for the long term.
- Residences which will complement the large-scale office development underway on the north side of Highway 92.
- Affordable housing per the Pilgrim Triton Master Development Agreement.

We understand that this request will ultimately require amendments to the Master Plan Land Use Diagram and Master Development Agreement. We will follow the intent of the Coop Agreement to obtain the necessary approvals from adjacent land owners. In addition, we will work in cooperation with adjacent landowners to modify the Master Development Agreement and Cooperation Agreement to allow the accelerated completion of the park prior to the redevelopment of Phase C (upon approval of the land use change). The impacts of completing the park on the existing Phase C office property include reduced parking for tenants, relocated access, and changes to vehicular circulation. While the existing Phasing Plan clearly protects Phase C from any requirement to construct the park prior to redevelopment, we understand this is a priority to both the City and the owners of the Waverly apartment community.

We are a local company; with a long track record of working with the City of Foster City and great respect for the community. We have been following the community input on the Housing Element closely, and understand the concerns. As we always have in the past, we will engage early and often with the community to listen and proactively address concerns where we can. We have been in dialogue with the San

Preliminary Review Hearing Request  
February 4, 2015  
Page 3 of 3

Mateo/Foster City School District for several months exploring ways we can support the Next Steps program and address some of the District's needs through our firm's Community and Education Foundation. We are excited to get started, and confident that we can deliver a refined land plan for Phase C which accomplishes many, if not all, of the original goals of the Pilgrim Triton Master Plan.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'D Hopkins', with a long horizontal flourish extending to the right.

David Hopkins  
Senior Vice President  
Sares Regis Group of Northern California, LLC  
Regis Homes Bay Area, LLC