Project Narrative

603 Sutter Street

August 17, 2022

SITE:
The proposed 603 Sutter Street project ("Project") is located on the corner of Sutter and Scott Streets within the commercial portion of the historic district. The Project is located on a 0.19-acre lot described as APN# 070-0111-010 consisting of one Historic District lot approximately 74 x100 (7,400 sq./ft.). The lot is within the commercial district of Folsom and is zoned as HD/C-2 within Sutter Street Subarea of the Historic Commercial Primary Area, with an underlying zoning of C-2, Central Business District. The proposed building is located on the south side of Sutter Street, west of Scott Street. The subject lot is a corner lot on the upper end of Sutter Street. To the north is Sutter Street with the Folsom Electric and Lighting Company Building directly across the Street. To the east is a commercial zoned lot consisting of two residential structures (Cohn Mansion). The south side of the property backs up to a residence on Scott Street that is commercially zoned and sits directly across from the Cohn Mansion. To the west is the original historic library that is now Studio 605 Salon. The site drops approximately 24ft. from the back side to Sutter Street, and approximately 9ft. along Sutter Street from the lower to upper end traveling from west to east.

ADJACENT LAND USES AND ZONING:
North: Sutter Street and Folsom Electric and Lighting Company Building HD-C2
South: Residential use with HD/C-2 Zoning
East: Scott Street Residential use (Cohn Mansion) with HD/C-2 Zoning
West: 605 Sutter Street (Salon) HD/C-2 Zoning

APPLICANT/OWNER:
The applicants and the owners are Ziad and Deborah Alaywan (Cedrus Holdings). Ziad and Deborah own three properties on Sutter Street - 510, 512 and the proposed 603 Sutter Street.

The owners have strong ties and a deep respect for Folsom, and particularly the Historic District and Sutter Street. Not only is their business located at 604 Sutter Street, but they also own several properties in the Folsom Historic District. Ziad and Deborah are the owners of ZGlobal Inc., an engineering firm located at 604 Sutter Street, employing thirty professionals with two office locations. It is their hope to eventually occupy office space at the proposed 603 Sutter Street location.

ZGlobal currently manages the electricity needs for Marin and Napa Counties in addition to twenty-eight city agencies throughout California,[1] and various generating facilities across California, Arizona, Utah, Nevada, and New Mexico.

BACKGROUND:
After several initial feasibility studies dating back to 2012, the Project was formally submitted in May of 2017. The applicant's submission included an application for approval of variances (Building Height Variance and Parking Variance) and Design Review for development of a three story, 23,486 square foot mixed use building with underground parking at the southwest corner of the intersection of Sutter Street and Scott Street within the Historic District. The proposed project was evaluated by the Historic District Commission at their September 6, 2017, meeting as an informational item only. At this meeting, the Commission, representatives of the Heritage Preservation League, and members of the public provided comments and feedback regarding the proposed project.

[1] This includes the cities of Anaheim, Campbell, Cupertino, Corona, Concord, Danville, Benicia, El Cerrito, Lafayette, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Martinez, Moraga, Milpitas, Monte Sereno, Morgan Hills, Mountain View, Oakley, Richmond, San Ramon, San Pablo, Pinole, Pittsburg, Saratoga, Sunnyvale, and Walnut creek

In addition to the feedback received from the Historic District Commission in September of 2017, the Applicant received a letter from the Heritage Preservation League noting their concerns. The Applicant also solicited feedback from neighboring residents by hosting several meetings between August and September of 2017.

Listed below are some of the most notable comments from the Historic District Commission, the Heritage Preservation League, and residents:

- Concern regarding building height (57-feet, 6-inches tall).
- Concern regarding the size and scale of building
- Concern regarding architecture and design of building – recommended redesign of plans to reflect buildings constructed prior to 1900.
- Concern regarding limited parking provided by project (15 parking spaces).
- Concern regarding pedestrian safety in the underground parking garage.
- Concern regarding building encroachment into Scott Street right-of-way.

On March 14, 2019, the applicant submitted a revised development application to the city in response to the above stated concerns. The most significant changes to the proposed project included reducing the size of the building from 23,486 square feet to 14,811 square feet, reducing the height of the building from 57 feet, 6 inches to 50 feet 6 inches, modifying the building footprint so as not to encroach into the Scott Street right-of-way, eliminating the underground parking garage, and updating the architecture and design of the building.

Leading up to the scheduled Historic District Commission hearing on August 19, 2020, the applicant received several written comments from neighbors and members of the public. To better understand the concerns the applicant hosted two public outreach sessions conducted on August 12th and 13th, 2020. After the public outreach meetings, the Applicant requested a continuance of the Commission hearing to provide the design team additional time to consider comments and feedback. Still with concerns to address, the Applicant prepared two alternative solutions to solicit feedback from the Historic District Commission via an informal workshop hearing on October 21st of 2020.

Notable feedback from the HDC commissioners and members of public included:

- Regarding architecture and design of building – References to pre-1900 architecture was improved.
- Concern regarding building height (42-feet, 0-inches tall) – suggest proposing a solution with no height variance required.
- Concern regarding limited or no parking provided by the project (0-7 parking spaces) – suggest proposing a solution with no parking variance required.

REVISED PROJECT DESIGN:
The Applicant and their design team heavily considered the suggestions of the city, HDC, HPL and neighbors. The proposed responses are summarized as follows:

BUILDING HEIGHT: The building height has been reduced from the 2019 proposed height of 50'-6" to 35'-0." The project now conforms to the district's height limitation for buildings fronting Sutter Street.

PARKING: The Applicant is providing sufficient parking for the Project at their 512 Sutter Street location, which is located within two hundred feet of the proposed Project. Due to site constraints and subsurface conditions on-site parking is not provided.

HISTORIC CONTEXT: The Historic Preservation League challenged the team to justify the building design relative to pre--1900 architecture. "California Gold Rush Commercial" was the chosen precedent. This style is found throughout the district characterized mostly by brick masonry buildings. The team also drew reference from regional architecture built during the same period. The resulting proposed solution incorporates characteristic brick detailing, cornice work, storefront and window design.

In addition, the highly respected historic preservation firm, Page and Turnbull reviewed the building design. The building design was found to comply with, and meet, the design requirements for projects located within the Historic District. The resultant design is appropriate in both its use and size providing added character to the beautiful existing fabric of the Historic

District. Both the scale and attention to detail evoke a timeless architectural character underscored by high quality materials.

DESIGN SOLUTION: The revised design proposes a building mass which has been broken into two sections along the length adhering to the scale and proportion of other buildings along Sutter Street. In consideration of height and massing, the building is also stepped back at the third level. Given the subsurface conditions and steep terrain of the site, the building is also stepped in sections to avoid excessive need for excavation. There is a small retail footprint which allows for multiple tenant divisions along Sutter Street to promote a pedestrian-friendly walkable experience.

After much thought regarding building use, the Applicants came to the decision that residential loft space within the building would fit nicely within the surrounding residential neighborhood. Ultimately, three 2-bedroom loft spaces, approximately 5,350 square feet of the occupied 11,300 square feet, were incorporated into the building design, making the project a true live workspace. In providing residential loft space, while decreasing office or retail space, it is the Applicant's intention to respect the relationship between the building location and the adjacent residential neighborhood.

PROJECT TIMELINE:

Once approved, the hope is to immediately work on finalizing plans and submit for building permits with an estimated timeline for submission by Fall of 2022. Building plan approval and permitting is estimated for Fall of 2022 with construction starting early 2023. Completion is estimated for Summer/Fall of 2024.

The Table below provides a summary of the project evolution of key project elements from the initial proposal in 2017 to the current 2022 proposals.

Project Components	2017 Project Proposal	2019 Project Proposal	2020 Proposal	2022 Proposal (Current)
Building Square Footage (Occupied)	17,436	14,811	12,316	11,300
Building Height	57' - 6"	50' - 6"	35'-0"	35'- 0"
Height Variance Request	22' - 6"	15' - 6"	none	none

Off Street Parking (Required)	50 stalls	43 stalls	35 stalls	23 stalls
Off Street Parking (Provided)	15 stalls	0 stalls	0 stalls	23 stalls
Parking Variance Request	35 stalls	43 stalls	35 stalls	0
Key Design Considerations	• Parking provided represents maximum quantity of spaces achievable within site constraints utilizing an underground garage.	• Underground parking was removed to address concerns regarding building height and pedestrian safety. • Project materials and design elements were reselected to better address historic design criteria • Building footprint was modified to minimize encroachment into Scott St. right-of-way	• Building height was reduced to meet the district's height standards. • Project program was reduced to address concerns of mass / bulk. • Design emphasis is placed on Sutter/Scott Street corner using a rounded corner ground floor entrance. • Building design details refined to address the selected pre-1900's Historical style – California Gold Rush	• Building height was reduced to meet the district's height standards. *No parking variance required • Project program was reduced to address concerns of mass/bulk. • Design emphasis is placed on Sutter/Scott Street corner using a rounded corner ground floor entrance. • Building design details refined to address the selected pre-1900's Historical style – California Gold Rush. *3/2-bedroom lofts added.
Other Considerations			• Various parking solutions were studied. A 2-Level underground parking scheme was identified as the only potential solution to meet on-site parking requirements. Underground parking was ruled out due to heavy excavation work due to on-site bedrock conditions and applicable height maximum requirements.	

Limitations to On Site Parking:

Steep Topography: The Project is located at the corner of Sutter Street and Scott Street, facing Sutter Street. There is a steep 20-foot elevation change between Sutter Street and Scott Street within the proposed Project site. The Project site slope, as well as the subsurface conditions detailed below, present major obstacles to ensuring a careful balance between the requirements of building within the Folsom Historic District and the ability of the Applicant to provide on-site parking while also enjoying their substantial property rights. With building height restrictions in the Historic District, onsite parking for the Project would require construction of an underground parking garage. To build underground parking, the steep topography of the site would require significant blasting of the underlying bedrock and special reinforcement with steel structures to ensure the two adjacent buildings and Sutter Street are not structurally impacted during excavations twenty-two feet below Sutter Street and thirty feet below Scott Street for an underground parking structure.

Subsurface Conditions: The Applicant retained the services of Youngdahl Consulting Group, Inc. to perform a Geotechnical Engineering study and CWE-RFE Engineering to provide survey and civil engineering services, in addition to Williams + Padden as the Project architect. The Geotech study's objective was to perform a subsurface exploration and evaluate the surface and subsurface soil conditions at the Project site.

The scope included:

a) A field study along with two subsurface soil sample "test pits" taken from the southeast and northwest corner of the Project site.
b) Laboratory testing and engineering analysis on the two subsurface samples.
c) Develop a geotechnical design criterion for seismic conditions, shallow foundation to avoid the bedrock, retaining walls, slabs, and grade.

The detailed Geotechnical Engineering report was made available to the city and is also publicly available.

This section summarizes the main findings.

1. **Slope:** The Project site slopes 7H:1V (Horizontal: Vertical) with a 3 to 4 foot vertical cut along the north side. The Project site has the deepest slope of any commercial parcel on Sutter Street, representing a unique characteristic to the Project site. The closest similar conditions are seen at 607 Sutter Street (PN11-117). The recently constructed 607 Sutter Street building obtained both parking and height variances. The staff report for that building provided: "City Staff has recommended a parking variance (20 on-site parking spaces are required) because the city provides on-street parking spaces, surface parking lots and parking garages within the historical district. There are also several physical constraints on the site "no alley access in the back, steep slope exists on the site. The site is close to the light rail station and bus stop." Although the 607 Sutter site is slightly smaller than the Project site, the slope was limited to the rear and the rest of the site was flat due to a prior structure situated at the same location.

The 603 Sutter Street Project site is located 75 feet from the 607 Sutter site and is similarly situated in that both require many on-site parking spaces under the Zoning Code, 23 and 20 spaces respectively, both have no alley access, and the city provides on-street parking spaces, surface parking lots and parking garages within the Historic District that can serve both buildings. Both sites are close to the light rail station and bus stop. However, the Project site (603 Sutter) slope is homogeneous throughout the entire site, making the slope more prevalent and burdensome than the slope that was found at 607 Sutter Street.

2. **Project Site Subsurface Conditions:** The Geotechnical Engineering study reveals that the subsurface soil conditions encountered is bedrock at both test locations. The bedrock was present at a depth of 8 to 8 ½ feet at each of the two test locations. It was determined that the subsurface below approximately eight feet consists of bedrock. The Project civil engineer, Bob Eynck, concluded that the bedrock is present across the entire Project site and a 14-foot excavation through the bedrock would be needed to accommodate underground parking.

The two test pits were excavated using a Takeuchi TB 180 excavator equipped with a 24-inch-wide bucket. The Geotechnical Engineering study stated "The degree of difficulty encountered in excavating our test pits is an indication of the effort that will be required for excavations of large dozer equipment typically used for grading with shallow bedrock conditions. Large excavators such as Komatsu PC 400 or CAT 345 (or equivalent) equipped with species rock excavations/trenching equipment may be more appropriate for excavations on single lot commercial developments. As such, contractors should be equipped with equipment of suitable size to perform the site excavation." The report goes on to say, "Where hard rock cuts in fractured rock are proposed, the orientation and direction of the excavations/ripping will likely play a large role in the rippability of the material. Blasting cannot be ruled out in areas of resistant rock."

3. **Excavation:** There are no commercial-zoned parcels on Sutter Street that have a 20-foot elevation change within only 7,500 square feet like the Project site. (0.17 Acres or 100 ft x 75 ft). Leveling the 603 Sutter lot, even before reaching the bedrock, would require the removal of approximately 3,055 cubic yards of dirt. This volume would cover an area of 330,000 square feet, which is forty-four times the lot size at 3 inches deep. To put this into perspective, this much dirt would cover nearly five regulation size soccer fields (110 yards x 70 yards) three inches deep. Underground parking would add an additional twenty feet in depth and would result in the removal of a total of approximately 8,611 cubic yards that could cover an area of 930,000 square feet, which is 124 times the lot size. This is truly unique and there are no comparable parcels on Sutter Street, or any other commercial lots, in the Folsom Historic District. The Applicant's proposed design without on-site parking would **not** require extensive leveling.

4. **Safety and Health**: To provide two subsurface parking levels, accommodating twenty-three parking spaces, blasting would be needed as indicated by our civil engineer (see Appendix B). The use of Ammonium Nitrate (ANFO) mixed with fuel oil is the most common product used for blasting. In lieu of blasting, "rock excavations shall be made by mechanical means." Resorting to mechanical excavation using hydraulic breakers mounted in back hoes (hoe-rams) or the use of expanding chemical agents (Bristar) is possible but almost always increases the duration and cost of excavation work. Ironically, since hoe-ram excavation extends the duration of the work project, neighbors might be subjected

to months of continuous hammering noise and other construction effects, versus feeling a few instances of blasting vibrations lasting only a few seconds but which could result in lasting structural damage and present a public safety concern.

In Summary:

The two methods of excavation that could be used to construct underground parking each have impacts that make them undesirable.

Blasting would cause ground vibration which may result in structural damage for nearby homeowners and businesses, increasing the Applicant's risk of liability; create public fear and annoyance; and infringe upon public safety. Blasting creates cracks in the base of the surrounding rocks near the blast site and travels at different rates through soil, rocks, and water until the energy of the vibration is dissipated.

Impact Ripper Method and a hoe-ram to mechanically excavate the basalt would cause prolonged road closures, and excessive and prolonged noise. Homeowners and businesses could be disturbed by the continuous hammering noise. Some neighbors may even need to temporarily relocate to off-site accommodations. The basalt bedrock cannot be ripped easily, so the excavation, construction maintenance costs are expected to be extremely high and the use of chemicals to expedite the work may be prohibited because of the site's location near residential areas.

Impact on the neighbors: The Geotechnical Engineering report shows that underground parking would be a material impact on the neighbors on Scott Street and the alley off Scott Street since the installation of underground parking would require excavating at least twenty-two feet below the neighboring home on Scott Street and the historic library building adjacent to the Project site on Sutter Street. Both neighboring landowners are rightfully concerned about impacts to their properties. The excavation will require blasting fourteen feet into bedrock that is not only present in one isolated portion of the Project site but across the entire site. Discussions with the neighbors ruled out this option as there is a great risk of potential structural damage to their properties. The proposed Project design with offsite parking would not require any blasting or excavation for required parking.

Options Considered for Parking: The city code requires one parking space per every 350 square feet and two parking spaces per loft space. The proposed building incorporates approximately 11,300 occupied square feet requiring twenty-three parking spaces.

a. **On Site Surface Parking:** The 603 Sutter Street lot is approximately 7,500 square feet in size. Providing twenty-three on-site parking spaces would require a two-story structure where each story would accommodate twelve parking spaces. It would be impossible to have an above ground two-story parking structure and a 11,300 occupied square foot building without a substantial height variance. The expected height of such a building accommodating a 23-space parking structure and an 11,300 occupied square foot multi-use building would encompass five stories and over fifty-five feet in height. This massive building would not only present other problems, such as the need for a height variance, but it would be cost prohibitive and certainly not historic.

b. **Subsurface Parking**: According to the civil engineer (Appendix B), a subsurface parking structure would require a 22-foot excavation below ground surface. Given the presence of bedrock at approximately eight feet below the surface, fourteen feet of bedrock would need to be excavated, causing substantial blasting of earth and rock:

"One of the options presented was to construct an underground parking garage that would enter the property from the low side of the site on Sutter Street. To provide accessibility from the main floor to the Sutter Street entrance, the garage floor subgrade elevation would need to be set at an elevation of approximately 228. This would require excavation below existing ground up to twenty-two feet deep at the southeast corner of the site. With the bedrock at approximately eight feet below grade that would put the excavation up to fourteen feet in bedrock. This would require substantial blasting for earth and rock removal. As the site is surrounded by existing structures, blasting to these depths would present an extreme challenge from vibration and ground movement. In addition, excavating the site at this elevation would be cost prohibitive."

It is important to note that the civil engineer for this project, Bob Eynck of CWE-RFE Engineering, was the civil and survey engineer on the nearby 607 Sutter Street project. Mr. Eynck noted potential blasting problems for this site in his letter to the city.

"RFE was the civil engineer and surveyor on the nearby 607 Sutter Street project. This project has similar topography as the subject development. We observed that there was some blasting on that property and that was a concern when that was constructed. Fortunately, that project did not have a lower level below the main floor. Thus, the blasting was minimized."

c. **Adjacent Site Surface Parking (Recommended Option):**

Due to the issues related to on-site parking, the applicant is proposing to use their 512 Sutter Street lot to provide all required private parking for the 603 Sutter proposed building. The lot is located within two hundred feet of the building site.

Substantial Property Rights:

The Project is consistent with the 2035 General Plan Land Use section. The Project is in the "Historic Folsom Mixed Use (HF)" Land Use Designation. The "HF" Designation has the highest allowable density in the city with a floor-area ratio (FAR) range of 0.5-2.0. Our proposed FAR is 1.66 which fits well with the land use goals for sites in the Historic District.

Ensuring Minimal Impact on Neighbors:

The 603 Sutter Street property is surrounded by commercially zoned properties on all sides.

The Applicant has made every effort and significantly modified its design four times to accommodate requests from the neighbors.

These modifications are summarized below:

a) Reduced building height to avoid a height variance and provided a parking solution to negate a parking variance.
b) Reduced the building mass from approximately 23,486 sq. feet to 15,000 sq. feet.

c) Reduced noise impacts to the neighborhood by incorporating office and residential loft space.
d) Eliminated the roof top deck area.
e) Relocated the trash area away from the residence to the south.
f) The Applicant agrees to raise the retaining wall facing the back of Sutter Street so that privacy is enjoyed by the neighbors to the south.

Ziad and Deborah Alaywan

August 17, 2022