



Hyatt Boutique Hotel Project Final Environmental Impact Report

August 2015

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Hyatt Boutique Hotel Final Environmental Impact Report

Prepared by:

City of Sacramento
Community Development Department
August 2015

TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
I. INTRODUCTION AND LIST OF COMMENTERS	I-1
II. CHANGES TO DRAFT EIR	II-1
III. RESPONSES TO COMMENTS	III-1

I. Introduction and List of Commenters

Purpose of this Document

This document includes all agency and public comments received on the Draft Environmental Impact Report for the Hyatt Boutique Hotel project (proposed project). Written comments were received by the City of Sacramento during the public comment period held from June 4, 2015 through July 6, 2015. This document includes written responses to each comment received on the Draft EIR. The responses correct, clarify, and amplify text in the Draft EIR, as appropriate. These changes do not alter the conclusions of the Draft EIR.

This Final EIR document has been prepared in accordance with the California Environmental Quality Act (CEQA) and constitutes the EIR for the proposed project that will be used by the decision makers during project hearings.

Background

The proposed project is described in Chapter 2, Changes to the Draft EIR, Section 2.

The City approvals/actions that would be considered for the proposed project include, but are not limited to:

- Preservation Commission: Site plan and design review

In accordance with the CEQA Guidelines, a Notice of Preparation (NOP) was distributed March 27, 2015 for a 30-day agency and public review period. The NOP was distributed to responsible agencies, interested parties, business owners, residences, and landowners within 500 feet of the project area. The purpose of the NOP was to provide notification that an EIR for the project would be prepared and to solicit input on the scope and content of the document. The NOP and comment letters received on the NOP are included in Appendix A of the Draft EIR, respectively.

A Notice of Availability (NOA) for the Draft EIR was published in the Sacramento Bulletin and filed with the Sacramento County Clerk Recorder's Office on June 4, 2015 establishing a 30-day public review period. Agencies, interested parties, adjacent businesses, and property owners within 500 feet of the property area were notified by mail and/or email of the document's availability. Emails were sent to interested parties who had previously provided the City with email addresses. The Draft EIR was also published on the City's website. Copies of the Draft EIR were available for review at the following locations:

City of Sacramento Community Development Department
300 Richards Boulevard, Third Floor
Sacramento, CA 95811

Organization of The Final EIR

The Final EIR is organized as follows:

Chapter I – Introduction and List of Commenters: This chapter summarizes the project under consideration and describes the contents of the Final EIR. This chapter also contains a list of all of the agencies or persons who submitted comments on the Draft EIR during the public review period along with the comment letters themselves, with relevant portions bracketed to relate to the responses provided in Chapter III. The full text of each written comment is provided for consideration as part of the decision-making process.

Chapter II – Changes to the Draft EIR: This chapter includes the Draft EIR as circulated for public comment with changes to the document that have been made either via staff initiation or in response to comments received on the Draft EIR. Text deletions are shown in ~~striketrough~~, and new text is shown in underline.

Chapter III – Responses to Comments: This chapter includes the written responses to all comments received on the Draft EIR. Consistent with CEQA Guidelines section 15132, the City has responded to significant environmental issues raised in the review and consultation process by bracketing relevant portions of the comment letters and providing a written response. Portions of the written comments on the Draft EIR do not pertain to significant environmental issues or address the adequacy of the analysis contained in the Draft EIR, and a response is not provided to such comments.

List of Commenters

The City of Sacramento received three (3) comment letters during the comment period on the Draft EIR for the proposed project:

Letter 1: Preservation Sacramento, July 2, 2015

Letter 2: United Here, Local 49, July 2, 2015

Letter 3: State Office of Historic Preservation, July 6, 2015



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July 2, 2015

Scott Johnson

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Environmental Planning Services

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RE: Hyatt Boutique Hotel/Marshall Hotel Draft EIR

The Board of Directors of Preservation Sacramento has reviewed the Draft EIR for the Hyatt Boutique Hotel and found serious errors of fact, misrepresentations, contradictory information, missing components, and materials apparently inserted from an environmental document for the Sutter Park neighborhood, an entirely unrelated project. We are requesting that the city withdraw and rewrite this Draft EIR, specifically in regard to project alternatives and historic resources, or contract with an outside consultant qualified to generate an EIR. If the city is not willing to take this step, Preservation Sacramento will seek legal representation to remedy this clear violation of state environmental law.

The Draft EIR's project description is often misleading and includes non-factual information, including description of the project as "adaptive reuse" (false) and description of the project as housing (the proposed use is for a tourist hotel that demolishes or removes existing housing.) The cultural resources analysis uses incorrect criteria to assess its eligibility for the California Register, does not assess for all criteria, and does not review for National Register eligibility. Mitigation measures are either limited to elements already proposed as part of the project, or a vague list of possible alternatives presented as optional and at the discretion of the project proponent, not as required mitigation measures.

Per CCR Title 14, Chapter 3, 15064.5(4), the lead agency shall ensure that any adopted measures to mitigate or avoid significant adverse changes are fully enforceable through permit conditions, agreements, or other measures. Per 15126.4, an EIR shall describe feasible measures which could minimize significant adverse impacts. Discussion of mitigation shall distinguish between the measures proposed by the project proponents to be included in the project and other measures proposed by the lead agency.

The project alternatives are vague, overly brief, insufficiently defined, or refer to locations that have nothing to do with the project and are miles away from the project site. None explore alternative sites for the project. The historical analysis includes no DPR 523 form, and assessment of the property inconsistently confuses Sacramento Register criteria with California Register, often contradicting photographic images found within the document. Preparation of this EIR was apparently done by someone unfamiliar with historic resources based on serious gaps and deficiencies in the document.



Specific Problems with the Draft EIR

Page 2-4: The project is described as adaptive reuse, but the proposed project involves demolition of the existing buildings and construction of a new building within the façade of one and on the footprint of the other. The proposed use (hotel) is also identical to the building’s original use (hotel), while adaptive reuse involves a change in building use. “Adaptive reuse” is reuse of an existing building for a new use. The proposed project demolishes an existing building so a new building with the same use can be built on its former footprint. Thus, describing this project as “adaptive reuse” is factually incorrect—it is the exact opposite.

Page 3-5: The current use of the Jade Apartments and Marshall Hotel building is housing. The document incorrectly indicates the Jade Apartments as a hotel. The project would destroy existing housing in the Jade Apartments and remove the Marshall Hotel units from the housing inventory (their use prior to project was as a residential hotel.) Therefore, this project represents a proposed reduction of affordable central city housing—in the case of the Marshall, existing SRO housing stock, and in the case of the Jade, not income-restricted affordable housing but an older apartment building whose rents are affordable to those of low income due to its age and lack of modern amenities. The city of Sacramento has prioritized the creation and retention of central city housing; therefore, this project violates the City of Sacramento’s general plan, and the land use category of the property, which calls for a minimum population density of 60 units per acre.

Page 4-2: The document refers to Criteria ii and iv of the California Register of Historical Resources. There are no such criteria. The property’s historic significance being based on architecture (factually incorrect, as the document indicates it is also eligible for association with individuals) does not mean that the interior of the building is not part of the historic resource, and the document does not analyze whether the 1948 hotel remodel constitutes changes to the property that have gained significance in their own right. Because the property is identified for its association with the Clayton family, not solely for its architecture, the argument that significance is solely derived from architecture is not factual, as is the statement that only two exterior walls are “historic” while the rest of the building is not.

Page 4-6, 4-7: The section on Effects on Historic Resources lists the Secretary of the Interior’s Standards for the Treatment of Historic Properties, but does not describe how the project will meet (or fail to meet) these standards, nor does it describe the project in any way. Thus, effects on historic resources are not analyzed by this EIR within the context of the Standards (except Standard 9, see below.)

Page 4-8: The section on Impacts and Mitigation Measures does not include any mitigation measures, it is a repetition of the basic specifications of the project.

Page 4-11, 4-12: The analysis again repeats the basic specifications of the project, and repeats the statement that the architectural significance of the building is derived solely from the building exterior,

1-1

1-2

1-3



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again contradicting that the property is also eligible for its association with the Clayton family. Lack of public access is not a factor for California Register eligibility, and modifications to the building interior or ground floor do not mean that the building as a whole is not significant. The writer refers to Criteria ii and iv of the California Register, which are nonexistent (California Register criteria are lettered using Arabic numbers, not Roman numerals, and do not directly correspond to each other.) The writer appears to be trying to parse Sacramento Register criteria (which limit modification of exterior features) to be equivalent to California Register criteria. They are not equivalent.

1-3

Page 4-14: This page includes contradictory information, indicating that original characteristic elements including stair railings and balustrades exist within the building, then claims that the interior contains no significant character-defining features in the following sentence. The following sentence, regarding “information or architectural inspiration for use in any existing or future application,” is not derived from California Register criteria for architecture, nor is the property eligible solely for its architecture.

Page 4-15: This page includes the only analysis of the Secretary of the Interior’s Standards for Rehabilitation, Standard 9 regarding new additions, failing in all other aspects to analyze the ways in which this project fails to follow those standards. It does specify that the project *will not comply* with even that one Standard.

Page 4-16: The statement that the project does not seem to change the Marshall Hotel’s eligibility for the California Register is factually untrue. The proposed project would destroy the interior of the building and replace it with a new building, meaning that the property would not retain sufficient historic integrity for listing in the California Register. A facadist approach is not ordinarily eligible for National Register or California Register listing. Remarks that the building is in an “urban location that is substantially upgrading its amenities, character, and clientele” are completely irrelevant in an analysis of the project’s effects on a historic resource and have no bearing on eligibility. Many historic buildings are located in places undergoing rapid change; this does not change their historic value.

1-4

Pages 4-16, 4-17: Mitigation Measure 1 does not constitute a mitigation measure because it is limited solely to the project already proposed by the applicant. Doing what the applicant planned to do in the first place is not a mitigation measure. Also, some of the mitigation alternatives are mentioned as things that the applicant will “consider.” Mitigation measures are a specific, enforceable obligation, not subject to developer whim. Failure to codify enforceable mitigation measures explicitly violates state law.

Page 4-18: Mitigation Measure 2 is limited to HABS documentation. HABS documentation is generally not accepted as a mitigation measure, per California state law. Thus it is not an acceptable mitigation.

Page 4-18: Mitigation Measure 3 is also part of the proposed project, therefore it does not qualify as a mitigation measure because they were things the proponent planned to do in the first place; see comments regarding Mitigation Measure 1.

1-5



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Page 4-18: Mitigation Measure 4 appears to be an unspecified donation of funds by the project proponent, in unspecified amounts, that have little to do with mitigating this project’s effects.

1-5

Page 5-5: Alternative 1 includes factually incorrect information—it claims the “no project” alternative “would not provide high-quality housing opportunities consistent with and complementary to the overall character of the adjacent neighborhood, and would not connect the existing grid network by extending existing street patterns in the project area.” This statement has no relation to the proposed project, because the proposed hotel project does not include any residential component, and this project does not include any extension of the existing street grid or street patterns. Also, at this time, the only housing within two blocks of the project site in any direction are another residential hotel, and a vacant apartment building similar in size and scale to the Marshall and Jade. Thus, even continued use as rehabilitated SRO housing and apartments is consistent and complementary to the overall character of the adjacent neighborhood. The statement “Under the No Project/No Development Alternative, operations related to Sutter Memorial Hospital would be transferred to other SMCS facilities...” etcetera, suggesting that this verbiage was copied and pasted from the Sutter Park Neighborhood EIR.

Page 5-6: Alternative 2 is inadequately defined and inadequately explained. The alternative claims that the demolition of the hotel building is necessary to address the “historical nature” of the Marshall Hotel, an inherent contradiction, and claims that any alternative to the proposed project would be no project. This conclusion is an argument against the requirement of alternatives under state law, but has no place in a discussion of project alternatives. The conclusion is based on the assumption that “the city is aware of no substantial evidence that operation of the Marshall Hotel in its current configuration would result in a reasonable financial return, that the Jade Hotel would have economic value or that the Jade Hotel vacant site would have any economic benefit to the operator.” This is because the City has failed to analyze or examine this scenario, and failed to adequately define Alternative 2—there is no alternative presented here, instead a handful of vaguely defined scenarios are mentioned briefly before being discarded without analysis. Meanwhile, in a site on R Street (R Street WAL/Lawrence Warehouse), a city landmark building with adjacent new building of similar height was recently opened, an adaptive reuse of a historic building utilizing low-income and historic preservation tax credits. Analysis of continued operation of the Marshall and Jade, or the Marshall and adjacent new construction, should include analysis discussion of similar approaches (historic rehabilitation and low income tax credits.)

1-6

Page 5-7: Alternative 3 is defined as “Demolish Jade Hotel, Expand Marshall Hotel” but the conclusion mentioned on this page has absolutely no relationship to the proposed projects. Its description is limited to one sentence, reiterating the title of the alternative with no details or analysis of what this alternative means. The conclusion mentions “providing a range of new housing types” but the proposed project is a hotel, not a residential proposal. It mentions “providing a diverse mix of open space areas and parks” but there is no open space and no park space in the project. It also states “Alternative 3 would provide access to the new development, it would not connect the existing grid network to the extent that would



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occur under the proposed project, because Alternative 3 would not provide the extension of 53rd Street onto the project site.” This has nothing to do with the Hyatt/Marshall project—there is no question of access, this project has nothing to do with the grid network, and the proposed project is on 8th and L Street, not 53rd Street. This text, like other text in this Draft EIR, appears to be copied and pasted from the Sutter Hospital/Sutter Place EIR, and as thus its inclusion in this document is probably due to negligence or inattention on the part of the preparer.

Page 5-7: The “environmentally superior alternative” identified by the document is Alternative 2, which is a poorly defined project, specified within that alternative as one that defines “any alternative to the project is no project.” This is not an environmentally superior alternative, it is a challenge to the validity of California state law, and thus has no place in an EIR. The project alternatives presented seem predisposed to assume that the only possible alternatives are demolition of the Marshall except the interior walls, and leaving the buildings as-is in their existing condition. The preparer appears to not be familiar with the concepts of historic rehabilitation or adaptive reuse of existing historic buildings, which allows great flexibility in programming, design and reuse.

1-6

Public Comment: Public comment by the California Office of Historic Preservation, included in the DEIR, recommends that the DEIR should focus and seriously consider a range of feasible alternatives that will lessen and/or avoid significant environmental impacts. Recommended alternatives including an alternative site, rehabilitation, adaptive reuse and alternative use, but all of these alternatives were ignored by the applicant. The alternatives discussed in the EIR should not be discounted merely because they are more costly; all feasible alternatives should be seriously considered. The letter also recommends mitigation measures that go beyond HABS documentation, plaques, or design features.

Appendix D: This document does not include a completed set of standard DPR 523 forms used to evaluate historic properties describing the property, and the document is also missing past evaluations of the Marshall Hotel from existing resource studies that describe the building and outline its eligibility. These past surveys include 1981 and 2001 survey forms by Historic Environment Consultants, copies of which are in city files and are the basis for the property’s Sacramento Register listing, but they are not included in this appendix. This appendix also does not include detailed assessment of the Jade Apartments, nor past DPR forms surveying the property. Considering that the last survey of the Jade was in 2001, subsequent review of the property may result in a different result regarding eligibility of the building for listing in the Sacramento or California Registers. Surveys of property over five years old are considered out of date and generally must be redone in order to ensure that the information in previous survey documents is still valid.

1-7

The appendix frequently mistakes Sacramento Register criteria and City of Sacramento city code regarding historic properties for California Register of Historical Resources criteria and State of California



code regarding integrity and eligibility of historic properties; these are two different bodies of law with different criteria.

Analysis under all four California Register criteria is a required part of environmental review, and this analysis is not present in this document. Despite documentation of the Clayton Club mentioned in Appendix D and included in public comment, and the existence of interior spaces associated with the Clayton Club period, the property was not analyzed for its eligibility under California Register Criterion 1 for the property's role as a jazz venue. The building was the site of the Clayton Club, a locally significant destination for jazz aficionados and musicians of international repute. Analysis of the property for California Register eligibility must include analysis under all California Register criteria, not simply refutation of eligibility without analysis.

The property was also not analyzed under Criterion 1 for its role as a hotel, both for travelers and as a residential hotel. Residential hotels provided affordable housing for working and middle-class Sacramentans, and are a rare building type in downtown Sacramento, a neighborhood that once had thousands of beds in dozens of buildings, from working-class dormitories to elegant palace hotels. Failure to analyze the building under Criterion 1 resulted in the deliberate oversight of this criterion of eligibility, which speaks directly to the current condition and use of the hotel.

Appendix D photographs: Interior photographs document contributing interior features including lobby pillars, transom windows, pilasters and wainscoting in individual rooms, original wooden doors, steam radiators, terrazzo floors and ground floor spaces associated with the property's period as the Clayton Club. Hallway views document the original staircases with intact handrails and balustrades. Detail photos of hallways show evidence of former architectural details covered in subsequent building alterations. The exterior photographs document areas of the building including secondary facades that clearly retain historic integrity from the period of the building's construction; the facades' lack of architectural elaborateness does not mean they are not a significant part of the building. The architectural features clearly visible on secondary facades include wooden-sash double-hung windows, the central light well, skylight features and fire resistant metal shutters and metal sidings, and board-formed concrete walls representing the architectural structure of the steel-framed building.

Failure to adequately describe the form and structure of the building indicates another potential problem with the proposed project: this is not an unreinforced masonry building, it is a steel-framed concrete building, and the architectural details on the primary facades are applied on the surface of what is actually a concrete building. Therefore the concrete secondary facades and internal steel frame are integral portions of the architecture of the building; the structure upon which architectural adornment has been applied.

1-7



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Conclusion

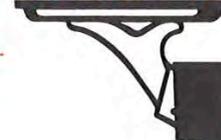
The obvious and repeated misrepresentations, errors of fact, incomplete and inadequate alternatives, and contradictory and missing information throughout this document make its complete revision necessary if the city is to avoid legal liability for failure to comply with California state environmental law. We ask that the city of Sacramento return to the drawing board, announce a new Notice of Preparation and complete a new DEIR that provides real project alternatives and mitigation measures, and complete analysis of the eligibility of the Marshall/Clayton Hotel.

1-8

William Burg

President, Preservation Sacramento Board of Directors

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July 2, 2015

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Dear Mr. Johnson:

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) prepared for the Hyatt Boutique Hotel Project (PB14-061). UNITE HERE Local 49 is the hospitality workers' union in the Sacramento region and represents approximately 3,000 hotel, casino, and food-service workers in Sacramento and the surrounding area. We are particularly interested in the project's potential positive or negative impacts on working conditions, the region's hospitality market, and quality of life for workers, neighbors, and other residents. Besides being hospitality workers, our members are residents Sacramento and the surrounding area, and many of them live, shop, and/or work in downtown Sacramento, very close to the proposed project. As such, we are concerned with the wide-ranging environmental impacts this project may have, including potential effects on the availability of public services for current and future hospitality workers. We believe the DEIR fails to adequately analyze these impacts and are asking for substantial revisions as described below.

Potential impacts other than on cultural resources

While we commend the City for evaluating the project's potential impacts on historic and cultural resources, we argue that these are not the only potential significant impacts of the project. The DEIR errs in failing to evaluate any other potential impacts, in particular the impacts on transportation, public services, air quality, and greenhouse gas/climate change of eliminating affordable housing in downtown Sacramento. Until recently, the Marshall Hotel was a single-room occupancy hotel, whose residents were evicted in order to make way for this project. (See the attached news articles.) Conversion of the Marshall to an upscale tourist hotel will reduce the supply of transit-adjacent affordable housing in the downtown core, which is likely to lead to more low-income service sector workers commuting into downtown from more affordable outlying areas. The DEIR should analyze the potential impacts on transportation, public services, and greenhouse gas emissions, including cumulative impacts, of this reduction.

2-1

Regulatory context

The DEIR erroneously states that the project site is governed by the land-use policies and zoning regulations of the ESC special planning district (SPD). In fact, while the site is adjacent to the ESC (Entertainment and Sports Center) that is currently under construction, it is not inside the boundaries of the ESC SPD. As such, the goals of the ESC SPD, the enumeration of which makes up the bulk of Section 3.3.2 of the DEIR, are not relevant to this project, and the DEIR fails to accurately describe the applicable plans and regulations that govern development in the project area. Unfortunately, this striking error on such a basic fact regarding the regulatory context of the project is representative of a larger pattern of carelessness and inaccuracy that contribute to the gross inadequacy of the DEIR.

2-2

Historic and cultural resources and alternatives to the proposed project

The DEIR correctly concludes that the project would result in a significant impact on historic and cultural resources by demolishing most of the Marshall Hotel. However, it understates this impact by asserting, without evidence, that the interior of the hotel, which is slated to be demolished, “does not possess significant character-defining features, design distinction, or ornamentation of artistic or architectural value.” This assertion is contrary to the report by Historic Environment Consultants that lists the stair balustrades as “notable architectural features and characteristics.” In fact, the DEIR itself mentions the “stair railings and balustrades between the floors” as “characteristic elements that would be lost,” immediately prior to the unsubstantiated assertion that no such elements would be lost. (See page 4-14 of the DEIR.) The DEIR presents no evidence and contains no explanation for the assertion that the demolition of the interior of the building would not contribute to the project’s significant impact on historic and cultural resources. The DEIR must be revised to fully disclose the potential impacts so that the Preservation Commission and City Council may make a fully informed decision on the project. Without an accurate analysis of the impact of demolishing the interior of the historic hotel, it is impossible to fairly assess the merit of the proposed project in comparison with the alternatives.

2-3

To make matters worse, the DEIR’s discussion of alternatives to the proposed project is grossly inadequate. It contains no real discussion of the feasibility of the alternatives, nor of the extent to which they might be environmentally preferable to the proposed project. Tellingly, it is full of text that has clearly been cut and pasted from environmental review documents for other projects that have nothing to do with the project it is supposed to be discussing.

2-4

The entire analysis of the alternatives to the proposed project (what little analysis there is) suffers from an assumption, based on no evidence, that there is no viable alternative to the proposed project. The discussion of the project’s impact on historic and cultural resources attempts to justify such impacts as follows:

While the removal of the interior of the building would be a loss, without the project, the building, now vacant and out of date in an urban location that is substantially upgrading its amenities, character, and clientele, would likely further deteriorate and become endangered due to lack of an appropriate and economically viable use.

But neither here nor in the section on alternatives is any evidence presented that there is no “appropriate and economically viable use” of the existing building. The DEIR completely ignores the fact that, only 12 months ago, the Marshall was still operating as a single-room occupancy (SRO) hotel, with over 50 rent-paying tenants. It does not cite even an assertion by the developer, let alone any credible evidence, that the property was losing money or was otherwise unviable. Multiple news reports quote the building’s long-time owner discussing the motivations behind the project, and nowhere does he claim that continued operation of the SRO hotel would be infeasible. The *Sacramento Bee* article attached to this letter notes that “The hotel provided a reliable if not spectacular income stream, as most of the building’s tenants received monthly government disability checks” and that the owner “admitted he had little incentive to upgrade the property, knowing he would develop or sell it when the moment was right.” The *Bee* article quotes the owner as saying he “didn’t buy the building to run” an SRO, and the attached article from the local CBS affiliate’s website quotes him as saying “I’ve been dreaming about doing this for the last 10 years.” The CBS article sums up the impetus behind the project as follows: “With downtown beginning a transformation into a high-end hangout, [the owner] wants the hotel to cash in.” The motivation for the project is consistently described as the desire for a greater return, not the financial infeasibility of continuing to operate the building as an SRO.

2-4

All of this is relevant because, as pointed out by Office of Historic Preservation in its comment letter on the Notice of Preparation of the DEIR, the fact that an alternative to the proposed project would be less lucrative or more costly than the proposed project is not, in and of itself, evidence that the alternative is not feasible. Section 15126.6 of the *CEQA Guidelines* stipulates that “the discussion of alternatives shall focus on alternatives to the project or its location which are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly.” In this regard, the DEIR’s discussion of alternatives to the proposed project fails altogether.

The DEIR considers three alternatives to the proposed project: Alternative 1, “No Project Alternative”; Alternative 2, “Renovate Marshall Hotel, with or without demolition of Jade Hotel”; and Alternative 3, “Demolish Jade Hotel, Expand Marshall Hotel.” The discussion of Alternative 1 is largely taken up by text that has been cut and pasted from another document or documents related to Sutter Memorial Hospital and possibly other projects. For example, it states that this alternative “would not meet the project objectives because it would not result in redevelopment

of an infill location, would not provide high-quality housing opportunities consistent with and complementary to the overall character of the adjacent neighborhood, and would not connect the existing grid network by extending existing street patterns in the project area,” none of which makes sense in relation to the proposed project at the Marshall Hotel. Furthermore, the discussion of Alternative 1 assumes that the “no project” alternative would inevitably lead to the buildings remaining vacant “due to lack of an appropriate and economically viable use.” It acknowledges the possibility of future redevelopment of the Marshall Hotel, but claims there is “no substantial evidence that such redevelopment would produce a positive financial return.” Apart from the fact that the EIR presents no evidence that redevelopment would *not* produce a positive financial return, the fundamental flaw of this analysis is that it fails to acknowledge that, until recently, the Marshall was operating as an SRO hotel. Absent any evidence that the operation was losing money, this fact is in itself evidence that resumed operation of the SRO would be economically viable. Because the SRO ceased operations only for the purpose of pursuing the proposed project, the “No Project Alternative” should consider not only the scenario of the building sitting vacant, but also the scenario in which the SRO continues to operate. While it might be argued that necessary renovations would be financially infeasible should the building continue operating as an SRO, the DEIR cites no evidence for this argument, and the recent history of the Hotel Berry, another SRO in Sacramento, demonstrates that it is indeed possible to successfully renovate and continue the operation of an SRO. (See the attached article from the *Sacramento Business Journal*, as well as the attached materials from the operator of renovated SRO’s in Houston, Texas.) It is worth noting that Sacramento, unlike other communities in California, still has some resources available for the development of affordable housing even in the absence of redevelopment agencies, as the Sacramento Housing and Redevelopment Agency continues to exist as a joint powers authority capable of administering other sources of financing.

2-4

The section on Alternative 2, which posits the renovation of the Marshall Hotel without demolition of the interior, and without the construction of additional floors, contains virtually no substantial discussion or analysis of such an alternative. There is what appears to be a brief reference to one possible iteration of such an alternative—demolishing the Jade Hotel and replacing it with a taller structure while renovating the Marshall Hotel—but there is no reason to assume that this is the only alternative. There is no discussion of the possibility of renovating the Marshall and operating it as a smaller hotel while avoiding the significant impact on historic and cultural resources. Nor is there any discussion of renovating the building for a higher-end residential use, as has been done in some locations. (See the attached article about the renovation of an SRO in Harlem for just one example of how such a project might be undertaken.) This section makes the sweeping assertion, backed by no evidence, that “any alternative to the project would be no project,” which merely underscores the fact that the discussion of alternatives has not been taken seriously by the authors of the DEIR.

The section on Alternative 3, which posits the expansion of the Marshall Hotel onto

the site of the demolished Jade Hotel with no added height, offers no analysis whatsoever of this possibility. The claim that “Alternative 3 would result in similar impacts as those identified under the proposed project” makes no sense because the significant impacts identified by the DEIR stem primarily from the new construction proposed above the Marshall’s existing roofline. The claim can only be explained by the inference that the entire paragraph in which this claim appears (indeed, the entirety of what is presented as a discussion of Alternative 3) has been cut and pasted from a document about another project. The paragraph continues with references to “providing a range of new housing types similar in scope and scale to the existing neighborhood,” “providing a diverse mix of open space and parks,” and the fact that Alternative 3 “would not connect the existing grid network to the extent that would occur under the proposed project, because Alternative 3 would not provide the extension of 53rd Street onto and across the project site.” None of this bears any relation to the proposed project or any conceivable alternative to it.

Ultimately, the discussion of Alternatives 2 and 3 contain no substantive discussion of the whether or not an alternative that preserves and rehabilitates the Marshall Hotel and avoids the significant impacts on historic and cultural resources could accomplish some or all of the project objectives. The DEIR provides no evidence or analysis indicating that *any* of the project objectives could not be met by some alternative approach to turning the Marshall into a tourist hotel. Furthermore, even assuming that some unidentified factors or circumstances would prevent the renovation of the Marshall for use as a tourist hotel without significant impacts, the DEIR completely fails even to consider alternative locations for the project that could accomplish many if not all of the project objectives. Section 15126.6 of the *CEQA Guidelines* identifies the “key question” in considering alternative locations as “whether any of the significant effects of the project would be avoided or substantially lessened by putting the project in another location.” Given that the only significant impacts identified for this project relate to the particular historic building on the site where the project is proposed, it is clear that any number of other sites (any similarly sized site in downtown Sacramento where no historic building is currently located) might accomplish the project objectives while avoiding the significant effects of the project. Section 15126.6 further stipulates that “if the lead agency concludes that no feasible alternative locations exist, it must disclose the reasons for this conclusion, and should include the reasons in the EIR.” The DEIR for the proposed project does not even consider the possibility of alternative locations, let alone articulate reasons that no such locations would be feasible. The CEQA Guidelines offer some guidance as to what sort of circumstances would justify not considering alternative locations for a project: “For example, in some cases there may be no feasible alternative locations for a geothermal plant or mining project which must be in close proximity to natural resources at a given location.” The fact that the Marshall Hotel is the property that the applicants happen to own clearly does not constitute this type of extenuating circumstance.

2-4

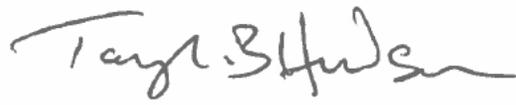
The purpose of an EIR is to give decision makers and the public sufficient information to weigh the merits of a proposed project against its environmental

impacts. Among other deficiencies noted above, the DEIR for the Hyatt Boutique Hotel Project at the Marshall Hotel utterly fails in this regard because it provides none of the information necessary for decision makers to evaluate whether the project objectives could be met without a significant impact on the historic Marshall Hotel. Given this gaping hole in the analysis that the DEIR is supposed to provide, as well as the glaring inaccuracies and “cut and paste” errors, we believe this DEIR requires a complete re-write prior to the project moving forward.

2-5

Please notify us of all future hearings and decisions regarding this project at the above address or at thudson@unitehere.org

Sincerely,

A handwritten signature in black ink that reads "Ty Hudson". The signature is written in a cursive, slightly slanted style.

Ty Hudson
Research Analyst

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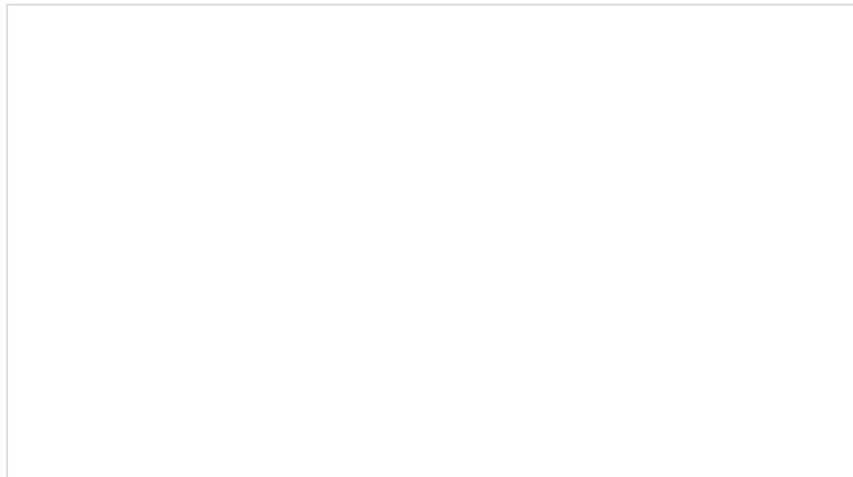
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Local

Sacramento's Hotel Marshall Owner Evicting Tenants For Redesign

February 28, 2014 10:58 PM

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Ron Jones
 Ron Jones began his television career in 1988 while working as an...
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SACRAMENTO (CBS13) — Tenants at the low-income Hotel Marshall in downtown Sacramento have been given 90 days to move out as the owner plans to turn it into a high-end boutique hotel.

Peter Koack says he's excited about what's taking place in downtown Sacramento, especially the proposed Sacramento Kings arena planned just a few feet from his property.

Currently, Hotel Marshall is [home](#) to dozens of low-income residents, many of whom are extremely poor.

"Since I'm in so much debt right now, this is the most [affordable](#)," said Bob Swanson.

The 103-year-old property is weary with an aging infrastructure and decaying facade. But it's right next door to where the Kings arena will be built.

Noack bought the hotel right before the 2008 economic crisis. With downtown beginning a transformation into a high-end hangout, he wants the hotel to cash in.

"I've been dreaming about doing this for the last 10 years," he said.

Catering to a more affluent clientele, he's adding more stories above the historic hotel.

"There will be some very [active](#) retail on the first floor, which will cater to the arena which will be right next

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INDUSTRY NEWS > RESIDENTIAL REAL ESTATE

Hotel Berry demolition work begins

Feb 24, 2011, 1:15pm PST

Michael Shaw
staff writer

Demolition work inside the Hotel Berry in downtown Sacramento begins Thursday as the city and Jamboree Housing Corp. start a \$24 million transformation of the old structure to provide housing for residents earning between 30 to 45 percent of the area's median income.

The project is the first project within the downtown redevelopment area to start construction this year and part of a city goal of providing more than 700 single-resident occupancy units to low-income individuals in downtown. The rent will range between \$382 to \$573 per month based on income level.

The six-story building, which dates to the 1920s, is located at 729 L St.

Jamboree said in a prepared statement that the renovation and modernization of is being done to serve a downtown resident population dominated by single-person renters, more than half of

whom have annual household incomes below \$25,000. Many of these are seniors and half of those don't own a vehicle. The existing six-story property will feature 104 single-room occupancy studios, including a manager's studio and 10 studios set aside for residents who will receive supportive services through Transitional Living and Community Support.

The project is Jamboree's first mixed-use development in Sacramento but its 11th in Sacramento County.

Though not currently on a historical building register, the building will be renovated retaining all marquees, awnings and roof details.

The project includes green features such as low-volatile paint, flow restricting kitchen and bathroom faucets and ultra low-flow toilets.

The financing for the project comes from \$13.6 million in tax credit equity, \$10.1 million in permanent financing from Sacramento Housing and Redevelopment Agency and \$500,000 in federal weatherization funds. U.S. Bank provided \$5.5 million in construction financing.

The cost works out to nearly \$1,200 per square foot and \$238,424 per unit.

Founded in 1990, Jamboree Housing Corp. of Irvine, develops, acquires, renovates and manages affordable rental and ownership housing throughout California.

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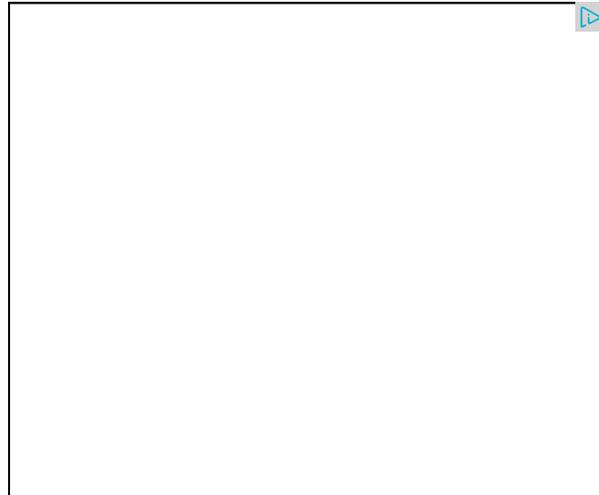
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"The City of Houston is a major contributor and we have invested more than \$20MM in projects for New Hope Housing. There is a reason we do that – when you find a group who knows how to do it, knows how to do it right, does it right consistently, there are never questions, there are never concerns, it is a matter of come in, show us what you want to do, and we will see what our capacity is and let's see if we can work together."

Mayor Annise Parker

"This is what community partnership is all about. It's about commitment and dedication and making sure those less fortunate have a home. So when they come to a place like New Hope Housing, they can feel like they are at home."

Council Member Wanda Adams

New Hope's current properties are home to adults who live alone on limited incomes. Each person leases an efficiency apartment—an idealized college dorm room—in a property with lovely community spaces. This type of housing is often termed single room occupancy (SRO).

Our multi-family rental properties are well-run efficiency apartment homes, each with a private tiled bath, microwave, and refrigerator. Residents have access to the attractive communal living areas, including kitchens, coin-operated washers/dryers, libraries, television/dining lounges, and beautiful outdoor spaces. Most properties feature a business center. All properties provide fully monitored, 24/7 front desk coverage to enhance the health and safety of residents.

Rittenhouse

As our third LEED certified property, Rittenhouse has 160 units of SRO housing and is located off I-45 North at the corner of Stuebner Airline and Rittenhouse Road. Opened 2013.

For rental information, call 713.692.0577

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4415 Perry

Located in Foster Place near the University of Houston and Texas Southern University, this 160-unit SRO is New Hope's second LEED certified 'green' building. Opened 2012.

For rental information, call 713.522.4415

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2424 Sakowitz

This 166-unit SRO is Texas' first LEED certified 'green' affordable housing and is located in Greater Fifth Ward/Denver Harbor. Opened 2010.

For rental information, call 713.671.2424

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1414 Congress

This 57-unit property has been a downtown historic residential landmark since 1925. Reopened 2010.

For rental information, call 713.224.1414

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Brays Crossing

Located in the East End, this 149-unit SRO is a renovation of a former certified public nuisance property. Opened 2010.

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Canal Street Apartments

This 133-unit apartment community is located one block east of Mama Ninfa's original Mexican restaurant in Houston's historic Second Ward/East End. Opened 2005.

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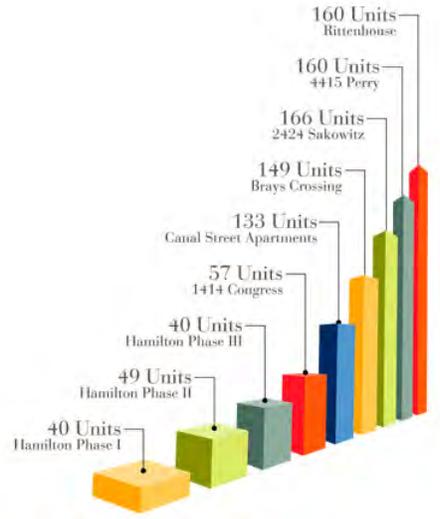
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Hamilton Street Residence

Located 100 feet from Minute Maid Park, this 129-unit building is Houston's first SRO and was expanded twice to meet demand. Phase I opened 1995. Phase II opened 1997. Phase III opened 1998.

For rental information, call 713.223.1995

[Property Details](#)



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Space age: Harlem developers rebrand single-occupancy rooms as 'starter' apartments

Weissman brothers embrace modernized micro units over lux conversion at 2299 Clayton Powell Jr. Blvd., asking \$1,200 to \$1,550 for the renovated units.

BY [TOBIAS SALINGER](#) / NEW YORK DAILY NEWS / Thursday, January 29, 2015, 6:34 PM

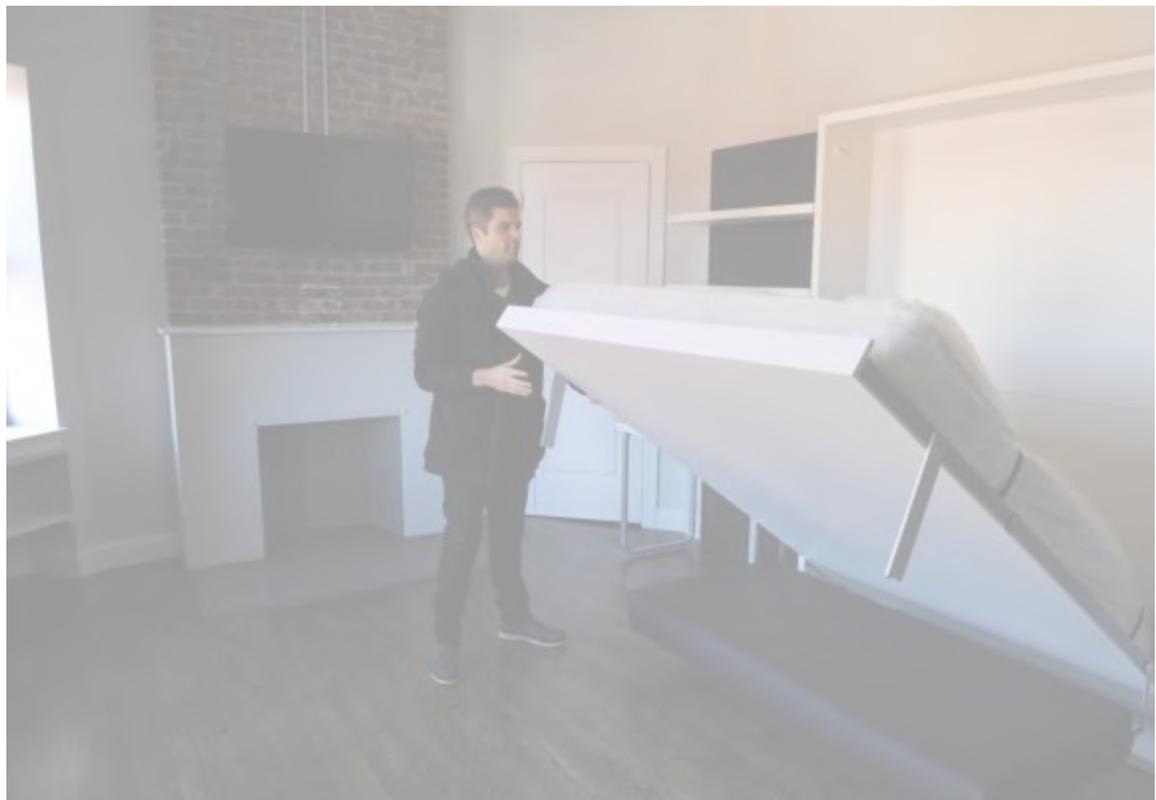
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BARRY WILLIAMS/FOR NEW YORK

Matthew Weissman demonstrates the fold-out bed and couch combination by Resource Furni during a tour of the building at 2299 Adam Clayton Powell Blvd. in Harlem.

So, you thought you'd look to live in happenin' Harlem? And you hoped pad for, say, ballpark of \$1,300 or less?

If you're lucky, you might land one of a handful of newly refurbished cub just big enough for a party of one, with a common washroom just down

Developers Matthew and Seth Weissman are lifting the curtain this wee their second set of five recently completed mini-apartments ranging from 450 square feet at 2299 Adam Clayton Powell Jr. Blvd, at W. 135th St.

It's called a Single-Room Occupancy, or SRO - a vanishing segment of estate that was long associated with tenants who were down on their lu

The Weissmans have identified an opportunity to market the minis to a up-and-coming niche even as housing advocates bemoan the loss of af options for the lowest-income residents.



BARRY WILLIAMS/FOR NEW YORK

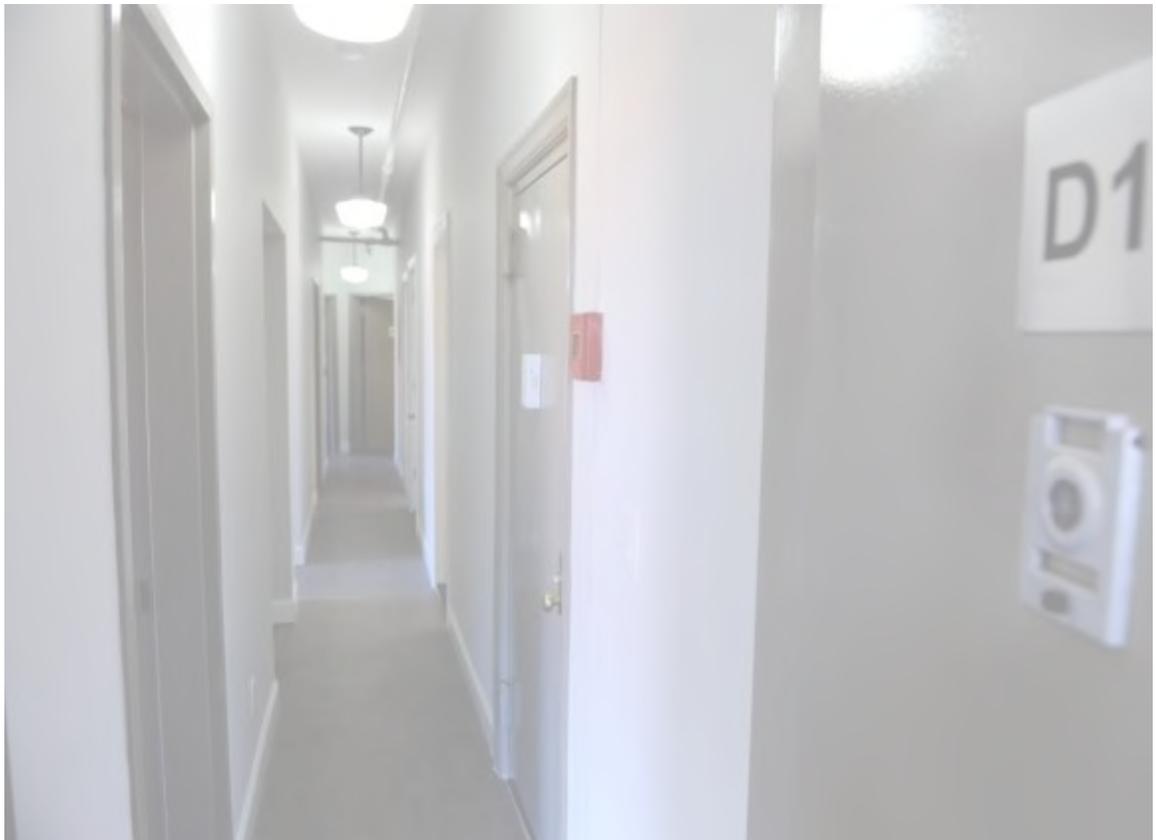
The landlords have outfitted the renovated SRO units with all the creature comforts of a norm apartment.

“You’re not going to throw dinner parties in here, but it’s a great starter apartment,” Matthew Weissman said, noting updated creature comforts: new kitchenettes, flat-screen TVs and furnishings from Resource Furni

Two of the building’s four residential floors are occupied by tenants with rent-stabilized leases with rents of \$350 to \$600 per month, but the lanc asking \$1,200 to \$1,550 for the renovated units.

They’ve sunk more than \$500,000 into facelifts at the buidling, which th bought for \$1.4 million in 2013.

But not everyone supports the brothers’ rare move to preserve the build tiny SRO units, which are grouped five to a floor and share 2 1/2 bathro



BARRY WILLIAMS/FOR NEW YORK

Five apartments of varying sizes share 2 and 1/2 bathrooms on each floor of the property with units.

Housing advocates have long bemoaned the loss of SROs, which have

from 200,000 units in the 1950s to as few as 15,000, according to a 2014 article published in the CUNY Law Review.

The authors acknowledged the relative affordability of refurbished minis but they did nothing to stanch the rise in homelessness that has long been correlated to the decline of SROs.

The developers also encountered some conflict when they evicted one of their rent-stabilized tenants, Donna Hawkins, in August, alleging nonpayment of rent.

Hawkins, who had lived in the building for 15 years, countered that mold was accumulating on her ceiling and rain was dripping into her top-floor apartment and she said she wasn't interested in paying the increased rent.



“They charge \$1,300 to rent a room a month and you don’t get your own bathroom? Oh no,” Donna Hawkins, 49, who now lives with her sister in the Bronx. “I don’t like tenants coming in there and paying all that money — it doesn’t make sense.”

Still, the Weissmans say they won’t have any problem with the new people who will gladly pay the rent and one unaffiliated broker also agreed.

“Usually what people do is to convert [SROs] into one or two three-bedrooms,” said Citi Group Real Estate manager Howard. “I think they’ll continue to do that. There’s definitely a market for them in Harlem.”

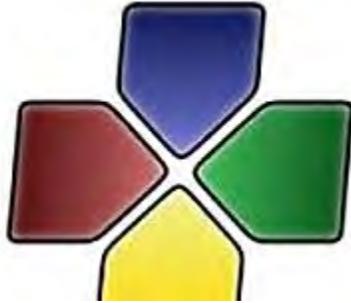
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Matthew Weissman of Weissman Equities poses in front of the red brick building in Central Harlem.

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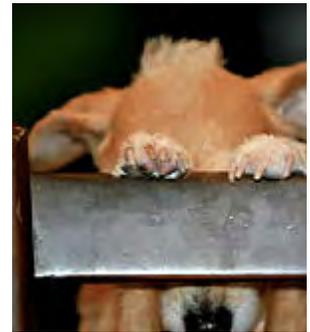
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SHAUN WITTEN

151 days ago

I applaud these developers - although I would reduce the rent if the bathroom is shared - at these one can instead rent a studio at Savoy Park on 5th Avenue. The city lost a large amount of inexpensive rental housing through conversions of SROs, upgrading of buildings to luxury housing (or co-op conversion), and Mitchell-Lama developments leaving the program. It's good to see some new ex: come online and hope more follows - hopefully with rents which better reflect the apartment featur

Like

[SH.](#)

ROWAN RANDALL

151 days ago

Share a bathroom with strangers? I guess people do it but I don't even share a bathroom with my husband of 25 years! I guess I won't be living in the city anytime soon!

Like

[SH.](#)



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The last days of the Hotel Marshall



Former Hotel Marshall resident Jimmy Garlin, 67, right, protected some of the hotel's more feeble tenants. Here, he comforts Terry Sackrider, 60, who is looking for a new place to live.

STORY BY CYNTHIA HUBERT

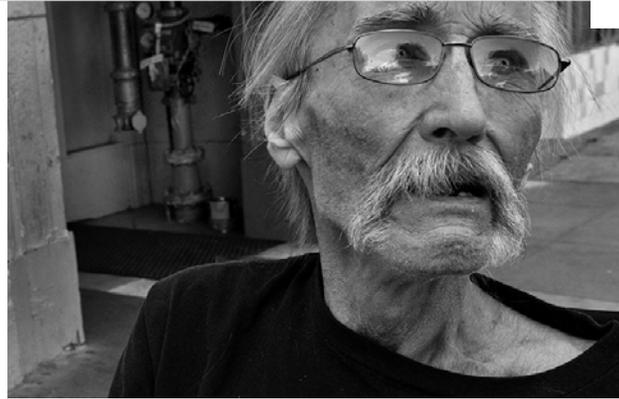
PHOTOGRAPHS BY RENÉE C. BYER

12/27/2014 4:00 PM

LAST DAYS OF THE HOTEL MARSHALL

name listed in his

wheelchair on the sidewalk in front of the old Hotel Marshall in downtown Sacramento. For five years, he had called the place home, sharing booze and TV westerns with his pals before collapsing for the night on his sagging mattress, a photo of his grandson smiling down from the shelf above.



A tearful Terry Sackrider sits outside Sacramento's Hotel Marshall. A retired roofer and former heroin addict with a long criminal history, he worried about where he would wind up when the hotel closed.

Now he had been ordered out. Thirty-four days to find a new place to live.

The timeline weighed upon him.

It was a warm afternoon in late May, and Sackrider was woozy from the heat, too little food and the prescription painkiller in his blood. "Who's going to take me?" he asked, lifting skinny arms dappled with tattoos. Tears welled in his eyes. "What am I going to do?"

The Hotel Marshall, long Sacramento's residence of last resort for the indigent mentally ill, addicts and sex offenders, was preparing to close. The Sacramento Kings had approval to construct a glimmering new arena just a block away, and if everything went according to plan, the

LAST DAYS OF THE HOTEL MARSHALL

Building that had stood at the corner of Seventh and L streets for more than a century would be transformed into a fitting and lucrative neighbor: a market-rate hotel soaring high into the downtown skyline.



Longtime Marshall resident Terry Sackrider embraces Sameerah Abdullah outside the hotel. "I am worried about him," said Abdullah, who works for a senior outreach program. "I don't want to see him slip through the cracks."

Like Sackrider, many of the hotel's tenants had lived at the Marshall for years; some of them for decades. They paid \$495 monthly for dilapidated rooms with bad plumbing, leaky ceilings and bedbugs. They celebrated birthdays together with cookies and coffee, and holidays with turkey dinners. And they shared food and booze at the end of the month when money from Social Security checks ran low. Younger, healthier tenants protected residents whose feeble minds or physical disabilities left them vulnerable to abuse.

Was it clean? No. Safe? In relative terms. Loud disagreements were common, but most grudges got settled without police interference. Many of its residents had lived in prison and on the streets, and the Marshall offered something more stable, something akin to family.

Now their world was busting up thanks to plans for the new arena,

LAST DAYS OF THE HOTEL MARSHALL

million celebration of any architecture and high-tech innovations with the potential to single-handedly reinvigorate the city's languishing downtown. Peter Noack, the Marshall's owner, had been waiting years for this kind of catalyst.



The Hotel Marshall has stood at the corner of 7th and L streets in Sacramento for more than a century. Its developers are converting it from a low-rent residential hotel to a market-rate Hyatt, as a new Kings arena rises a block away.

First, Sackrider and 56 other long-term residents of the hotel had to go. But where?

To reinvent the Marshall, Noack first had to help its tenants find homes. The city requires developers who convert low-rent residential hotels into other types of buildings to work with residents to find comparable places to live, and help pay for their relocation.

For men like Sackrider, it was a tall order. A retired roofer and reformed heroin addict, he was 60 years old with a criminal history, a broken back and too few teeth. His daily pharmaceutical needs included psychiatric meds, methadone to quell his drug cravings and Fentanyl for his back and neck pain.

Unlike the Marshall, which accepted all comers, most of the city's

LAST DAYS OF THE HOTEL MARSHALL

~~refused people with felony backgrounds or untreated mental illness or~~
addictions. Many of the Marshall's tenants fit into all those categories.

Noack was offering \$2,400 and relocation assistance to every resident who would leave voluntarily. He was working with the Sacramento Housing and Redevelopment Agency, the Sacramento Housing Alliance and an array of social services groups on the relocation project. But there were no illusions: The task at the Marshall, agency officials agreed, would be one of the most challenging ever attempted in the city.

For good or ill, it would mark the end of an era. These would be last days of the Hotel Marshall.

LAST DAYS OF THE HOTEL MARSHALL



Paul Jonelous, a maintenance worker, prepares to board up a shattered window after the Marshall's closure. Fifty-seven longtime residents were given help finding new homes after a developer announced plans to transform the hotel into a luxury property.

LAST DAYS OF THE HOTEL MARSHALL

Mannan Viloria, 52, kneels on the prayer rug behind his desk in the lobby of the Hotel Marshall, a ritual he engaged in several times a day. "We'll see what comes," he said of the hotel's closing. "I don't fear anything but God."

Chapter One • Vodka and smokes

The first notices to tenants went out May 1, single sheets of paper slipped into mailboxes: They were “to vacate the premises” by June 30. Along with the memo, they received a list of comparable rentals, including other residential hotels. Tenants were told a representative of Overland Pacific & Cutler, a company with experience finding housing for low-income tenants, could meet with each of them.

Three weeks later only four people had departed, despite gentle nudges

LAST DAYS OF THE HOTEL MARSHALL

“Every time I see people, I remind them,” said Vioria, 52. “But they’re ignoring the process. They’re afraid of change. This place is all they know.”

Vioria, born in the Philippines, came to the Marshall as a tenant in 2010, a dark period of his life he declines to discuss. Three years ago he was hired as manager. He will always be grateful, he said, for the chance to earn a paycheck when he was struggling to find a job.



Day manager Mannan Vioria lived at the Marshall during a dark period in his life.

Slightly built and a devout Muslim, Vioria knelt in prayer on the rug behind his desk three times a day, a practice he said kept him centered. Over the years, he had come to know each resident by name and habit, and he took pride in his efforts to treat everyone with kindness.

“We’ll see what comes,” Vioria said of the Marshall’s closing. “I don’t fear anything but God.”

Floyd Merchant was among the tenants on the clock.

LAST DAYS OF THE HOTEL MARSHALL



Floyd Merchant was a key part of the social scene that unfurled in front of the Marshall each morning. At his new place, he said, "It's, 'You got your room, and I got mine.' "

Leaning on a cane beneath the hotel's weathered sign one afternoon in early June, Merchant surveyed the street. He was 73, tall and lean, with the large, calloused hands of a construction worker. He wore gym shoes and a plaid shirt tucked neatly into denim pants. Perched on his head was a white cap stitched with the biblical reference John 3:16, which begins, "For God so loved the world ..."

"I don't know it," Merchant said. "I bought this hat at the liquor store."

He had lived at the Marshall since 2005, and was a regular in the social scene that unfurled each day on the sidewalk out front. Every morning

LAST DAYS OF THE HOTEL MARSHALL

~~SEVENTH STREET TO SMOKE AND SHOOT THE BREEZE. SOME SWIGGED FROM~~
brown bags swaddling bottles of vodka or peach schnapps.

The hotel, across from a light-rail station and next to a city bus stop, straddled stores peddling Slim Jims, Flamin' Hot Cheetos, cigarettes and booze. The hum of Regional Transit trains, their bells clanging, provided a familiar backdrop as Merchant and others traded stories about cheating girlfriends, parole worries and stolen bikes.



The hum of light rail trains provided a familiar backdrop for Marshall residents.

The buzz in recent weeks was the hotel's closure. Was management really going to kick them out?

"You leaving? Where you going?" Bruce Presley, a former tenant who managed the Jade apartment building adjacent to the Marshall, asked Merchant.

"I would like to stay on here," Merchant said in a deep baritone. "But I guess I have to leave."

Daryl Cullins, 49, had been homeless before moving to the Marshall

LAST DAYS OF THE HOTEL MARSHALL

closure. A former magazine salesman, he arrived with a few dollars in his pocket and a brain scrambled by drugs, he said.

“We’re all from different walks of life here, but we get along,” Cullins said. “We get up in the morning, we watch movies together, watch games. We take care of one another. I have feelings for these guys. I’m gonna miss ’em.”

Dennis Jenkins, on the other hand, fumed that he wasn’t being offered the \$2,400 relocation payment. He had lived at the Marshall 32 years before he was booted out in March after a dust-up with management involving drugs.

“They owe me!” he said, fists clenched, his voice shaking. It was a terrible way, he said, to treat an Air Force veteran who put his life on the line in Vietnam.

After he left the Marshall, Jenkins said, he bounced between shelters and the streets for about a month until he got his next Social Security check. Then he scored a room one block away at another residential hotel, the stylishly refurbished Studios at Hotel Berry.

LAST DAYS OF THE HOTEL MARSHALL



Rising to his feet, former Hotel Marshall resident Dennis Jenkins, 67, was emotional about the hotel's closing. He had lived at the Marshall for 32 years before a recent dust-up with management.

His living circumstances were infinitely better, Jenkins said. Still, on most days, you could find him right here in front of the Marshall, in his gym shorts and sunglasses, shuffling along in leather slippers.

“I seen the whole city come up over the years right here on Seventh Street,” said Jenkins, 67, his words slurred as he gestured toward the bank buildings and government offices in the distance.

So, too, had Elizabeth Ricci, the Marshall’s sole female tenant. At 67, she had called the Marshall home for more than two decades. But she had no interest in nostalgia on this day.

LAST DAYS OF THE HOTEL MARSHALL

over her shoulder, her gray hair in a loose bun, Ricci gave the men on the sidewalk barely a glance as she passed them and dramatically yanked open the hotel's glass door.

Hands on hips, Ricci stood in the lobby entrance,

between an old pay phone and a bank of candy machines that once served up M&Ms and Boston Baked Beans for a quarter. It had not been filled in months.

Rumor had it that Ricci had once been a schoolteacher, but no one had confirmed it. She never allowed anyone into her room, even Presley, who considered himself her friend. She spent her days walking purposefully through downtown, occasionally stopping at a coffee house to rest. She read newspapers and books, according to other residents, and in her lucid moments was capable of talking eloquently about such subjects as art and Darwinism.

“These people who make the laws, what do they know?” she railed now, to no one in particular. “It’s not my fault,” she said, glowering. “Not my problem. If you want new laws, you’re going to have to go somewhere else!”



As resident Gary Hodgeson prepared to move out of the Marshall, Elizabeth Ricci, the hotel's sole female tenant, was ignoring requests to vacate.

LAST DAYS OF THE HOTEL MARSHALL

then back at Ricci.

“Elizabeth,” he said. “Listen to me. You’ve got to be out by the end of June. You know that, right? You’ve got to get going!”

Muttering curses, Ricci turned and stomped upstairs.



Alvin Keahey, using skills he acquired at Avenal State Prison, rigged his sink for better water flow. "God Bless Our Home" read the switch cover next to his door.

Chapter Two • 'God Bless Our Home'

Alvin Keahey strolled down the dim hallway, past doors damaged by fists, dodging piles of discarded bedding.

“This is how I live,” Keahey, 54, said on a



"This is how I live," said Alvin Keahey, 54. He kept

LAST DAYS OF THE HOTEL MARSHALL

the key that opened his room on the Hotel Marshall's second floor.

The main portion of his room was about 10 feet square, not much bigger than a cell, with space for his bed, a small sink, a desk and a shelf where he kept bottled water and other provisions. To the right was a bathroom with a hole in the wall and a broken tub where Keahey stored his bleach, mop and disinfectant. He used them, he said, to clean the communal bathing room down the hall, which often was smeared with feces or vomit. He never ventured in without his plastic sandals.

His toilet flushed properly, unlike many in the building, he said. But his windows were unscreened, and took effort to open and close. The hot water tap produced just a trickle. For months, he said, he had no hot water at all, until he jerry-rigged the faucet with plumbing skills he learned at Avenal State Prison, where he did time for lewd behavior.

Next to his front door, studded with the dings and marks of prying attempts, a light switch cover offered an inspiring message. "God Bless Our Home," it read.

Good riddance to it, said Keahey.

Now that he was on his way out, he was eager to expose conditions at the Marshall. He maintained an arsenal of insect sprays to combat invasions by cockroaches and bedbugs. Bats had formed a colony in

LAST DAYS OF THE HOTEL MARSHALL

mouse traps lined the floor next to his bed.

“This place is terrible,” he said. “They don’t take care of it. They don’t fix anything.”

A couple of weeks earlier, the hotel’s finicky elevator had rumbled to a halt. Keahey, disabled by a series of strokes, hobbled up and down the stairs for a week before it was repaired. Sackrider, trapped with his wheelchair on the fourth floor, relied on his buddies to bring him food and cigarettes.



The elevator at the Hotel Marshall worked only sporadically. Bob Helms, one of the last residents to vacate, navigates the stairs.

Nothing much had changed at the Marshall since Keahey arrived, right out of prison, about three years ago, he opined. “This was the only place that would take me,” he said. “I was grateful at first for a place to live.”

To avoid trouble, he kept a low profile. He woke up before the sun, charged the electronic monitor attached to his ankle, brewed coffee, watched TV news. He generally left his room only to buy groceries and wash his clothes. For him, it was lights out by 10 p.m., although fights

LAST DAYS OF THE HOTEL MARSHALL

Now, he had a line on a room just down the street, and intended to move as soon as he got his \$2,400 relocation check. Rinsing a plastic bowl in his tiny sink, he contemplated the Marshall's future.

“If I owned it, I know what I would do,” he said. “I'd blow the whole thing up and start over.”

In its day, the hotel was considered the height of style. It opened in 1911 as the Clayton, built by a pioneering Sacramento family who helped found the county hospital that became UC Davis Medical Center. In the late 1930s the property changed hands and became the Hotel Marshall in honor of James Marshall, the man who discovered gold in California.

For years, the building's basement nightclub was a hotspot, one of many jazz venues in a bustling middle-class neighborhood. Cab Calloway and Billie Holiday played there, among other notable performers.

Then came the suburban exodus and downtown's slow decline. The residential hotels left standing became havens for people without other choices.

LAST DAYS OF THE HOTEL MARSHALL

At top, the historic Hotel Marshall is juxtaposed against newer high-rise buildings. The hotel's original facade will remain intact, but the inside will be gutted and rebuilt into an upscale hotel. Bottom left: Skittles Larson, 54, makes his way down the stairs from his fifth-floor room. Bottom right: Peter Noack, left, the Marshall's owner, celebrates with Bruce Presley, right, and Jeff Nassar, center, at the nearby Jade Liquor Store after the hotel's last residents departed. Noack is working with partners to transform the Marshall into a luxury Hyatt. "One small step for man, and one big step for Sacramento," Noack said.

Architecturally, the Marshall remains a thing of beauty, with its brick façade, arched windows and elaborate floral cornice rooflines. Noack, whose family's jewelry store once was a mainstay of downtown, acquired the building a decade ago for \$3 million, with an eye toward transforming it into an upscale hotel that might help jump-start the city core. The double whammy of a bad economy and the disappearance of redevelopment funds delayed that plan for years.

LAST DAYS OF THE HOTEL MARSHALL

the worst dumps in town.

“I didn’t buy the building to run this kind of thing,” he said, sitting in the conference room of a 1980s-era condominium complex on N Street that he is redesigning. He wore jeans, and, on his left foot, a walking boot, the result of a softball injury.

“Let’s face it, the Marshall was scary,” Noack said. “It still is scary. But I was never afraid of it.”

The hotel provided a reliable if not spectacular income stream, as most of the building’s tenants received monthly government disability checks. But the property was a magnet for vandals and drug dealers. Tenants regularly shattered windows and tore out light fixtures.

A code enforcement inspection last year discovered 17 violations, some described as dangers to life and health. Among other deficiencies, inspectors noted faulty electrical connections, missing smoke alarms, water-damaged ceilings and decayed plumbing fixtures.

Noack admitted he had little incentive to upgrade the property, knowing he would develop or sell it when the moment was right. But he said he has responded to complaints. “If I found out about an issue, I fixed it,” he said. “I never knew about a lot of these things until recently.”

Now, with the new arena rising a block away, Noack’s days as the Marshall’s landlord were numbered.

LAST DAYS OF THE HOTEL MARSHALL

announced plans to transform the Marshall into a Hyatt. To luxury stories with condos or apartments on the top floor. The Marshall's original façade will remain intact, because of its status as a historic building, but the interior will be gutted and rebuilt.

Noack had a bottle of champagne stashed away to celebrate the rebirth.



Skittles Larson, left, is a self-described street poet who enjoys corny jokes. "These things just come to me," he said. His new home would be at the Capitol Park Hotel.

Chapter Three • Burned bridges

Raj Virk sat behind the Marshall's front counter, flipping through a

LAST DAYS OF THE HOTEL MARSHALL

ROOMS ARE OPEN, read a sign fashioned from a round pizza p
attached to the wall to his left. “NO SLEEPING.”

It was the first week in June, pushing 90 degrees in the early afternoon, and Virk’s deadline for emptying the Marshall loomed. A bank of wooden mail slots behind him suggested he was making progress. “GONE,” said a note attached to the slot for Room 402. “GONE,” said the slot for 406.

Twenty-four of the residents had collected their relocation checks and moved out. Four had gone to the nearby Capitol Park Hotel, operated by former Marshall owner Ronald Henry. Two had gone to the Hotel Berry, one to the Congress on 12th, one to Pensione K on Seventh, and two to boarding homes outside the central city. The others declined to disclose their new addresses. At least one, Vilorio said, blew his check on “recreational things” before he moved into his new residence.



As the Hotel Marshall emptied out, garbage cans were quickly filled with refuse from residents' rooms. Dennis Jenkins watches over the process in the lobby.

Thirty-three people remained, 19 of whom had identified themselves as physically or mentally disabled. It was Virk’s job to get them resettled

LAST DAYS OF THE HOTEL MARSHALL

~~new residence using the \$2,400 to cover their costs, or sign a waiver~~
and set out on their own.

Virk's company, Overland, Pacific & Cutler, had plenty of experience relocating poor people displaced from their hotels and apartments. But given the hotel's reputation, the Marshall was a uniquely difficult undertaking. SHRA was informally overseeing the process, which was expected to cost Noack around \$300,000.

"This one is right up there in terms of challenges," said Virk, who wears a thick beard and black turban reflecting his Sikh faith.

The city had enough low-budget rooms to accommodate the Marshall's tenants, Virk said. It was a question of persuading residents to cooperate, and finding landlords willing to house them.

Most of the places agreeing to take the Marshall tenants were other residential hotels accustomed to dealing with people with mental illness and criminal backgrounds. But some banned tenants with felonies. Most had tighter rules on visitors, curfew and loitering.

At least a third of the Marshall's residents had served time for serious offenses. Sackrider's felony record includes weapons charges, indecent exposure and possession of methamphetamines. Keahey had served time for lewd acts with a child. Others, such as Donald Kraus, 57, had racked up dozens of offenses, including felony drug possession and child molestation.

LAST DAYS OF THE HOTEL MARSHALL

~~CRIMINAL RECORDS. PROBATION OFFICERS KNEW THE BUILDING AS A HUB FOR~~
convicted sex offenders, and visited the hotel regularly to make sure they were abiding by court orders.

Beyond their criminal histories, many of the Marshall's residents were battling alcoholism, addiction or mental illness. Few had cars, bank accounts or decent credit histories. Some were unable to read or follow instructions.

Virk made appointments with landlords on behalf of residents who never showed up. He helped them fill out paperwork that they lost or threw away. Cellphone to his ear, he frequently consulted with Noack, updating him on who was still hanging on. "Any ideas about what we're going to do about 302?" he said one day, referring to Ricci.

LAST DAYS OF THE HOTEL MARSHALL



Terry Sackrider sits in the room he has called home for the past five years at the Hotel Marshall. "Who's going to take me?" he asked.



Left: Terry Sackrider collapses on his bed in the Hotel Marshall after taking medication for stomach pain. Middle: Sackrider took pride in keeping his bathroom neat. With space tight, he hung clothing in the bathroom. Right: Sackrider takes medications for a variety of ailments.

Sackrider was trying to cooperate with the move orders, he said. He really was.

LAST DAYS OF THE HOTEL MARSHALL

calls, he had no clue about where he might land. He had scratched a list of possibilities on a piece of paper he kept in his pocket. No one was interested in renting to him, he said, and he could hardly blame them.

His criminal record discouraged some landlords. Others said they would have trouble accommodating a recovering addict who used a wheelchair and needed help bathing. Some places were out of his price range, since he earned about \$1,000 a month from his Social Security and a small pension.

Sackrider grew up in Carmichael, but going home to family was not an option. He was 16 when he first tried heroin, he said, and had long ago burned his bridges. He had an estranged wife, a son named after him and a grandson whose baby picture he kept in his room. “But I haven’t seen him in a couple of years,” he said.

He worried aloud about ending up on the streets, another homeless man sleeping under a bridge. “I wouldn’t last,” he said, his eyes widening behind wire-rimmed glasses.

LAST DAYS OF THE HOTEL MARSHALL

Word had begun to circulate that Marshall's management would bring in sheriff's deputies at the end of the month to get rid of the stragglers.

Skittles Larson, for one, had no interest in being extracted by cops.

A self-described street poet, he sat in the Marshall's lobby one afternoon with a cardboard box of belongings. It held an umbrella, books and a framed family photo with a crack that scissored through the glass.

His blue eyes dancing and gray ponytail swinging, Larson told joke after corny joke as he waited for a friend to pick him up and help him move into his new digs.

"What did the stamp say to the letter?" he mused. "If you stick with me, we'll go places!"

LAST DAYS OF THE HOTEL MARSHALL

CHRISTMAS EVE: THERE WILL BE RAIN, dear.

Larson chuckled softly. “These things just come to me,” he said.

His new home would be Capitol Park, which he believed was safer than the Marshall.

Rising from the lobby’s worn sofa, he handed over his room key to Virk, who presented him with his check. Larson folded it and placed it in his pocket, then offered his hand to Virk. “Nice to know you,” he said with a smile.



Skittles Larson got help from the Downtown Sacramento Partnership Clean Streets team to relocate to his new home

LAST DAYS OF THE HOTEL MARSHALL

Chapter Four • The final days

On the morning of June 29, Elizabeth Ricci approached Vioria at the front desk. She told him she wanted to pay her rent for the month of July. When he refused, she turned away, cursing him under her breath.

“Find a place to stay. Figure it out,” Vioria said sternly.

Later in the day, George Thornally appeared at the counter wearing a pullover sweater and hat better suited for winter than a hot summer day. He was in his 60s and had lived at the Marshall for a decade. Thin and balding, he avoided eye contact and rarely spoke.

“Are you ready to go, George?” Vioria asked.

“I’ll stay here,” Thornally said.

Virk frowned. “George, we’re closing down. We’ve talked about this every week for the past two months.”

Thornally looked confused. “Can I stay through July, sir?” he asked politely.

“No,” Virk said. “They have a room for you at Capitol Park.”

Thornally studied the floor. “There are angel machines there,” he said.

“I wouldn’t want to go there.”

LAST DAYS OF THE HOTEL MARSHALL

The next morning, Viloría taped a “CLOSED FOR BUSINESS” sign at the lobby entrance. Curtains covered the front window, and the blinds were shut tight.



On the day after the Hotel Marshall closed, a vandal smashed the front window. "It's always something around here," Mannan Viloría said as he swept up the glass.

The Marshall was officially shuttered, but three residents remained: Ricci, Thornally and Bob Helms, a frail, wildly bearded man in his 60s. A contingent of others who had moved out were drifting back to see friends. Some raved about clean carpeting and central air conditioning,

LAST DAYS OF THE HOTEL MARSHALL

Sackrider would have joined them if he could, but he was stuck in the suburbs. He had moved into a tidy boarding home in Elk Grove that he shared with five other residents, and was “sleeping like a baby,” he said. His new home on a quiet cul-de-sac had a full kitchen, WiFi and caregivers to help with his physical needs.

But he longed for the Marshall and all of its freedoms. There, his door was almost always unlocked, and “people came in all day long to see me,” he said. “Me and my friends would get our booze and our cigarettes and sometimes some food, and we’d pretend we didn’t have any problems.”

The new place was more clinical. His new housemates kept their own counsel.

Floyd Merchant was having the same issue. He



Elizabeth Ricci, center, was among the final holdouts at the Hotel Marshall. At 67, she had called the hotel home for nearly 25 years.



LAST DAYS OF THE HOTEL MARSHALL

front door that last day, as the street outside began to come to life with honking horns, rumbling trucks and the soft strains of a saxophone player. He wanted to see his old hideout one more time.

Posted next to the front counter was a notice about upcoming demolition on the block. Soon, it said, the area would boast an arena with “one of the most advanced designs in the world.” The building would “improve the quality of life throughout the downtown core,” the notice said.

Merchant was not so sure. He was already mourning his life at the Marshall. Everyone was scattered now, and the sidewalk gatherings had fallen away. Today would be his last day to watch old movies on the lobby TV. He wondered what would become of the framed poster of Monet’s “Parisians Enjoying the Park,” which Vioria insisted looked different from various angles in the room.

Merchant’s new place was comfortable. But “over there, people stay in their rooms all day, and there’s nothing to do,” he said. “It’s ‘You got your room, and I got mine.’ So I go out to K Street, sit for two or three hours and go home.”

“I like it here better,” he said, and settled into one of the three remaining lobby chairs, his cane resting in his lap.

Soon Dennis Jenkins showed up, smiling at first, then collapsing into

LAST DAYS OF THE HOTEL MARSHALL

“Oh, Dennis, what are you doing?” Viloría said, offering him a sheet of toilet paper from the roll on his desk. “Wipe your face. It will be OK.” Jenkins dabbed his eyes, and settled in next to Merchant.

The remaining residents had been given a noon deadline to leave. Helms had expressed a vague desire to live in San Francisco, but remained barricaded in his room. Thornally had rejected an offer from Capitol Park. Ricci had taken applications from a dozen places, but had refused to commit.

Noack agreed to give them all one one more night at the Marshall.

The next day, at 8 a.m., Virk reviewed his paperwork, as a fan stirred the warm lobby air. He wondered what would become of the Final Three.

The blinds were open just wide enough to allow a splash of morning light. The lobby was quiet, and the television mutely broadcast the latest news from Wall Street. A shadow touched the front window. Virk glanced up and saw a wiry, unshaven man. Cursing loudly, the man reared back and hurled his backpack into the window, shattering it in a starburst pattern. Glass rained into the lobby.

Virk darted outside, punching 911 into his phone. He spotted former resident Bruce Presley chasing the man across L Street. By the time police arrived, Presley and Virk had wrestled him to the ground. His

LAST DAYS OF THE HOTEL MARSHALL

was simply a convenient target for a drug-fueled rage.

The officers who responded, Michelle Lazark and Colette Chiamparino, were downtown beat cops familiar with the Marshall's tenants. They agreed to take a crack at the three holdouts.



Sacramento Police officers Michelle Lazark, right, and Collette Chiamparino, left, helped persuade a few remaining residents it was time to leave the Hotel Marshall.

First, the women went to Thornally's room, navigating rickety steps to the second floor. The floor of his room, covered with clothing, was barely visible, the odor nearly suffocating. They told him his new room was ready at Capitol Park.

LAST DAYS OF THE HOTEL MARSHALL

you've been here for a long time," Lazark said. "But there could be a better life for you outside of this place. I know it's scary, but I want you to be brave. Have an open mind. I'll take you over there, and I'll come and check in on you."

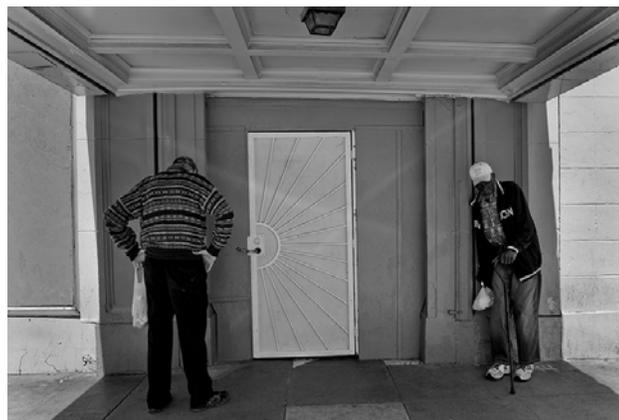
He agreed to gather his things.

The officers found Helms standing on the corner of Seventh and L, his long gray hair and beard obscuring his face as he dived for cans in a garbage bin. Lazark approached him cautiously.

"Hey, Bob, I hear you want to go to San Francisco?" she asked gently. Helms nodded. He had relatives in the city, he said. The officers would need to confirm that information before putting him on a train, Lazark told him.



George Thornally, one of the last residents, cut himself shaving on his final day in the room where he had lived for a decade. Officer Michelle Lazark helped convince him to leave, and drove him to his new home at Capitol Park Hotel.



George Thornally, left, returns to the Marshall to retrieve some belongings, while Floyd Merchant, right, hangs out in front of the shuttered hotel.

LAST DAYS OF THE HOTEL MARSHALL

~~OK, BOB? Raj has a check for you.~~

Helms, defeated, slowly retreated to the hotel.

A few minutes later, Thornally emerged, cradling a box, his cheeks pale and oozing blood. "I cut myself shaving," he explained. With a hand on his shoulder, Lazark steered him to her police cruiser. Using the window as a mirror, he made a cursory attempt to scrub his face with saliva.

"Can we take you to Capitol Park now?" Lazark asked.

Silent, he climbed in the back seat, and they pulled away.

And so it had come down to Ricci, whom no one had seen all day. Unsure how to proceed, Vioria and Virk called Noack for consultation. If she appeared, Noack told them, let her into the building.

Just after 5 p.m., Ricci did return home from her daily stroll. The cops were gone, the lobby entry chained shut. Ricci pounded on the door, and a janitor opened it, greeting her by name.

Ricci stepped into the lobby and strode across its wooden floor and up the rickety steps, just as she had done every evening for nearly 25 years.

For at least one night, the Marshall was all hers.

LAST DAYS OF THE HOTEL MARSHALL



Despite a locked front door, Elizabeth Ricci was allowed to spend a few extra days at Hotel Marshall. She has since moved on, though management isn't sure where.

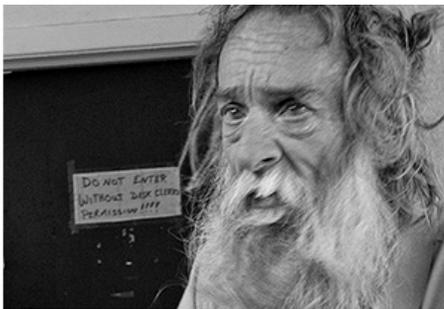
Epilogue

Of the 57 tenants who received notice they had to vacate the Marshall, three ended up at Hotel Berry, 14 moved into Capitol Park, and one each to the Congress, Golden and Jade hotels. Two relocated to Pensione K, and four to a sober-living apartment called Pete's Place. Seven moved to boarding homes. One was admitted to a hospital. Many refused to provide their new addresses.

LAST DAYS OF THE HOTEL MARSHALL



ELIZABETH RICCI refused to leave the Marshall for three days after the June 30 deadline. Sacramento County mental health workers were sent to assess her for an involuntary psychiatric hold. They determined she did not fit the criteria and suggested the eviction process move forward. Former resident Bruce Presley finally persuaded her to check into a downtown motel, where she stayed for a few nights before accepting her \$2,400 relocation check and moving to an unknown destination.



BOB HELMS never made it to the train that was supposed to take him to San Francisco. After collecting his relocation check, he went to Macy's and bought new clothes. He got a hotel for at least a few days, Officer Michelle Lazark said, but now appears to be living on the streets.

LAST DAYS OF THE HOTEL MARSHALL



GEORGE THORNALLY is still living at Capitol Park. His room is clean, and he has his own bathroom for the first time in years. “He’s happy,” Lazark said. “He’s settled in.”



See a photo gallery of Terry Sackrider's last days at the Hotel Marshall. [MORE PHOTOS](#)

TERRY SACKRIDER nearly lost his place at his Elk Grove boarding home, he said, because of drinking and bad behavior. Since moving to the home in late June, he said he has spent time in a psychiatric hospital, undergone surgery for a cracked hip and tried to kill himself by overdosing on prescription drugs.

LAST DAYS OF THE HOTEL MARSHALL



See a photo gallery of Floyd Merchant's last days at the Hotel Marshall. [MORE PHOTOS](#)

FLOYD MERCHANT has since moved from Capitol Park to a senior community at Seventh and H streets, and is pleased with his new environment.



See a photo gallery of Mannan Viloría's last days at the Hotel Marshall. [MORE PHOTOS](#)

MANNAN VILORIA is looking for work as an industrial or mechanical technician. “I’ve sent out lots of résumés, but no one is calling me,” he said. He said he has not been back to Seventh and L since the Marshall shut down. “I miss the people,” he said, “but not the place.”

Call The Bee’s Cynthia Hubert, [\(916\) 321-1082](tel:9163211082). Follow her on Twitter [@Cynthia_Hubert](https://twitter.com/Cynthia_Hubert).

LAST DAYS OF THE HOTEL MARSHALL

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July 6, 2015

Tom Buford
Senior Planner
City of Sacramento, Community Development Department
Environmental Planning Services
300 Richards Boulevard, Third Floor
Sacramento, CA 95811
TBuford@cityofsacramento.org
Sent via email on July 6, 2015

Dear Mr. Buford,

**RE: DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE HYATT PLACE HOTEL
PROJECT (PB14-061)**

Thank you for including the California Office of Historic Preservation (OHP) in the environmental review process for the Hyatt Place Hotel Project (proposed project). Pursuant to the National Historic Preservation Act and the California Public Resources Code, the State Historic Preservation Officer (SHPO) and the OHP have broad responsibility for the implementation of federal and state historic preservation programs in California. We have a long history working with the City of Sacramento (Lead Agency) through our Certified Local Government Program. Our comments are offered with the intent of protecting historic and cultural resources, while allowing the Lead Agency to meet its program needs. The following comments are based on the information included in the Draft Environmental Impact Report (DEIR) for the proposed project.

The proposed project includes demolition of the Jade Hotel, and a majority of the Marshall Hotel with the exception of the Marshall Hotel facades along L and 7th Streets, which will be restored to their original appearance and condition. The existing interior hallways, rooms, stairs and lobby, as well as interiors of ground floor tenant spaces of the Marshall Hotel, along with the north and west facades will be demolished. A new tourist hotel will be constructed that incorporates the remaining facades and includes a new interior and a taller structure above both the Marshall and Jade Hotel sites.

The Marshall Hotel is currently listed on the City of Sacramento Register of Historic and Cultural Resources as a Historic Landmark. It was evaluated by Historic Environmental Consultants who concluded the building is eligible for listing on the California Register of Historical Resources. Therefore, the Lead Agency is treating the Marshall Hotel as a historical resource for the purposes of CEQA. The DEIR concludes that the proposed project will result in a substantial adverse change to the Marshall Hotel, a significant environmental impact pursuant to CEQA Guidelines § 15064.5 (b) (1-2).

On April 21, 2015 the OHP provided comments to the Lead Agency in response to the Notice of Preparation (NOP) and encouraged the Lead Agency to make a serious attempt to develop meaningful mitigation measures that promote the goals and objectives of the City's historic preservation program. The OHP also encouraged the Lead Agency to seriously consider a range of feasible alternatives that could lessen and/or avoid significant impacts to historical resources. The DEIR does not provide such mitigation measures, nor does it present alternatives that provide sufficient information to be evaluated or seriously considered.

Mitigation

The discussion of mitigation measures in the DEIR includes four mitigation measures (*Cultural 1-4*). *Cultural 1* and 3 describe elements of the remaining facades that will be restored and/or recreated as part of the proposed project. *Cultural 1* and 3 are not actually mitigation because they are already included as part of the project description and objectives.

- Project Description (Section 1.1): "The remaining historic facades would be rehabilitated to the historic building's period of significance."
- Project Objective (Section 5.3): "Rehabilitate the architecturally significant features of the registered historic structure and provide adaptive reuses for a dilapidated, vacant and functionally obsolete 100 year-old building."

Cultural 1 and 3 do not avoid or reduce the environmental impacts to historic resources, which is the stated goal of mitigation pursuant to CEQA Guidelines § 15126.4.

Mitigation measure *Cultural 4* provides a list of "Optional Actions" and includes a range of public benefit projects that "may be considered as part of the project." It is unclear who is considering these options and how they would be fully enforceable through permit conditions, agreements, or other legally-binding instruments as stated in the CEQA Guidelines (§ 15126.4(2)). We encourage the Lead Agency to revise and expand the mitigation measures in the *Cultural 4* section of the DEIR to ensure that (at a minimum) *Cultural 4* is fully enforceable as described in the CEQA Guidelines.

Finally, mitigation measure *Cultural 2* requires HABS documentation, which is a commonly considered measure with little tangible public benefit. HABS may benefit future researchers of the Marshall or surrounding neighborhood, but does not serve a greater public benefit. The significant impact of demolition will be felt by all citizens of Sacramento, and therefore, the mitigation should strive to benefit all citizens of Sacramento.

Since mitigation measures *Cultural 1* and 3 simply elaborate on the restoration elements within the proposed project, and mitigation measure *Cultural 4*, is optional, the only remaining enforceable mitigation measure is *Cultural 2*: HABS documentation.

Once again, the OHP strongly encourages the Lead Agency to go beyond commonly considered mitigation measures, such as HABS documentation.

3-1

Alternatives

The DEIR explores three alternatives. The alternatives do not appear to be fully considered and/or evaluated because they reference elements of an entirely different project and location, and provide little evidence to support the conclusion in the DEIR that they are infeasible.

1. **No Project Alternative:** The No Project Alternative makes references to housing and street grid connectivity, which are not part of the proposed project. Specifically, the conclusion states in several places that the alternative would not meet the project objectives because it would not result in “high-quality housing opportunities consistent with and complementary to the overall character of the adjacent neighborhood, and would not connect the existing grid network by extending existing street patterns in the project area” This analysis does not appear to relate to the existing conditions at the site. High-quality housing opportunities and connection to the existing street grid network are not part of the project objectives (5-5). There is not sufficient information about this alternative to allow meaningful evaluation, analysis, and comparison with the proposed project.

2. **Renovate the Marshal Hotel, with or without demolition of the Jade Hotel:** Alternative 2 states that “Nominal height increases on the Marshall Hotel are necessary given the magnitude of increased cost resulting if more than 10 stories are constructed on the Jade Hotel parcel” (5-6). This criterion is then used to explain that the alternative would make the project as a whole infeasible. There is no technical appendix, or other way to determine what evidence is being used to support the conclusion that 10 stories are required to make the project viable, or that after 10 stories on the Jade site, cost would increase such that the alternative would make the project as a whole infeasible.

3-2

The discussion concludes that “the City is aware of no substantial evidence that...the Jade Hotel site would have any economic benefit to the operator.” It is the responsibility of the Lead Agency to present sufficient information necessary to support the feasibility or infeasibility of the alternatives it has chosen. As is, there is not sufficient information about this alternative to allow meaningful evaluation, analysis, and comparison with the proposed project.

3. **Demolition of the Jade Hotel, and expansion of the Marshall Hotel:** Alternative 3 includes a brief discussion and dismissal by the Lead Agency. The discussion again makes reference to an entirely different project, which seems to be a housing development on 53rd street, approximately 3.5 miles away.

It appears that Alternative 3 has the potential to be a feasible option that could achieve most of the basic project objectives, while avoiding or substantially reducing the environmental impacts of demolishing the Marshall Hotel. However, without any sort of technical studies, there is not sufficient information about this alternative to allow meaningful evaluation, analysis, and comparison with the proposed project.

None of the three proposed alternatives appear to have been evaluated to the standard set forth by the CEQA Guidelines § 15126.6 (d) which states:

Evaluation of alternatives. The EIR shall include sufficient information about each alternative to allow meaningful evaluation, analysis, and comparison with the proposed project.

Consistent with our previous comments, the OHP encourages the Lead Agency to actually analyze the alternatives included in the DEIR based on sufficient information, including feasibility studies, structural building assessments, economic impact analysis, etc. As is, the alternatives discussion appears to be insufficient to provide the project proponent, public, or decision makers with enough information to make an informed decision and/or actively participate in the environmental review process for a project with significant impacts to historical resources.

3-2

For the reasons above, the DEIR does not provide mitigation that will substantially reduce or eliminate significant environmental impacts, and does not provide sufficient information within the alternatives discussion to allow the public and decision makers to comment effectively, or evaluate the alternatives. We encourage the Lead Agency to revise the environmental document with the goal of making sure the mitigation measures provided in *Cultural 4* are fully enforceable and the document analyzes a reasonable range of feasible alternatives pursuant to CEQA Statutes and Guidelines cited above. The DEIR concludes that significant impacts to the historic resource are unavoidable, but without providing additional information within the environmental analysis, there is no way for the public or decision makers to determine if the mitigation is sufficient or to consider the alternatives.

If you have questions, please contact Sean de Courcy of the Local Government and Environmental Compliance Unit, at (916) 445-7042 or at Sean.deCourcy@parks.ca.gov.

Sincerely,



Jenan Saunders
(for) Julianne Polanco
State Historic Preservation Officer

II. Changes to the Draft EIR

1.0 SUMMARY

This ~~Draft~~ Environmental Impact Report (~~Draft~~ EIR) has been prepared by the City of Sacramento, Community Development Department, 300 Richards Boulevard, Third Floor, Sacramento, CA 95811, pursuant to the California Environmental Quality Act (Public Resources Code Sections 21000 *et seq.*), CEQA Guidelines (Title 14, Section 15000 *et seq.* of the California Code of Regulations) and the Sacramento Local Environmental Regulations (Resolution 91-892) adopted by the City of Sacramento.

1.1 Project Description/Proposed Action

The proposed project involves the demolition of interior and north and west facades of the Marshall Hotel building, retaining the east and south facades, and demolition of the Jade Hotel Apartments to the north. The project would convert and expand the existing Marshall Hotel (most recently a single room occupancy residential hotel) to a new tourist hotel. The Marshall Hotel is also referred to in this EIR as the Hotel Marshall, based on historic references.

The project would demolish the current interior configuration of the Marshall Hotel. A new interior and a taller structure would be constructed above the Marshall Hotel's east façade on the entire north portion of the site and extending the new structure on the north.

The project proposes construction of a completely new building behind the historic 7th Street and L Street facades, to be joined with the new tower, which would span over a portion of the historic building and the site of the demolished non-historic building. The remaining historic facades would be rehabilitated to the historic building's period of significance. The resulting combination would be designated as a Hyatt-branded lifestyle boutique hotel. The new eleven ~~ten~~-story hotel would have ~~463~~ 159 guest rooms and approximately 5,000 square feet of ground floor retail. A 0.26-acre parcel would result from merger of the two existing parcels.

Proposals for demolition of an aggregate of 50 or more linear feet of exterior wall or more than 50% of a historic building's footprint requires Preservation development project review under the Sacramento City Code.

1.2 Consequences/Significant Effects/Mitigation

The project would remove the interior of the Hotel Marshall and demolish a substantial portion of the building, which is a Sacramento Register Landmark and eligible for listing in the California Register. The proposed demolition, retaining only the two significant primary street facades of the historic building, would result in a **significant impact** to a recognized historical resource. There would also be a loss of building fabric, some of which is not historically significant. The only interior original distinctive elements that would be lost are the stair railings and balustrades between the floors.

The proposed rehabilitation of the two primary corner facades would be undertaken in such a way as to preserve, rehabilitate, or, in certain instances, restore significant exterior architectural features now in a state of disrepair, or which have been lost to alteration, and are subject to further deterioration. The careful rehabilitation action would enhance the façade elevations and ensure their retention as part of the architectural heritage and history of Sacramento.

The Initial Study (Appendix B) identifies other potentially significant impacts of the project that would be reduced to a less-than-significant level with the implementation of the identified mitigation measures. These include impacts for air quality and hazards. The Initial Study concludes that with the exception of these areas, and impacts to historic resources discussed in this Draft EIR, the project would have less-than-significant impacts on other technical areas evaluated by the City.

1.3 Areas of Controversy

The proposed project involves the demolition of most of the former Marshall Hotel/Hotel Clayton, a City of Sacramento landmark, retaining the East and South façades. There is controversy with regard to a façade-only project and the potential unavoidable impact on a historic resource.

1.4 Alternatives

Four alternatives were considered as a part of the environmental review for the project. Characteristics of each of the alternatives and an analysis of potential environmental effects are presented in Chapter 5 (Alternatives to the Proposed Project) of this EIR. The following alternatives were evaluated: no project alternative, renovate Marshall Hotel, with or without demolition of Jade Hotel, and demolish Jade Hotel/expand Marshall Hotel.

2.0 PROJECT DESCRIPTION

2.1 Project location and data

The project site is located in Sacramento, California, approximately 80 miles east of San Francisco and 85 miles west of Lake Tahoe. Sacramento is a major transportation hub, the point of intersection of transportation routes that connect Sacramento to the San Francisco bay area to the west, the Sierra Nevada Mountains and Nevada to the east, Los Angeles to the south, and Oregon and the Pacific Northwest to the north. The city is bisected by major freeways including Interstate 5 (I-5), which traverses the state from north to south; Interstate 80 (I-80), which provides an east-west connection between San Francisco and Reno and points east; and U.S. Highway 50, which provides an east-west connection between Sacramento and South Lake Tahoe. The Union Pacific Railroad tracks transect Sacramento, and daily Amtrak service is provided from the Sacramento Valley Station two blocks north of the project site, which connects Sacramento to the bay area, the central valley south to Bakersfield, Amtrak regional bus connections throughout northern California, and points east.

The project site is located at 1122 7th street and 1118 7th street at the northwest corner of 7th and I streets in downtown Sacramento (APN: 006-0091-024-0000 and 006-0091-023-0000). The project site is generally bounded by 3rd street to the west, 7th street to the east, J Street to the north, and L Street to the south.

The Marshall Hotel (also referred to in this EIR as the Hotel Marshall) has been owned by the Presidio Companies (applicant) for approximately six years. In November 2014, the applicant submitted an application to the City for entitlements to rehabilitate the existing Marshall Hotel and adaptively reuse it for hotel and retail uses. In March 2015, the City prepared and circulated a Notice of Preparation (NOP) as required by the California Environmental Quality Act (CEQA) for the preparation of an environmental impact report for the proposed rehabilitation and adaptive reuse project to solicit input from responsible and trustee agencies and the general public on issues to be addressed in an EIR to be prepared that would evaluate the potential environmental impacts of the proposed project. The NOP was circulated from March 27, 2015 to April 27, 2015. A copy of the NOP and responses are included as Appendix A.

Project Data

Address: 1122 7th Street, Sacramento, California
Apn:006-0091-024 (& 023)
Site Area:0.26 Acres (11,200sf)
Building Area:~~96,948~~ 103,979 sf
Building Height~~10 Stories (123' High)~~ 11 Stories (133' High)
General Plan Designation.....Central Business District
Zoning:C-3-SPD (Central Business District, ~~Entertainment and Sports Center Special Planning District~~)

1st Floor: Hotel Lobby, ~~Office, Retail/Restaurant~~ & Back of House
~~2nd – 5th Floors: 21 Hotel Rooms per Floor = 84 Rooms~~ 2nd Floor: Meeting Rooms, Fitness and Spa, and Back of House
3rd -5th Floors: 19 Hotel Rooms per floor = 57 Hotel Rooms
6th – 11th Floors: 17 Hotel Rooms per floor = 102 Hotel Rooms
~~6th Floor: Meeting Rooms & 15 Hotel Rooms~~
~~7th – 10th Floors: 16 Hotel Rooms per Floor = 64 Rooms~~

2.2 Project Components

The proposed project involves the demolition of the building interior and north and west facades of the Marshall Hotel building, retaining the east and south facades, and demolition of the Jade Apartments “also known as Frank’s Apartments” ~~Hotel~~ to the north. The project would convert and expand the existing Marshall Hotel (most recently used as a single-room occupancy residential hotel) to a new tourist hotel.

The project would demolish the current interior configuration of the Marshall Hotel. A new interior and a taller structure would be constructed above the Marshall Hotel’s east façade on the entire north portion of the site and extending the new structure on the north.

The project proposes construction of a completely new building behind the historic 7th Street and L Street facades, to be joined with the new tower, which would span over a

portion of the historic building and the site of the demolished non-historic building. The remaining historic facades would be rehabilitated to the historic building's period of significance. The resulting combination would be designated as a Hyatt-branded lifestyle boutique hotel. The resulting eleven ~~ten~~-story hotel would have ~~463~~ 159 guest rooms and approximately 5,000 square feet of ground floor retail. A 0.26-acre parcel would result from merger of the two existing parcels. The increase in height and reduction of guest rooms reflected changes in a schematic version of the adjacent ESC Practice Facility heights, California Building Code requirements for construction type, occupancy, light, air and separation, additional hotel back of house operational requirements, and additional fitness and spa programmatic changes. These project/programmatic changes resulted in an additional 7,031 sf of needed space and 10 feet of building height. Additional changes in massing and concurrent changes in height were integrated per City of Sacramento Urban Design staff comments regarding the appearance of the new structure and the offsetting of that structure from the historic 7th Street façade.

The project proposes to respect the historical significance of the Marshall Hotel two historic street facades and its previous use as the Hotel Clayton by introducing design and use elements that tie into this significance by, for example, creating user spaces (bar and other entertainment areas) that would have a name, look and feel associated with the historical use.

No parking on the project site would be provided. The applicant/operator would provide valet parking, and would utilize parking structures and facilities in the vicinity of the project to accommodate parking requirements.

2.3 Demolition and Construction

The project includes demolition of the Jade Apartments Hotel and portions of the Marshall Hotel. Construction of the hotel would occur over approximately eighteen (18) months.

Demolition of the Jade Apartments Hotel and portions of the Marshall Hotel buildings, including removal of foundations on the project site, is expected to last approximately

three months. Demolition would take place with a number of excavators, loaders, and dump trucks.

Special precautions would be put into effect as the demolition work proceeds in proximity to existing occupied buildings and the Entertainment and Sports Center (ESC) that is under construction. Physical research would be undertaken on each existing building, including examination of the ESC's practice facility immediately west of the project site. This research would involve removal of existing expansion joint covers (vertical and horizontal) and possibly the expansion joint material to allow visual inspection of the space between the adjacent building walls.

Coincident with physical review of the buildings, a search for any and all construction documentation on the existing buildings would be performed. The responsible contractor would visit with each building manager as appropriate to review the sequence of construction activities that would be near residents or office tenants, prior to initiation of any demolition activity. The applicant would identify a responsible representative of the contractor to respond to concerns relating to the ongoing project.

The historic building façades would be shored and supported by concrete or shotcrete walls that would stabilize the existing façades until permanent construction of new walls are completed. The existing basement, which was used to house the boiler and pumps, would be cleared, demolished and backfilled with compacted engineered fill with a proper soil profile for construction of the new foundation system. The applicant anticipates that the new foundation system would be a cast-in-place concrete mat foundation. Construction of this portion of the building would take require approximately two (2) months. During the foundation phase, construction employment would average about 15 workers, with a peak of 25 workers.

The construction phase would involve the building erection of steel, concrete and precast concrete elements, and would occur over a period of approximately six (6) months. Construction would involve the use of numerous cranes, loaders, welders, generators, concrete pumpers, and similar construction equipment. During this phase, construction employment would average about 140 workers, with a peak of 220 workers.

Interior and exterior finish work would occur over approximately four months. This phase would involve a wide variety of construction activities involving creating interior spaces

and completing the exterior finish of the building, including plumbing, electrical, heating and air conditioning systems, seat and other event system installation, and similar building amenities. During this phase, construction employment would average about 100 workers with a peak of about 150 workers.

Exterior site work and landscaping would be undertaken over a period of approximately six months. During this final phase, construction employment would average 20 workers with a peak of 40 workers.

During construction, the entire project site would be fenced off.

2.4 Project Objectives

The objectives for the Proposed Project are:

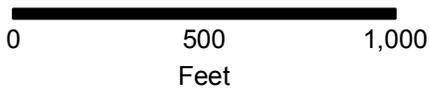
- Rehabilitate the architecturally significant features of the registered historic structure and provide adaptive reuses for a dilapidated, vacant and functionally obsolete 100 year-old building.
- Enhance the continued economic revitalization and urbanization of downtown Sacramento with a modern, lifestyle boutique brand hotel catering to the modern tourist and traveler.
- Construct and operate a Hyatt-branded, tourist-oriented urban hotel reflecting the character of downtown Sacramento, immediately adjacent to and complementing the new arena and entertainment center's events and activities to better serve its patrons.
- Construct and operate complementary meeting space, entertainment space, dining space, and fitness facilities for patrons of the hotel and downtown businesses residents.
- Create uses that modernize and enhance the downtown tourist and traveler experience, and facilitate downtown tourism.

- Support the shift within the downtown area to environmentally-conscious modes of travel by promoting ride-sharing services and non-vehicular travel by hotel guests and patrons.

2.5 Required Discretionary Actions

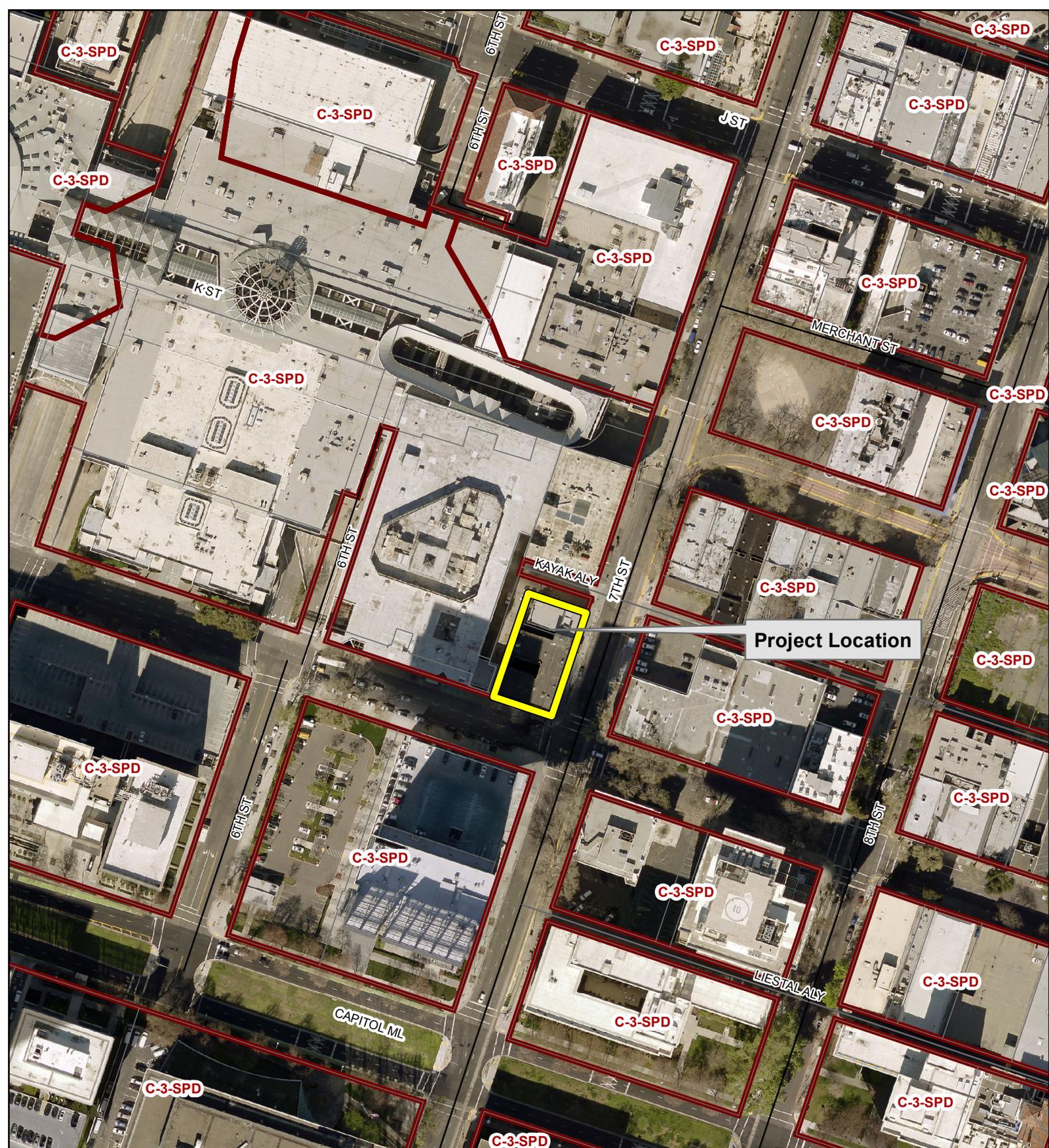
The City of Sacramento requires the following discretionary actions for project approval:

- **EIR Certification.** Approval of the project would require adoption of findings required by CEQA. These include certification that the EIR was completed in compliance with the requirements of CEQA, that the Preservation Commission has reviewed and considered the information in the EIR, and that the EIR reflects the independent judgment of the City of Sacramento. Approval of the project would also require adoption of a Mitigation Monitoring Plan, which identifies the methods for monitoring mitigation measures required to eliminate or reduce the project's significant effects on the environment. Findings are required regarding the impacts, mitigation and alternatives. Because the project would have a significant and unavoidable impact on historic resources, project approval would require adoption of a statement of overriding considerations explaining why the project is being approved despite the environmental effects.
- **Site Plan and Design Review.** Because the proposed project would affect a historic landmark, the site plan and design review required by the City of Sacramento Planning and Development Code would be conducted by the Preservation Commission.

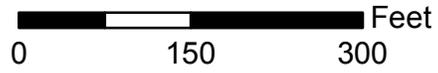


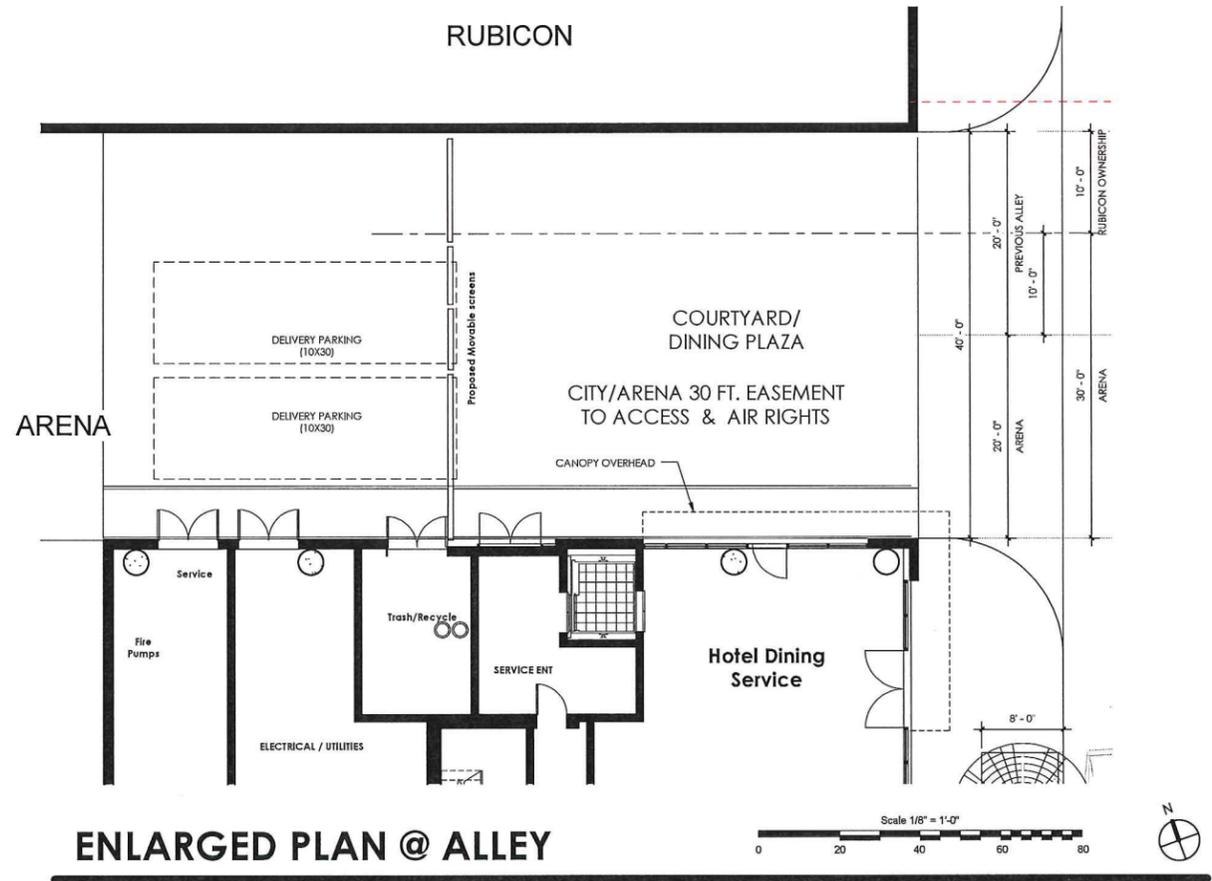
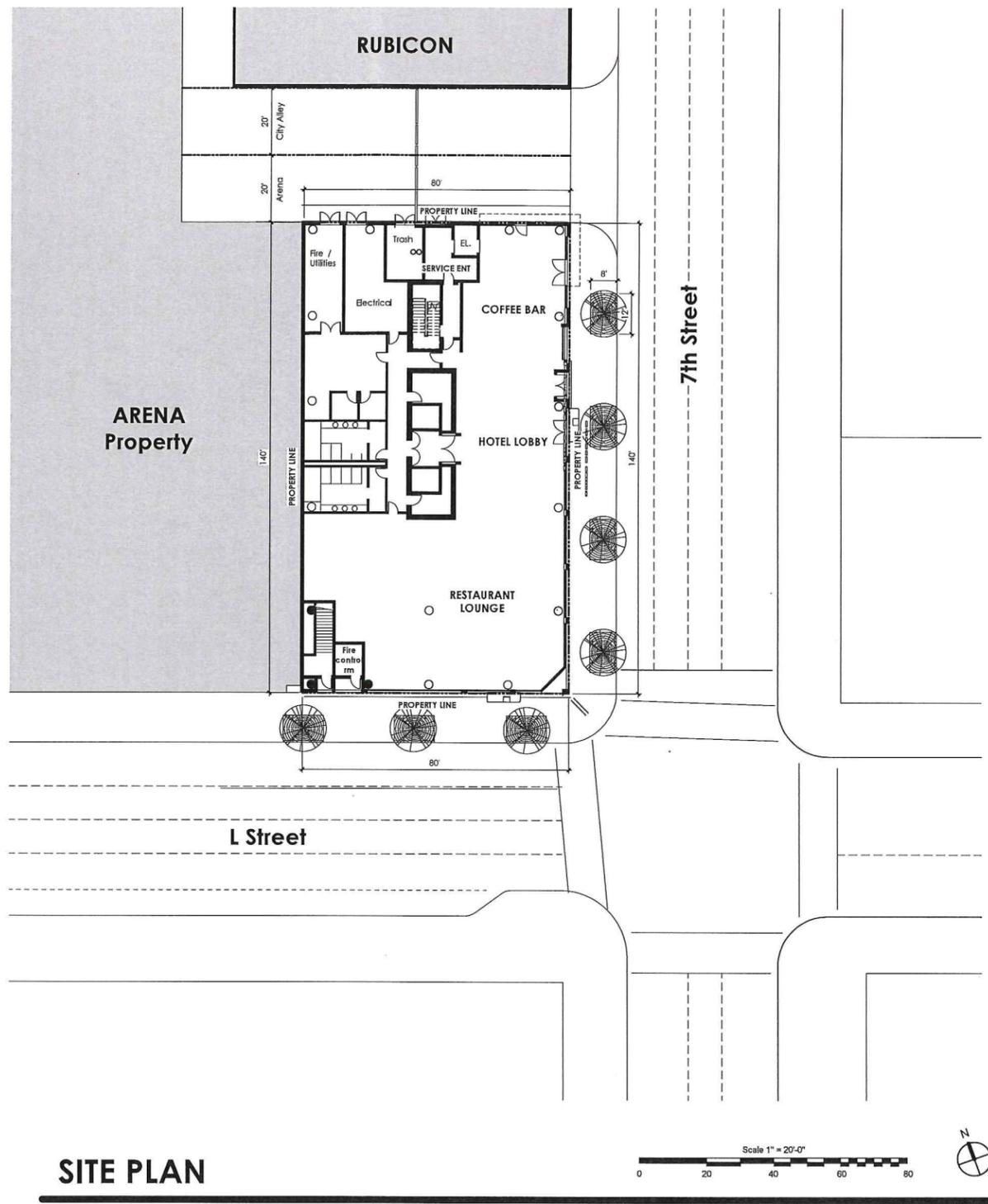
PB14-061 Vicinity Map Hyatt Place Hotel





PB14-061
Aerial / Zoning Map
Hyatt Place Hotel





PROJECT DATA

ADDRESS: 1122 7th Street, Sacramento.
 APN: 006-0091-024 (& 023)
 SITE AREA : 0.26acres (11,200sf)
 BUILDING AREA : 103,979 sf
 BUILDING HEIGHT 11 Stories (133' High)

ZONING: C-3-SPD

OCCUPANCY TYPE..... A2, A3, B, R1 & R2
 CONSTRUCTION TYPE Type IA & Type IIIA

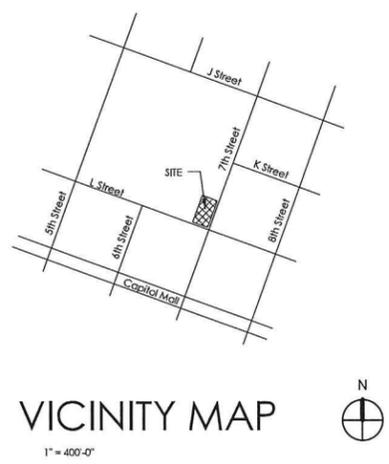
BUILDING DATA

FLOOR	Const. Type	Occ.	Area
1st	IA	B/A2	7,344 sf / 3,700 sf
2nd	IA	B/A3	11,161 sf
3rd - 5th	IIIA	R2	10,158 sf (per floor)
6th - 11th	IIIA	R2	8,550 sf (per floor)

1st Floor: Hotel Lobby, Office, Retail & Back of House
2nd Floor: Fitness, Spa, Meeting Rooms & Back of House
3rd - 5th Floors: 19 Hotel Rooms per Floor x3 = 57 rooms
6th - 11th Floors: 17 Hotel rooms per floor x6 = 102 rooms

Hotel room types

King A 2.0	129 rooms
King B	18 rooms
Double A 2.0	9 rooms
Suite	3 rooms
Total	159 rooms

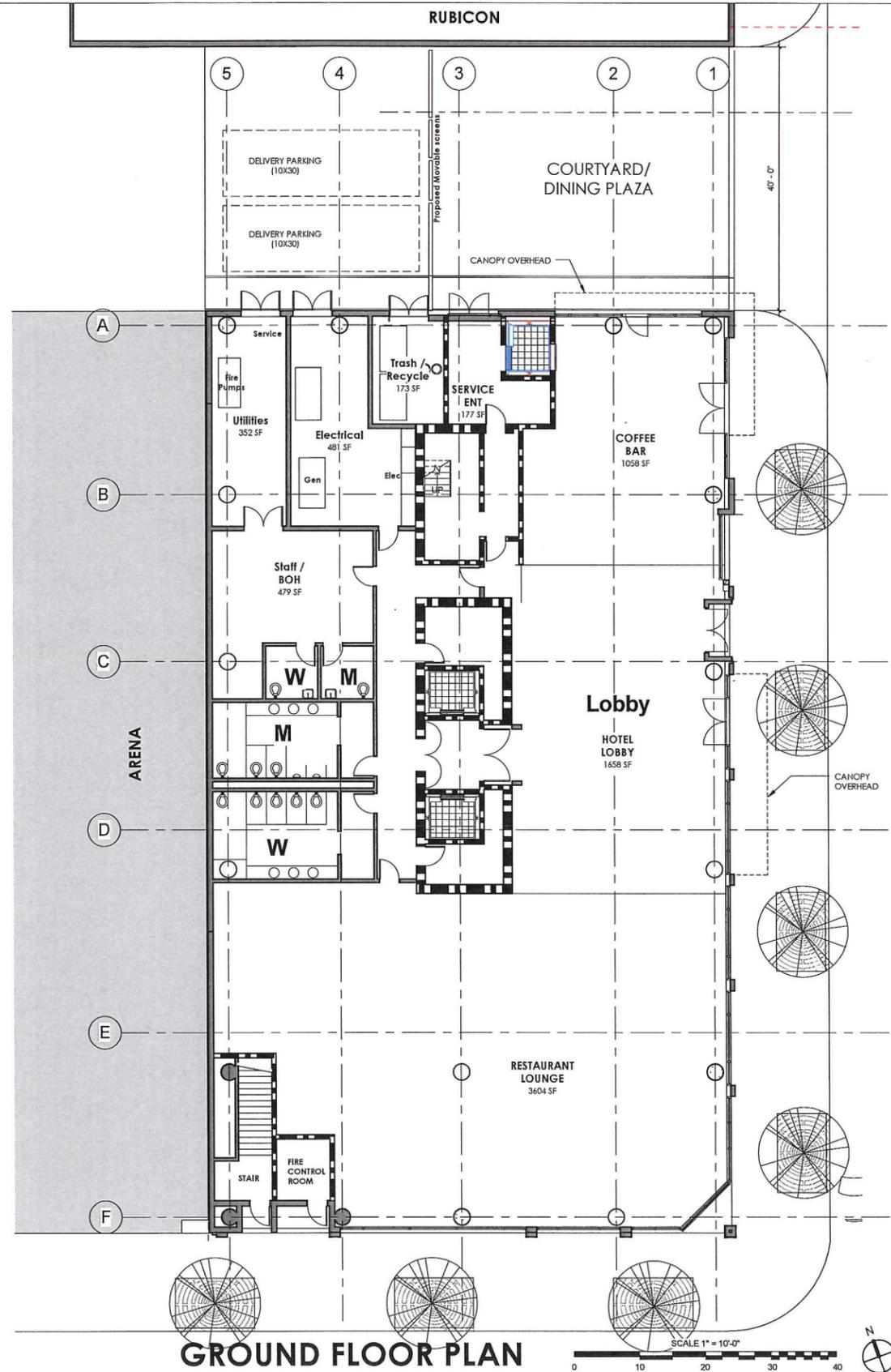


CONCEPTUAL
MARSHALL HOTEL
 7th & L Street, Sacramento

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GROUND FLOOR PLAN



**LEVEL 2 FLOOR PLAN
HOTEL AMENITIES**

SUMMARY

LEVEL 1:	RETAIL & OFFICE
LEVEL 2:	SPA & MEETING ROOMS
LEVEL 3-5:	19 ROOMS X 3FL = 57 ROOMS
LEVEL 6-11:	17 ROOMS X 6FL = 102 ROOMS
TOTAL ROOMS:	159 ROOMS

ROOM TYPES:

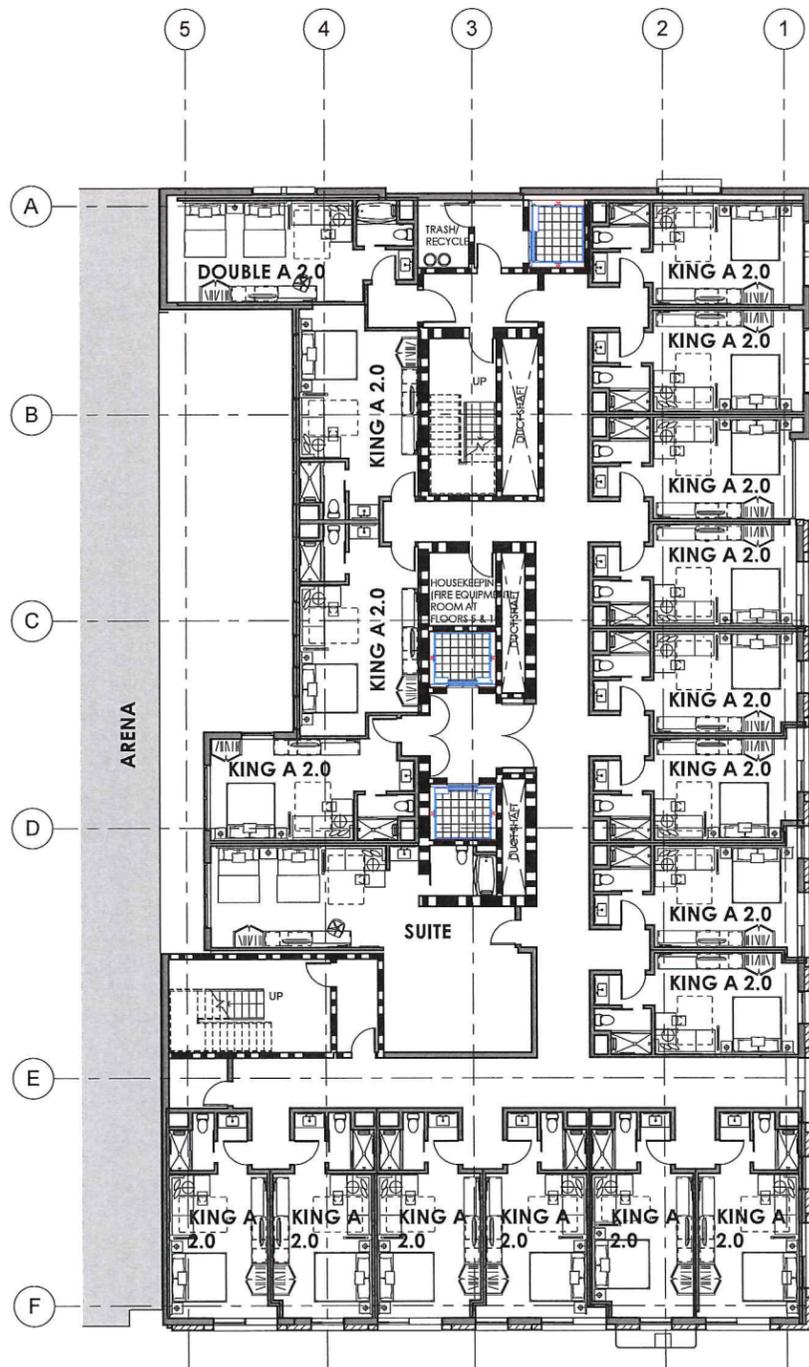
KING A 2.0	129
KING B	18
DOUBLE A 2.0	9
SUITE	3
TOTAL	159



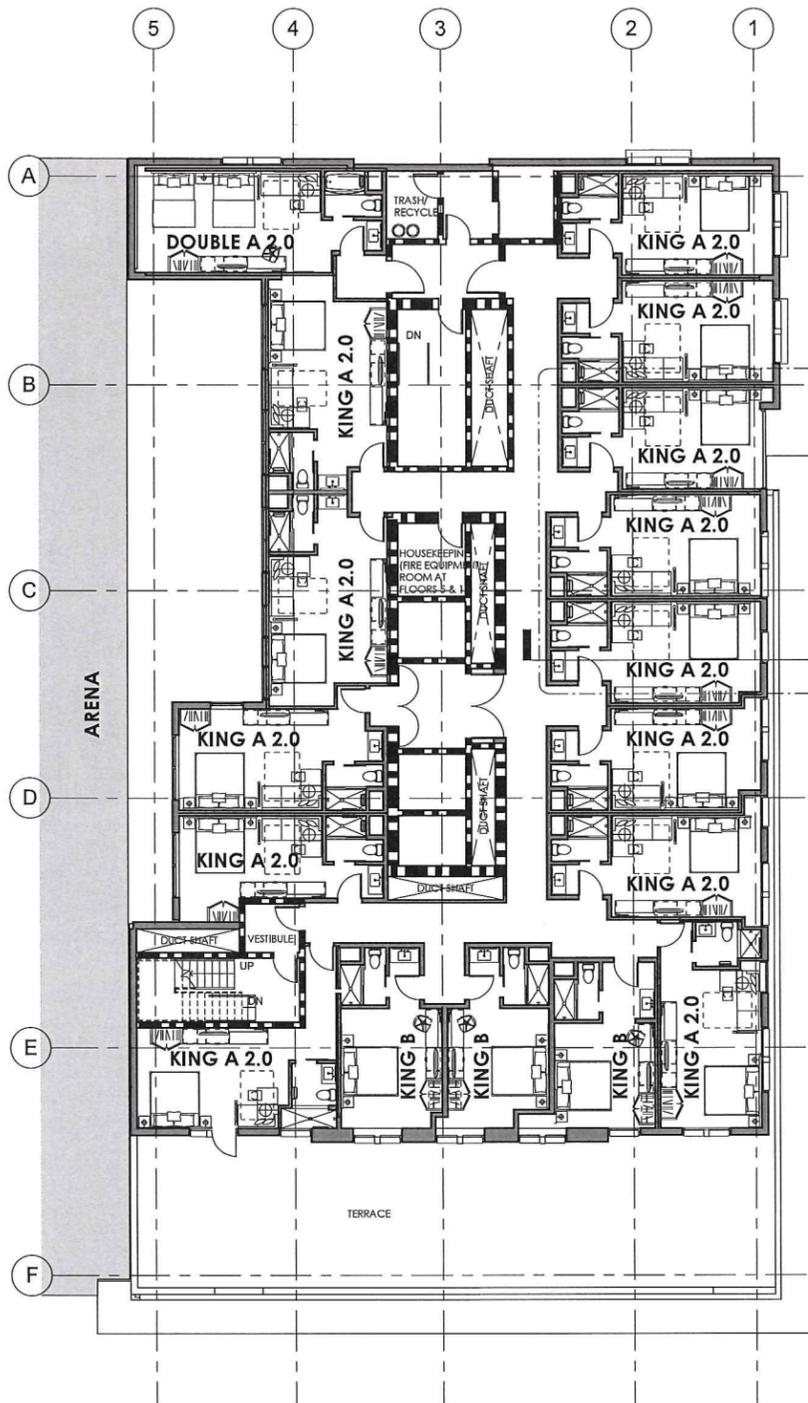
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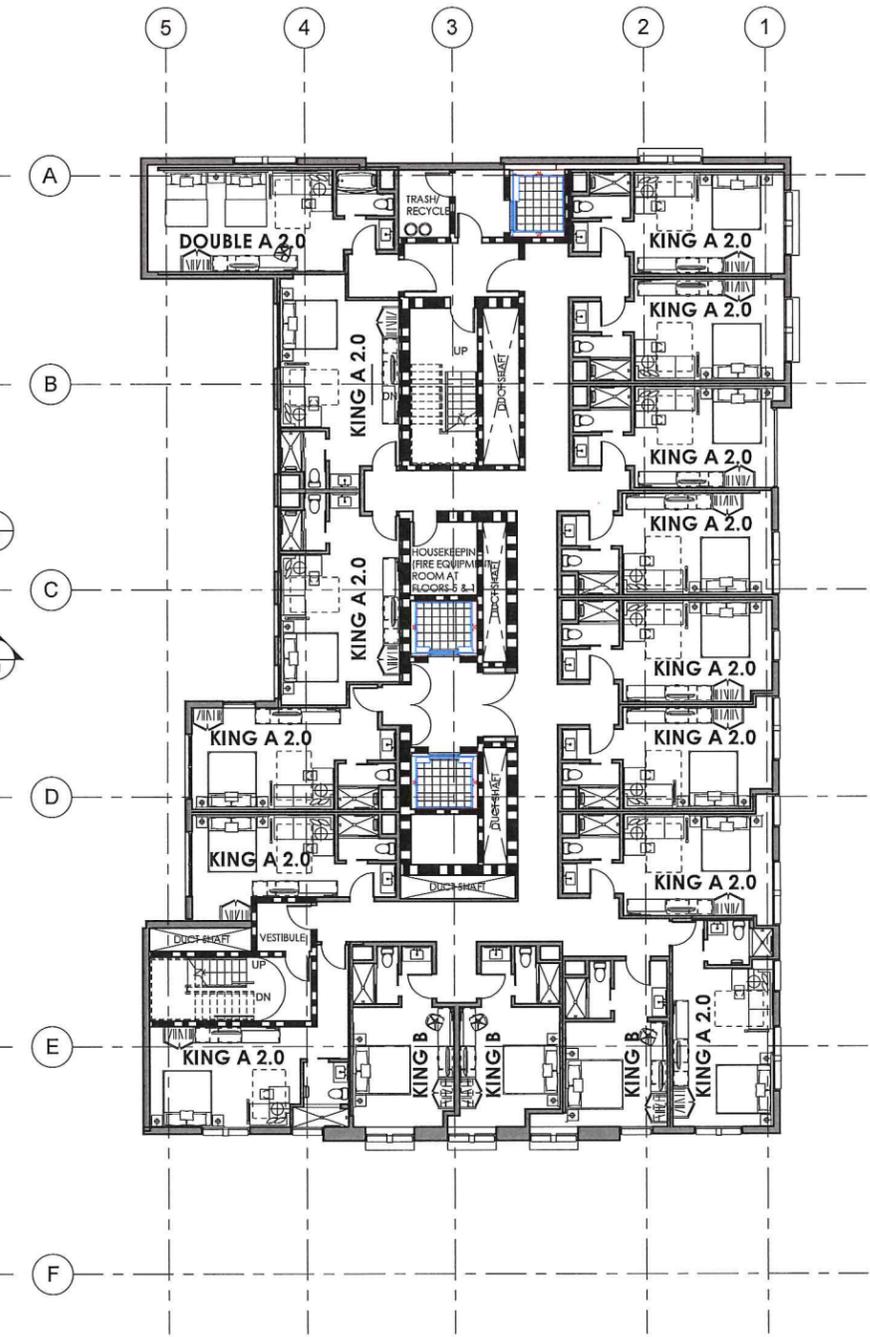
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LEVEL 3-5 FLOOR PLAN
HOTEL ROOMS



LEVEL 6 FLOOR PLAN
HOTEL ROOMS



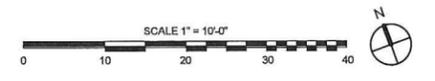
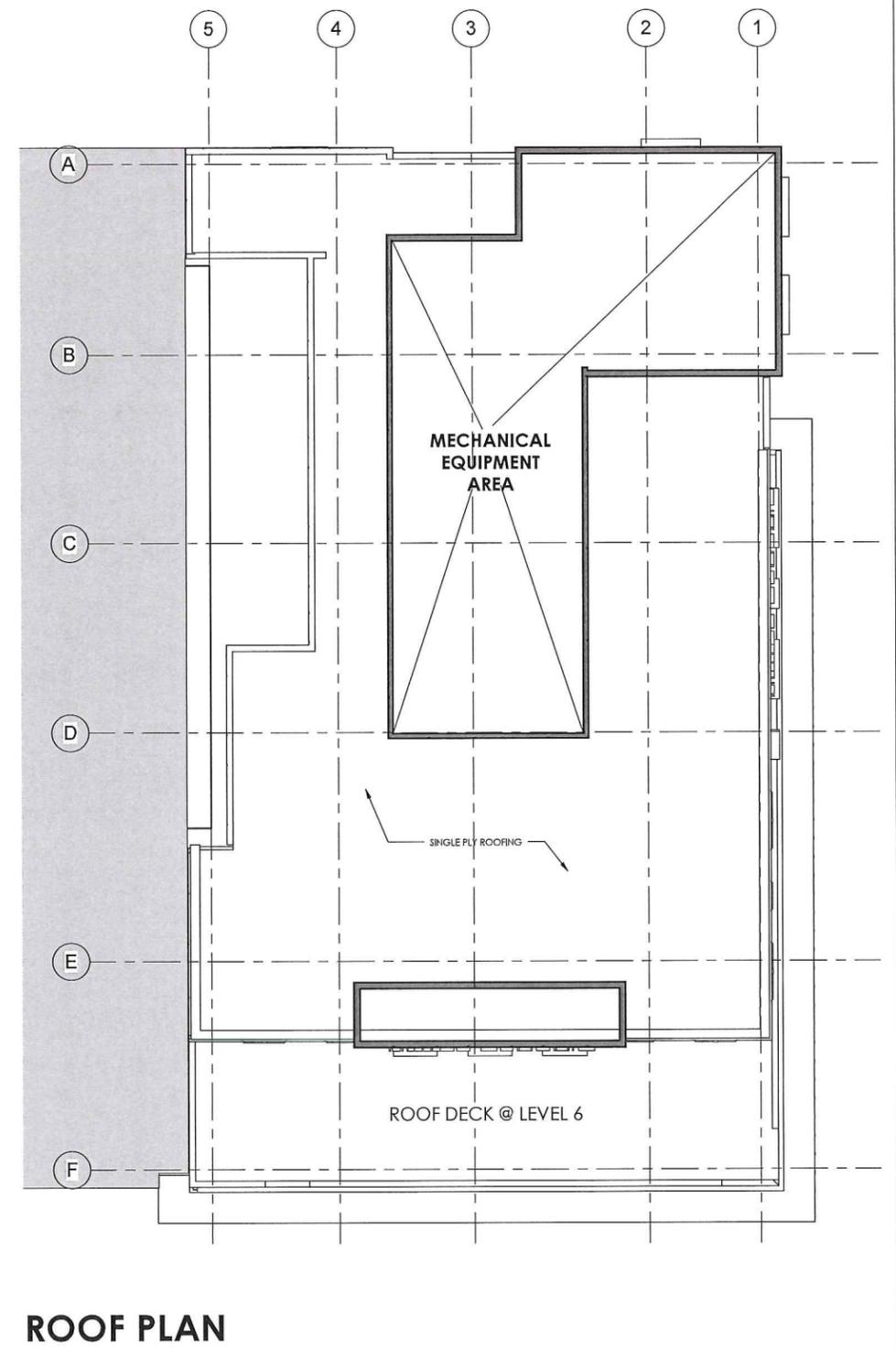
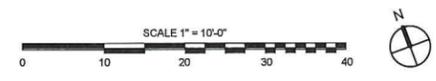
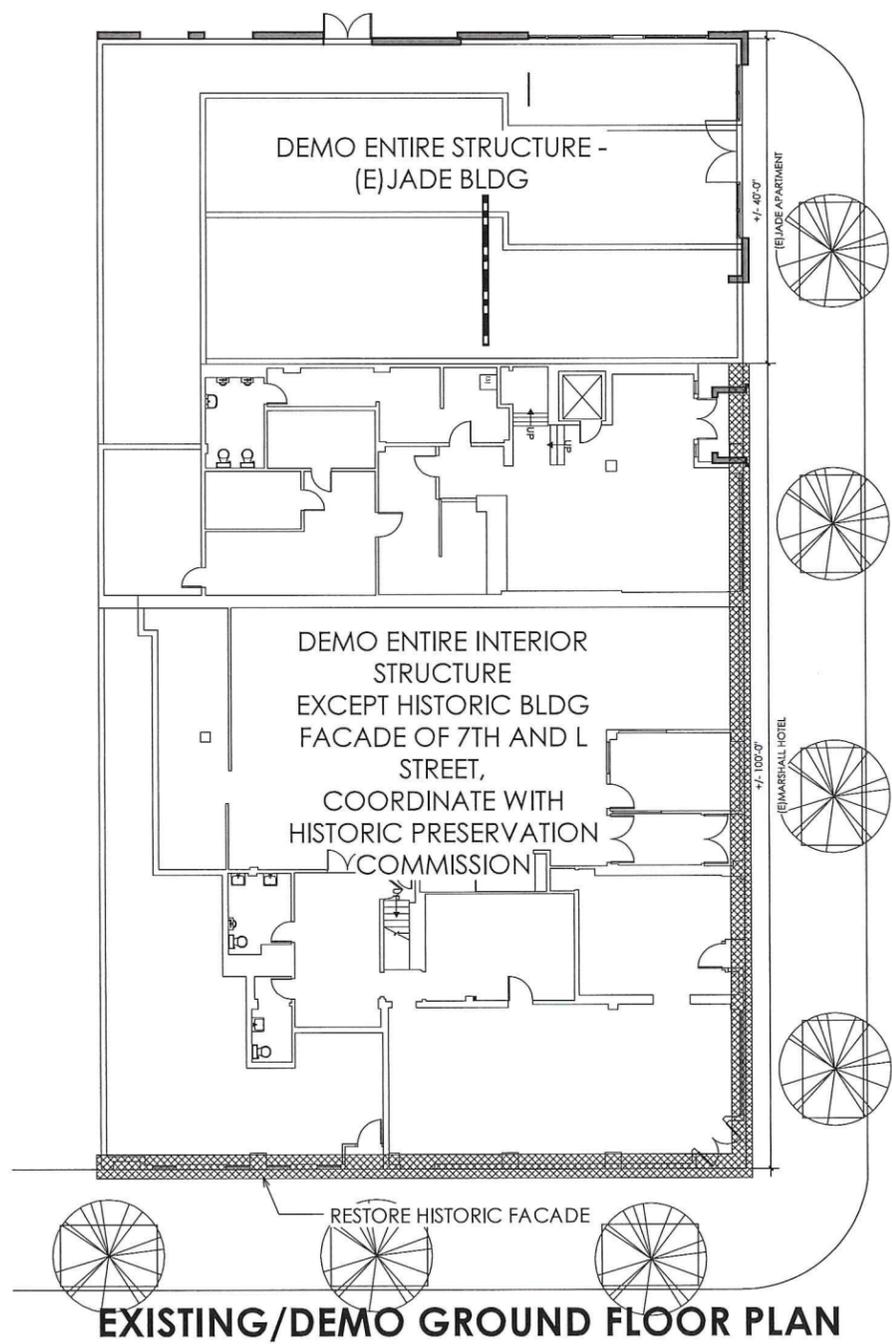
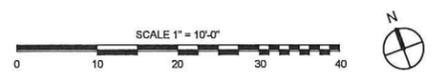
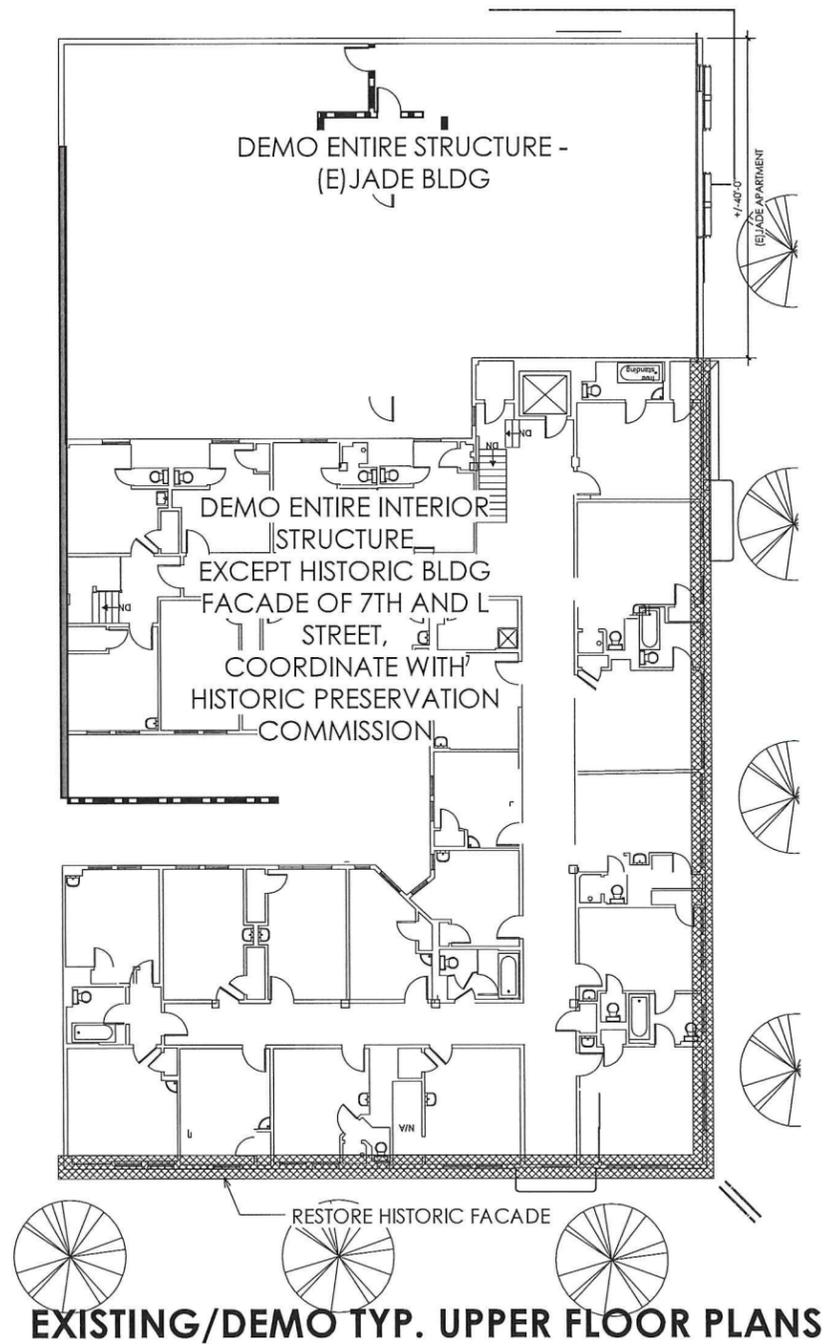
LEVEL 7 -11 FLOOR PLAN
HOTEL ROOMS



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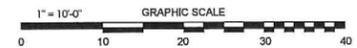
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EAST ELEVATION



SOUTH ELEVATION



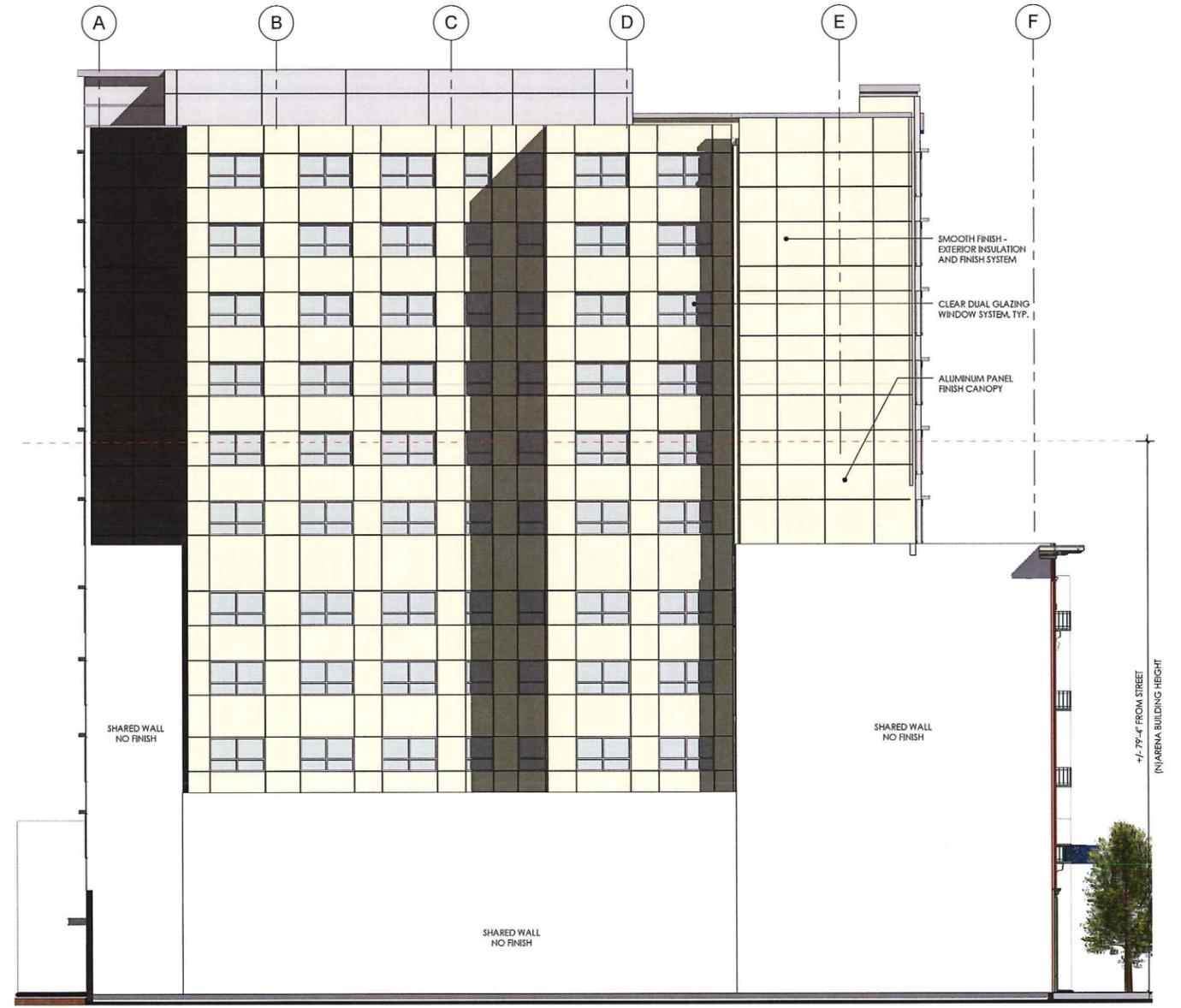
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NORTH ELEVATION



WEST ELEVATION



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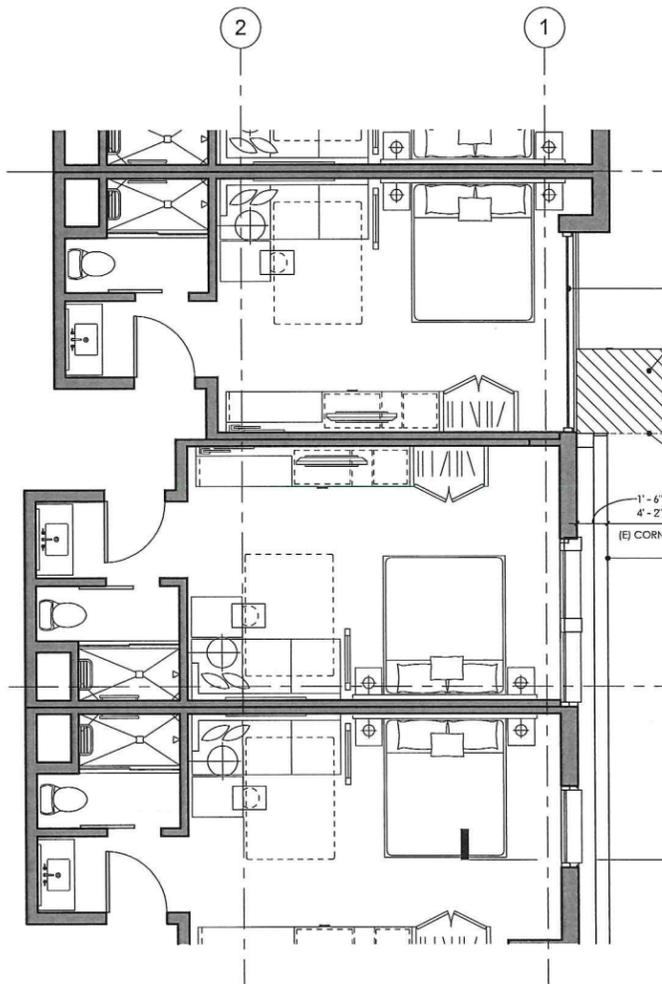
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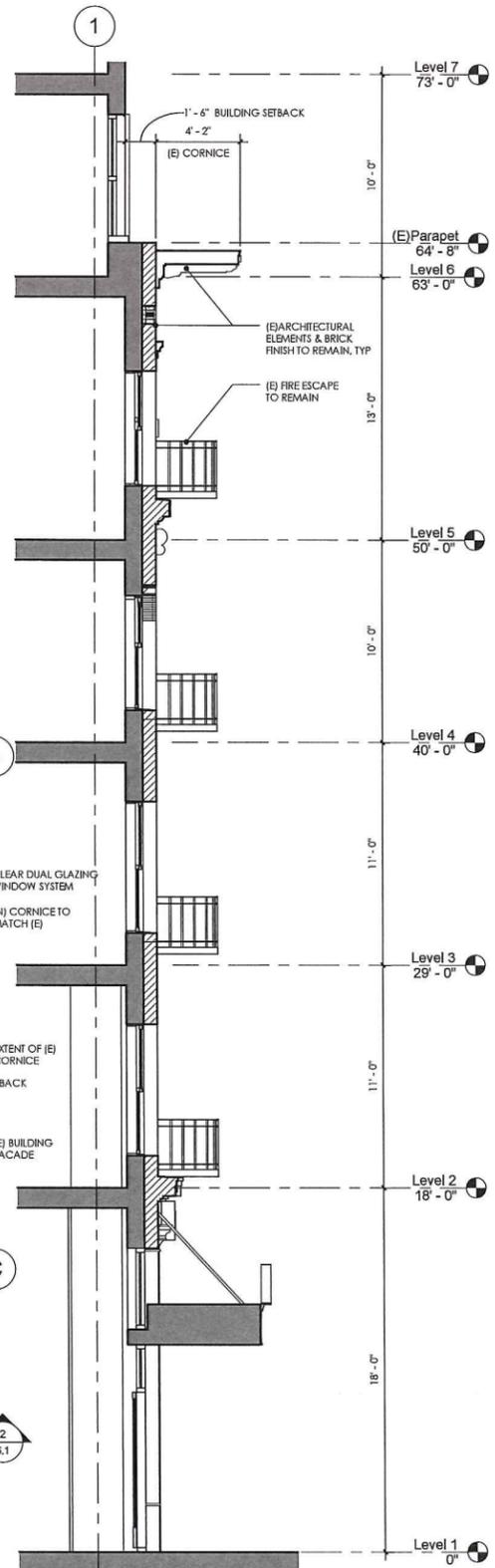
CORNICE DETAIL - EXISTING



CORNICE DETAIL - PROPOSED



LEVEL 6 - ENLARGED FLOOR PLAN



WALL SECTION



EAST ELEVATION - ENLARGED



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6.1



SOUTHEAST CORNER VIEW



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CONCEPTUAL

MARSHALL HOTEL

7th & L Street, Sacramento

06/26/15



NORTHEAST CORNER VIEW



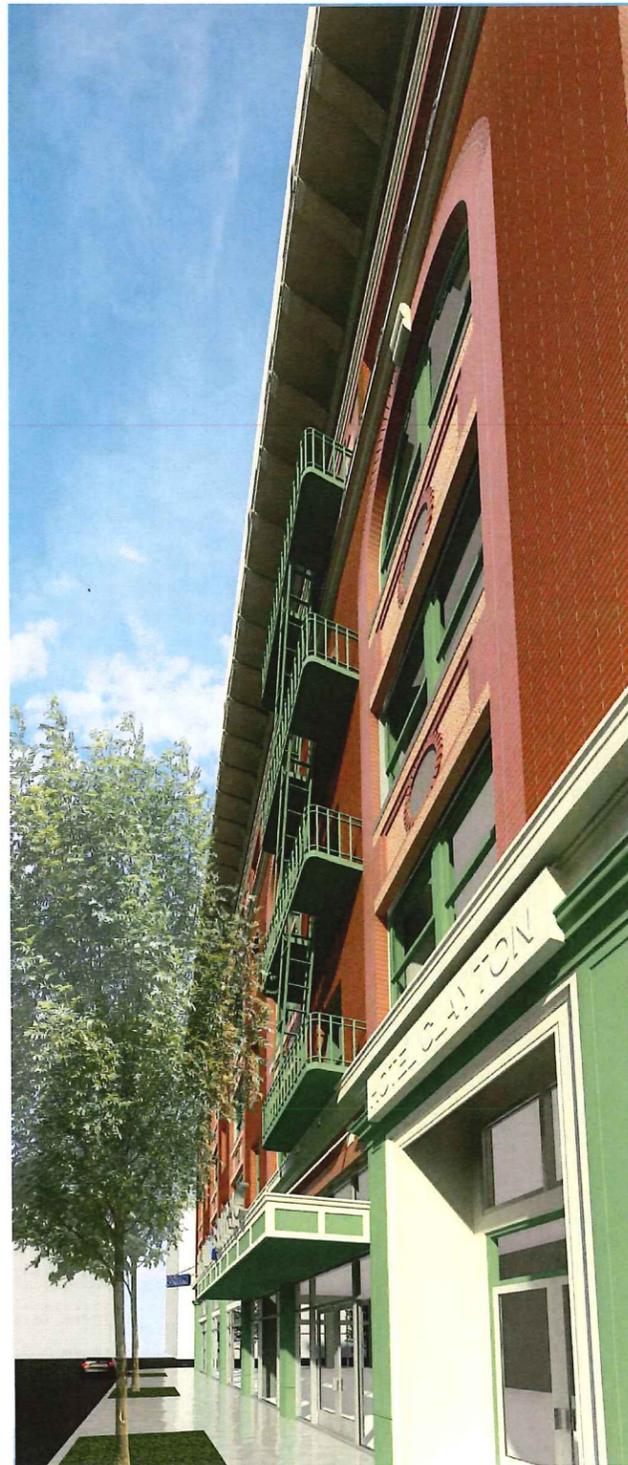
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MARSHALL HOTEL
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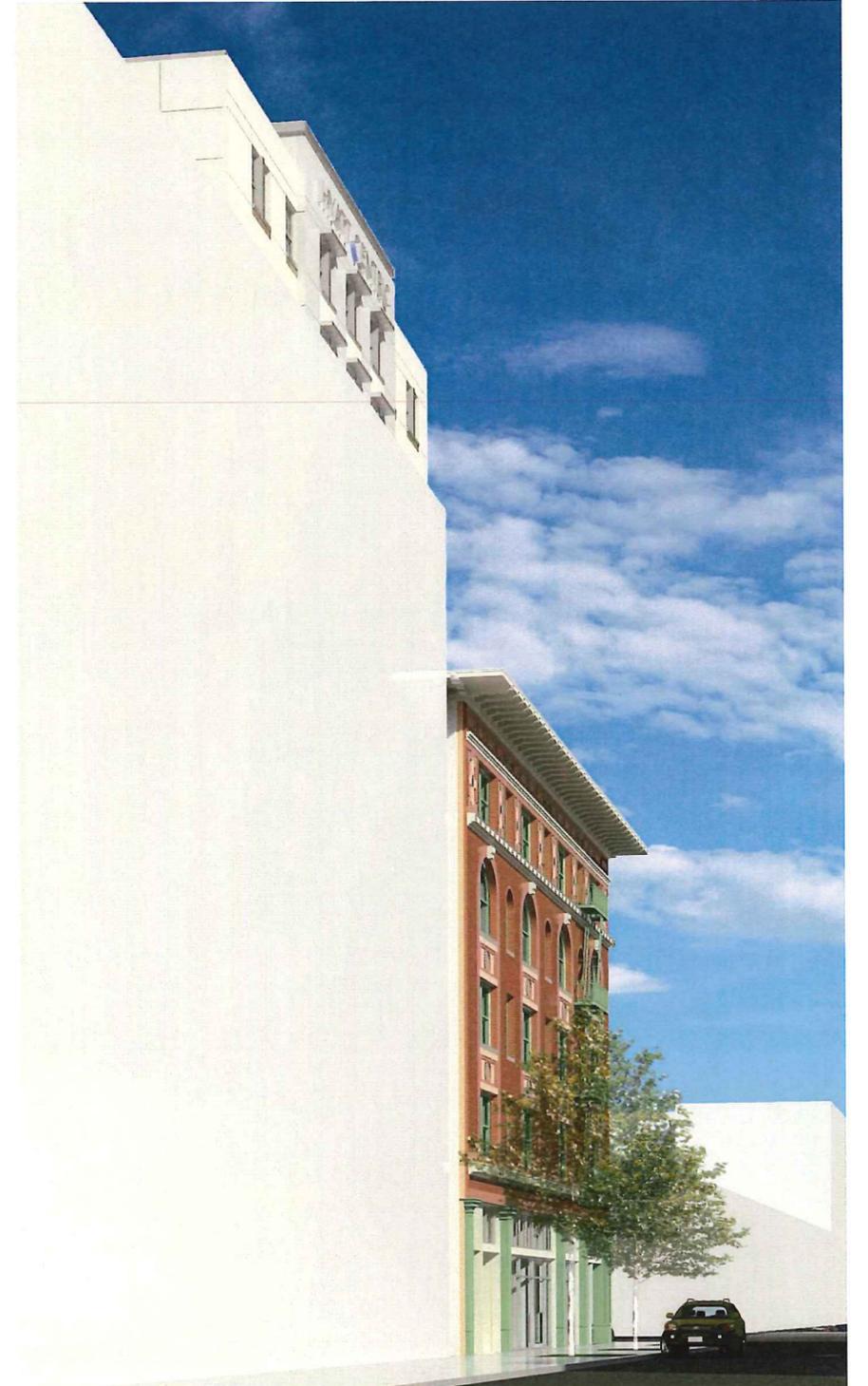
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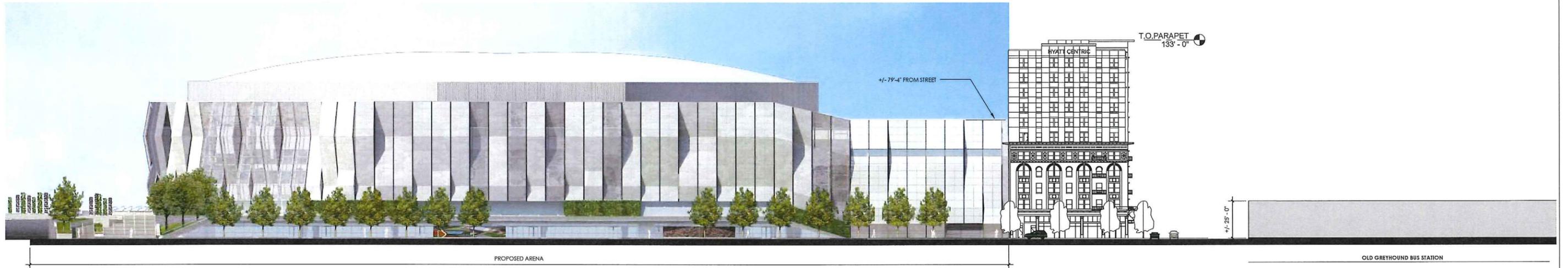
NORTHEAST CORNER GROUND LEVEL VIEW



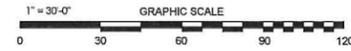
GROUND LEVEL VIEW



SOUTHWEST CORNER VIEW



STREETSCAPE_L STREET



STREETSCAPE_7TH STREET



STREETSCAPE DRAWING

CONCEPTUAL

MARSHALL HOTEL
7th & L Street, Sacramento

06/26/15



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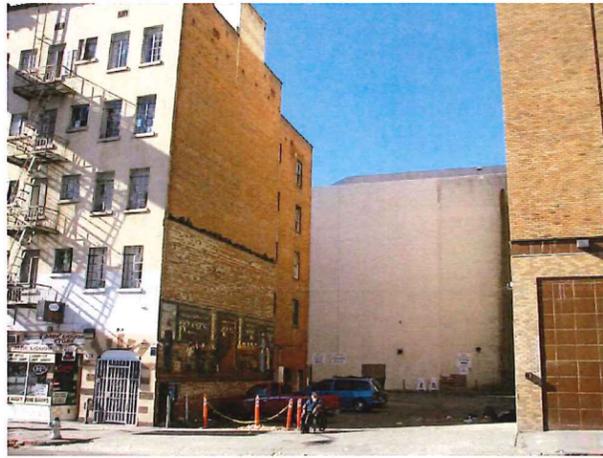


PHOTO-1



PHOTO-2

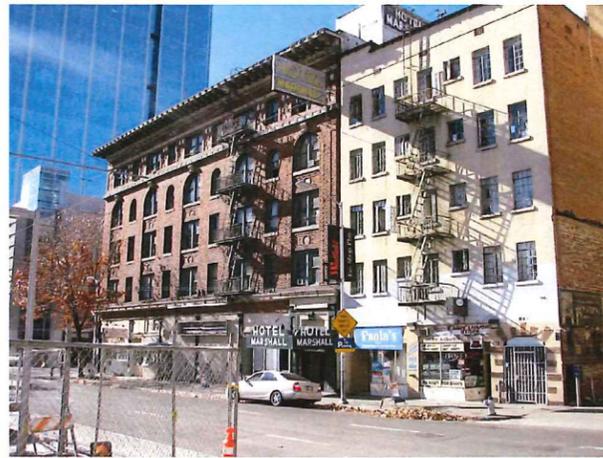


PHOTO-3



PHOTO-4



PHOTO-5



PHOTO-6



PHOTO-7

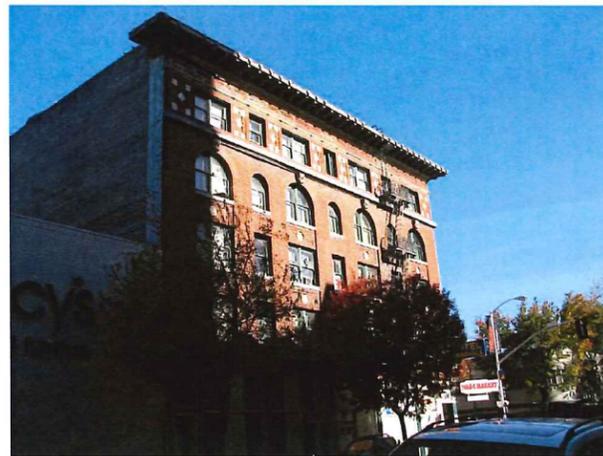
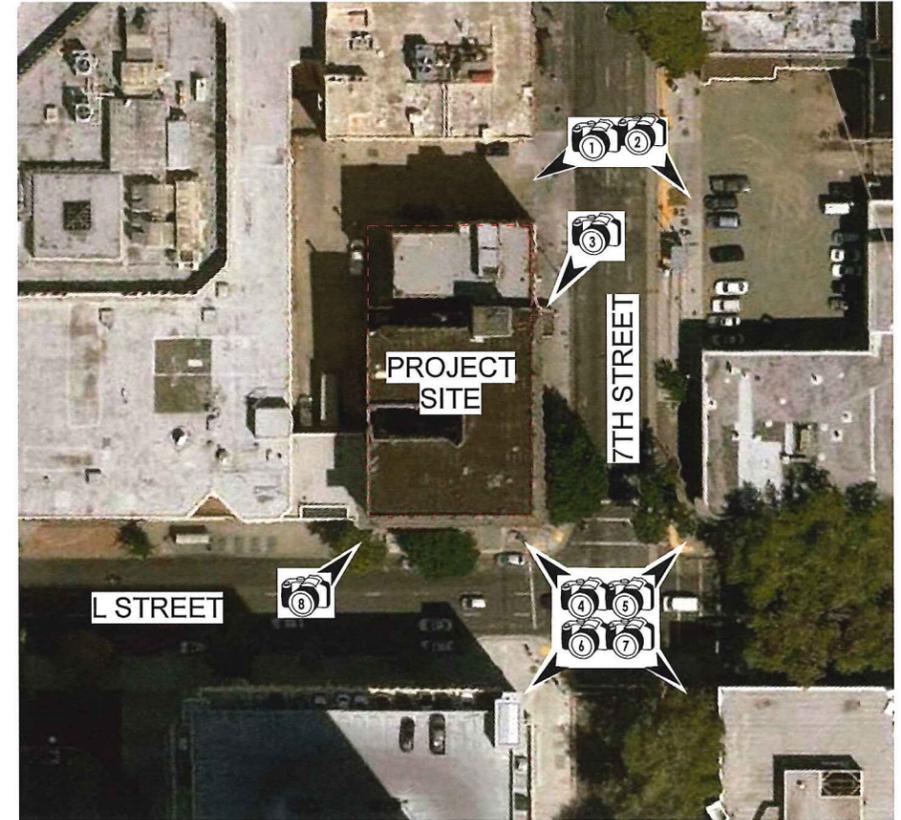


PHOTO-8



SITE AERIAL PHOTO

1" = 30'-0"

SITE PHOTOGRAPHS



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CONCEPTUAL
MARSHALL HOTEL
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3. Land Use and Planning

3.1 Introduction

This chapter describes the 2035 General Plan land use designations and zoning for the project site and the nearby vicinity. Current land uses are also described.

Section 15125 of the CEQA Guidelines states that the EIR shall discuss “any inconsistencies between the Proposed Project and applicable general plans and regional plans...” Potential inconsistencies between the Proposed Project and the City of Sacramento 2035 General Plan and the City’s Planning and Development Code would be evaluated in this chapter.

This chapter does not identify environmental impacts and mitigation measures. An EIR may provide information regarding land use, planning and socio-economic effects; however, CEQA does not recognize these issues as typical environmental impacts on the physical environment. Physical impacts on the environment that could result from implementation of the proposed project or project alternatives are not addressed in this chapter, but in the appropriate technical environmental section of this EIR. The analysis in this chapter focuses on consistency with applicable policy documents. This consistency analysis explains whether the project coincides with the overall intent of the goals or policies. It is within the City’s purview to interpret its own General Plan and to ultimately decide if the proposed project is consistent or inconsistent with any City goals or policies.

The Initial Study prepared for the Project (see Appendix B) concluded that the proposed project would not physically divide an established community or conflict with any applicable habitat conservation plan or natural community conservation plan. These issues are not addressed in this EIR.

3.2 Project Location and Vicinity

The project site is located at 1122 7th street and 1118 7th street at the northwest corner of 7th and I streets in downtown Sacramento (APN: 006-0091-024-0000 and 006-0091-023-0000). The project site is generally bounded by 3rd street to the west, 7th street to the east, J Street to the north, and L Street to the south. The project site is located in an urbanized portion of the community. The project site is currently occupied by the vacant Marshall Hotel and the vacant Jade Hotel Apartments. Various stages of the ongoing construction and development of the Entertainment and Sports Center are adjacent to the project site. Other nearby land uses include office buildings and retail/commercial uses.

3.3 Applicable Plans and Regulations

3.3.1 City of Sacramento General Plan

The project site is designated as Urban Center High in the 2035 General Plan. The General Plan States *“Sacramento’s Urban Center High provides thriving areas with concentrations of uses similar to downtown. Each center includes employment-intensive uses, high-density housing, and a wide variety of retail uses including large format retail, local shops, restaurants, and services. These areas include major transportation hubs accessible by public transit, major highways and local arterials, and pedestrian travel. Building heights vary from low to high rise (e.g., two to twenty-four stories). Other characteristics, such as building orientation, frontage-type, access, parking, streetscape, and open space, are similar to those in the Central Business District.”*

This designation provides for mixed use high-rise development and single-use or mixed-use development within easy access to transit (i.e., ground floor office/retail beneath residential apartments and condominiums) that includes the following: office, retail, and service uses, and multifamily dwellings (e.g., apartments and condominiums).

The particular provisions of the general plan are interpreted by the City in light of the effort originally undertaken in the 2030 General Plan to accommodate future growth within the City limits, and to avoid urban sprawl. One of the key foundations of this policy direction was the goal of reducing greenhouse gas emissions, consistent with the state’s emerging legislative and executive directions. The 2035 General Plan has continued that

effort, with a continuing focus on the two major sources of greenhouse gas emissions: building and vehicles. Establishing uses in the Sacramento urban core that encourage residents and visitors to travel by means other than the single-occupancy vehicle is a critical component of the policy effort.

The proposed project is consistent with the policy goals adopted by the City as part of its general plan. The 2030 and 2035 general plans, and the master EIRs adopted as part of the general plan process, have recognized that the implementation of the policy would have likely significant and unavoidable effects on various resources, including historic resources. Consistent with the requirements of the California Environmental Quality Act, the general plan requires careful consideration of actions that would adversely affect important resources.

In this case, the proposed project would result in the loss of recognized historic resources. This EIR provides documentation of the resources, both in its discussion of impacts and inclusion of the consultant's report documenting the resources. See Appendix D. As with any project, a determination that the project is consistent with the general plan is required. In addition, because the project would have a significant and unavoidable effect on historic resources, the City would be required to adopt a statement of overriding considerations, which identifies the basis for the City's determination that the project, and its resulting effect on historic resources, should be approved despite this significant effect.

The various components of the proposed project, including the hotel and commercial uses, are allowed under the project site's general plan designation. Any project approval must include a finding of consistency and, as discussed, a statement of the reasons the City would override the loss of historic resources. For purposes of the analysis in this EIR, however, the project is consistent with the policies of the general plan, as well as the underlying intent and goal of the general plan. Approval of the project would be consistent with the City's planning processes, and would not result in unplanned growth or environmental effects that have not been already evaluated.

3.3.2 City of Sacramento Planning and Development Code

The City of Sacramento Planning and Development Code (Sacramento City Code Title 17) is intended to implement the City's general plan through the adoption and administration of zoning laws, ordinances, rules, and regulations and to encourage the most appropriate use of land.

The project site is zoned C-3-SPD, and is part of the Central Business District Special Planning District. The Planning and Development Code indicates: "Development in the Central Business District special planning district is subject to the requirements of the underlying zone." (City Code Chapter 17.408)

The project site is zoned C-3 (Central Business District Zone) which is addressed in chapter 17.216.800 through 17.216.880 of the Planning and Development Code. The Central Business District zone applies to an approximately seventy (70) block portion of the Central City. The CBD zone is intended for the City's most intense retail, commercial, office developments and is the City's only classification which has no height limit. This designation provides for by-right mixed-use high-rise development and single-use or mixed-use development within easy access to transit (i.e., ground floor office/retail beneath residential apartments and condominiums) that includes the following:

- Office, retail, restaurant, service, cinema, fitness, hotel, and uses
- Multifamily dwellings (e.g., apartments and condominiums)
- Gathering places such as plazas, courtyards, or parks
- Compatible public, quasi-public, and special uses.

Multi-family residential uses are allowed as permitted uses subject to certain operational requirements established in chapter 17.228.117 of the Planning and Development Code. There are also a number of land uses that are allowed as conditional uses pursuant to approval by the Planning and Design Commission or the Zoning Administrator. Such conditionally allowed uses in the CBD zone include, but are not limited to, sports complexes, retail stores over 125,000 sf, bars and nightclubs, and outdoor markets. The CBD zone includes a requirement for ground-floor retail uses which is intended to "preserve, enhance, and ensure establishment of retail commercial, personal service, and pedestrian-oriented uses for the street level of buildings that abut a public street."

The project site is located adjacent to the designated C-3-SPD (Entertainment and Sports Center Special Planning District). See Appendix F, Ordinance No. 2014-0014 establishing the ECS SPD. The project site is identified on the SPD boundaries figure in the southeast corner as not a part of the SPD. This district The ESC SPD is intended to provide a mixture of retail, office, governmental, entertainment and visitor-serving uses built on a formal framework of streets and park spaces laid out for the original Sutter land grant in the 1840s.

The Entertainment and Sports Center special planning district (ESC SPD) provides specific development procedures in recognition of the unique position of the surrounding property to the city's Entertainment and Sports Center. This SPD intends to further the city's goals of urban infill through facilitating and encouraging the development of the district and surrounding properties, by limiting certain uses, providing site-specific development standards, and providing a streamlined approval process.

The ESC SPD regulates uses, permit approval processes, and development standards for the physical development of the property, along with the Central City Urban Design Guidelines. The goals of the ESC SPD are to:

1. Develop up to 1.5 million square feet of mixed-use development (office, hotel, retail, and residential);
2. Develop property in a manner to respond to, support, and further the unique site conditions and adjacency to the Entertainment and Sports Center;
3. Ensure on-site architectural design themes are able to be creative and forward-thinking while being compatible with surrounding developed properties;
4. Provide north-south and east-west connections from public streets into the plaza surrounding the entertainment and sports center to connect the downtown core and create view corridors and pedestrian access;
5. Provide safe, dynamic, and attractive mixed-use development to encourage 24-hour activities that support an active streetscape and strengthen connections between the waterfront, the Convention Center, the Capitol, and the Railyards and intermodal facilities;

6. Provide facilities that complement a variety of transportation modes including public transit, bicycling, walking, and driving;
7. Discourage uses that contribute to visual or economic blight;
8. Promote aesthetic improvements to the area by implementing development standards and the Central City Urban Design Guidelines. (Ord. 2014-0014 § 1)

Development within the ESC SPD area is subject to the development standards and design requirements established in the ESC SPD and the Central City Urban Design Guidelines. To the extent there are conflicts between the Central City Urban Design Guidelines, and the development standards within the ESC SPD, the development standards in the ESC SPD ~~shall~~ would control.

The project objectives (~~Draft EIR~~, page 2-4) include emphasis on development of a facility that will support the continued economic revitalization and urbanization of downtown Sacramento, a goal that is consistent with the additional, and specific, objectives as stated in the ESC Special Planning District goals as well as the City's general plan goals and objectives, discussed above.

~~Review and approval by the decision-making body, in this case, the City's Preservation Commission, would ensure consistency with these provisions.~~

3.4 Compatibility with Existing and Planned Adjacent Land Uses

The proposed project is evaluated for its compatibility with the existing and planned land uses adjacent to the project site. The evaluation considers the type and intensity of uses in the project vicinity. The analysis evaluates the proposed project and project alternatives with the existing environment to determine if it is compatible with existing and planned uses surrounding the project site. As stated above, the environmental technical section includes discussion of any potential physical/environmental impacts (see discussion of cultural resources in Chapter 4).

Long-term incompatibilities arise when adjacent land uses conflict with each other. For example, land uses that produce excessive noise, light, dust, odors, traffic, or hazardous emissions may be undesirable when they intrude on places where people sleep and recreate (e.g., residences and parks). Therefore, some industrial or agricultural uses (which can produce noise, odor, and so on) would not be considered

compatible with residential uses, unless buffers, landscaping or screening can be used to protect residents from health hazards or nuisances.

The proposed project would replace vacant hotels with similar uses which are compatible with the existing and planned surrounding commercial and sports/entertainment uses.

4.0 CULTURAL RESOURCES

4.1 Overview

This section describes known historical resources in the proposed project area and discusses the potential of the proposed project and the project alternatives to impact these resources. For purposes of this analysis, the proposed project refers to the Hyatt Boutique Hotel. National, state, and local historic preservation listings and surveys are summarized in this section. This section summarizes data obtained from the Historic Resources Technical Report prepared by Historic Environment Consultants in March 2015 to identify and evaluate historical resources within the project boundaries. The Initial Study (see Appendix B) for the proposed project concluded that impacts associated with paleontology, archaeology, and human remains would result in less-than-significant impacts, and therefore, are not further discussed in this section.

4.2 Environmental Setting

The project site contains two structures. The Hotel Marshall and Jade Apartments are each located directly on the actual site of the proposed project which occupies the northwest corner of 7th and L Streets and northward along 7th Street, almost to the alley between K and L Streets in downtown Sacramento. Currently, the Hotel Marshall occupies most of the corner with the Jade Apartments structure adjacent to the northern edge of the Hotel Marshall but not extending all the way to the alley on the north.

The Hotel Marshall is a five-story reinforced concrete and brick building with steel frame, built on concrete pile foundation. It was constructed in 1911 and has Classical and Chicago School influenced architectural features. The character-defining features of this architect-designed building include a dramatic decorative cornice, bracketed eaves and keystones, original windows both rectangular and arched, brick and terra cotta pattern, belt courses that create a horizontal tripartite composition, and street level cast iron pilasters defining traditional store front openings.

The Jade Apartment building is a roughly L-shaped five-story brick building with minor Spanish Colonial Revival influences including tile roof cornices and an arched entrance

enhanced with rusticated keystone shaped brick elements on the stucco-surfaced façade. It appears to have been placed in service in the early 1930s.

4.3 Historically Significant Resources in the Proposed Project Area

The treatment of cultural resources is governed by federal, State, and local laws and regulations. There are specific criteria for determining whether prehistoric and historic sites or objects are significant and/or protected by law. Federal and State significance criteria are concerned with the resource's significant features and characteristics, integrity and uniqueness, its relationship to similar resources, and its potential to contribute important information to scholarly research.

The Hotel Marshall is listed as a Landmark in the Sacramento Register of Historical and Cultural Resources. See Appendix D for the full historical evaluation of the building. The property meets eligibility Criteria # 2 and # 3 for listing in the California Register of Historical Resources due to its associations with Sarah Clayton, an important Sacramento historic figure, its historic role as a downtown Sacramento hotel for 104 years, and its architectural design by Charles Dickey, a master architect in California and Hawaii.

The Hotel Marshall's architectural significance is primarily limited to the two exterior street facades. The interior of the building lacks significant design features or characteristics, and appears to have been repaired and altered at a cost of \$104,000 after a fire in 1948. The historic significance of the interior of the building is therefore limited and alterations appear to have affected its historical integrity. The exterior west and north facades do not contribute to the architectural importance of the building and are not significant. The impacts of the proposed project to the historic and architectural significance of the Hotel Marshall are primarily related to the proposed demolition of all of the non-significant portions of the building, the proposed construction of new additions above portions of the original building roof level. The project also proposes the retention and rehabilitation of the exterior east and south primary street facades. The demolition, new construction and rehabilitation are proposed for the development of a Hyatt Boutique Hotel use. (See full description, Appendix D)

The Jade Apartment building does not appear to possess historically significant associations with people or events. Its design features lack distinction and some alterations appear to have occurred, further limiting its architectural importance. The property does not meet eligibility criteria for designation as a Landmark in the Sacramento Register of Historical and Cultural Resources, or for listing in the California Register of Historical Resources.

4.4 Regulatory Context

4.4.1 State

The State Historic Preservation Office, the California Office of Historic Preservation (SHPO) maintains the California Register of Historical Resources (CRHR). A historical resource is deemed to be a significant resource if it is listed in, or determined eligible for listing in, the CRHR. Properties listed in the National Register of Historic Places (NRHP) are automatically eligible for listing in the CRHR. The CRHR can also include properties designated under local ordinances or identified through local historical resource surveys.

Section 21084.1 of the Public Resources Code states that a project that may cause a substantial adverse change in the significance of a historical resource is a project that may have a significant effect on the environment. Historical resources are defined in Section 5020.1(k) and criteria for identification of a historical resource are identified in Section 5024.1(g), as stated below. For purposes of this section, a historical resource is a resource listed in, or determined eligible for listing in The CRHR. Historical resources included in a local register of historical resources, as defined in subsection (k) of Section 5020.1 are presumed to be historically or culturally significant for purposes of this section, unless the preponderance of the evidence demonstrates that the resource is not historically or culturally significant. The fact that a resource is not listed in, or determined to be eligible for listing in the CRHR, not included in the local register of historical resources, or not deemed significant pursuant to criteria set forth in subdivision (g) of Section 5024.1 does not preclude a lead agency from determining whether the resource may be a historical resource for purposes of this section.

Section 5020.1(k)

“Local register of historical resources” means a list of properties officially designated or recognized as historically significant by a local government pursuant to a local ordinance or resolution.

Section 5024.1(g)

A resource identified as significant in a historical resource survey may be listed in the California Register if the survey meets all of the following criteria:

- (1) The survey has been or will be included in the State Historic Resources Inventory.
- (2) The survey and the survey documentation were prepared in accordance with office procedures and requirements.
- (3) The resource is evaluated and determined by the office [of Historic Preservation] to have significance rating of Category 1 to 5 on DPR Form 523.
- (4) If the survey is five or more years old at the time of its nomination for inclusion in the California Registry, the survey is updated to identify historical resources which have become eligible or ineligible due to changed circumstances or further documentation and those which have been demolished or altered in a manner that substantially diminishes the significance of the resource.

4.4.2 Local

The City of Sacramento adopted the Historic & Cultural Resources Element of the 2035 General Plan (Historic & Cultural Resources Element) March 3, 2015. The Historic & Cultural Resources Element contains specific preservation goals, policies and implementation programs, which form the basis for the city’s historic preservation program.

The Historic Preservation sections of Title 17 of the City Code, the Planning & Development Code, includes various sections which includes a “Historic preservation” related definitions section, Section 17.108.090, for “development project”, including provision for project review of work proposed on the site, exteriors, or involving significant publically-accessible interiors of a property, as well as the definition of

“demolition” relative to historic properties. The Historic Preservation Chapter of the City Code, Chapter 17.604, contains the criteria for consideration of a property’s eligibility for listing in the Sacramento Register of Historic & Cultural Resources (Sacramento Register.) The Code establishes a Preservation Commission (Preservation Commission,) which, per Section 17.604.100, C.1, has:

“...primary responsibilities are to develop and recommend to the council preservation policies appropriate for inclusion in the general plan and other regulatory plans and programs of the city and to provide oversight relative to the maintenance and integrity of the Sacramento register of historic and cultural resources. The preservation commission shall review, nominate and make recommendations to the council on properties eligible for listing in the Sacramento register as landmarks, historic districts and contributing resources as set forth in this chapter. The preservation commission’s role in reviewing development projects shall be limited to hearing projects of major significance and appeals of the preservation director’s decisions...”

Section 17.604.530 includes provisions for “Lawful demolition, removal or disturbing of listed historic resource,” and, Section 17.808 of the City Code provides for the various levels of review of development projects and site plan and design review, from proposed work that could require no review, to proposed projects that require Staff level review, Director level review or Commission level review. All proposed work which is subject to review is considered a discretionary project, and potentially could require environmental review pursuant to the California Environmental Quality Act (CEQA).

4.5 Method of Analysis

The assessment of discretionary project impacts on historic resources under CEQA (CEQA Guidelines, Section 15064.5) is a two-step analysis: first, an analysis must determine whether the project site is an historical resource or contains an historical resource as defined under CEQA; and second, if the site is found to be or contain an historical resource, a separate analysis must determine whether the Proposed Project would cause a substantial adverse change to the resource. Thus, this section has two components. Specifically, the setting discussion describes the existing building or other

features on the project site, and assesses whether the buildings or other features are historical resources for the purposes of CEQA. In addition, the impacts discussion reviews the criteria for significant impacts on historical resources under CEQA, describes the proposed work under the project, and assesses the impact of the Proposed Project on historic architectural resources.

For the purposes of this EIR, the project site includes one historical resource, the Hotel Marshall. (See Appendix D.)

4.6 Effects on Historic Resources.

The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings (*Secretary's Standards*) are used at the Local, State and Federal levels to guide work involving historical resources, and for CEQA purposes, to evaluate whether proposed work would have a significant impact or not on the historical resource. The Standards provide guidance regarding protecting the setting of historic resources. The setting is the area or environment in which a historic property is found. It may be an urban or suburban neighborhood or a natural landscape in which a building has been constructed.

The elements of setting, such as the relationship of buildings to each other, setbacks, fence patterns, views, driveways and walkways, and street trees together create the character of a district or neighborhood. In some instances, many individual building sites may form a neighborhood or setting.

The guidance states that:

New work should be compatible with the historic character of the setting in terms size, scale, design, material, color, and texture. It is not recommended that new construction:

- Create a false historical appearance.
- Introduce a new building or landscape feature that is out of scale or otherwise inappropriate to the setting's historic character.
- Introduce new construction into historic districts that is visually incompatible or that destroys historic relationships within the setting.

- Remove a historic building, building feature or landscape feature that is important in defining the historic character of the setting.

The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property.

The guidelines recommend:

Identifying, retaining, and preserving building and landscape features which are important in defining the historic character of the setting. Such features can include roads and streets, furnishing such as lights or benches, vegetation, gardens and yards, adjacent open space such as fields, parks, commons or woodlands, and important views or visual relationships.

Retaining the historic relationship between buildings and landscape features of the setting. For example, preserving the relationship between a town common and its adjacent historic houses, municipal buildings, historic roads, and landscape features.

It is not recommended that new construction:

Remove or radically change those features of the setting which are important in defining the historic character.

Destroy the relationship between the buildings and landscape features within the setting by widening existing streets, changing landscape materials or constructing inappropriately located new street or parking.

Remove or relocate historic buildings or landscape features, thus destroying their historic relationship within the setting.

4.7 Standards of Significance

For the purposes of this EIR, impacts to historical resources are considered significant if the proposed project would:

- Create a substantial adverse change in the significance of a historical resource that would alter its characteristics that justify its inclusion in, or eligibility for, inclusion in the CRHR; or
- Demolish, destroy, relocate, or alter historical resources.

4.8 Impacts and Mitigation Measures

The proposed project involves the demolition of interior and north and west facades of the Hotel Marshall building, retaining the east and south street facades, and demolition of the Jade Apartments to the north. The project would convert and expand the existing Hotel Marshall (most recently a single room occupancy residential hotel) to a new tourist hotel.

The project would demolish the current interior configuration of the Hotel Marshall. A new interior and a taller structure would be constructed above the Hotel Marshall's east façade on the entire north portion of the site and extending the new structure onto the existing parcel to the north.

The project proposes construction of a completely new building behind the historic 7th Street and L Street facades, to be joined with the new tower, which would span over a portion of the historic building site and the site of the demolished non-historic Jade Apartments building. The two historic street facades of the Hotel Marshall would be rehabilitated relative to the building's period of significance. The resultant combination would be designated as a Hyatt-branded lifestyle boutique hotel. The new ten-story hotel would have 163 guest rooms and approximately 5,000 square feet of ground floor retail. A 0.26-acre parcel would result from merger of the two existing parcels.

Parking: No parking on the project site is proposed to be provided. The applicant/operator would provide valet parking, and would utilize parking structures and facilities in the vicinity of the project to accommodate any parking needs.

Demolition and Construction

The project includes demolition of the Jade Apartments and portions of the Hotel Marshall with the exception of its' two primary street facades. Construction of the hotel would occur over approximately eighteen (18) months. Demolition of the Jade Apartments and portions of the Hotel Marshall, and foundation work on the project site is expected to last approximately three months. Demolition would take place with a number of excavators, loaders, and dump trucks.

Special precautions would be put into effect as the demolition work proceeds in proximity to the Hotel Marshall's south and east street facades, existing occupied buildings nearby, and the Entertainment and Sports Center (ESC) that is under construction. Physical research would be undertaken on the Hotel Marshall's street facades, as well as on each nearby building, including examination of its relative proximity to ESC's practice facility immediately west of the project site. This research would involve removal of existing expansion joint covers (vertical and horizontal) and possibly the expansion joint material to allow visual inspection of the space between the adjacent building walls.

Coincident with physical review of the buildings, a search for any and all construction documentation on the existing buildings would be performed. The contractor would visit with each building manager to review the sequence of construction activities that would relate to the Hotel Marshall street facades or that would be near residents or office tenants, prior to initiation of any material demolition activity.

It is anticipated, but final determinations as to approach would be made after complete structural evaluation, that the Hotel Marshall's two street façades would be shored and supported by concrete or shotcrete walls that would stabilize and protect the existing façades, both during demolition and until permanent construction of new walls are completed. The existing basement, which was used to house the boiler and pumps, would be cleared, demolished and backfilled with compacted engineered fill with a proper soil profile for construction of the new foundation system. The new foundation system would most likely be a cast-in-place concrete mat foundation and would take place over about two (2) months. During the foundation phase, construction employment would average about 15 workers, with a peak of 25 workers.

The construction phase would involve the building erection of steel, concrete and precast concrete elements, and would take place over a period of approximately six (6) months. Construction would involve the use of numerous cranes, loaders, welders, generators, concrete pumpers, and similar construction equipment. During this phase, construction employment would average about 140 workers, with a peak of 220 workers.

Interior and exterior finish work would take place over approximately four months. This phase would involve a wide variety of construction activities involving creating interior spaces and completing the exterior finish of the building, including plumbing, electrical, heating and air conditioning systems, seat and other event system installation, and the like. During this phase, construction employment would average about 100 workers with a peak of about 150 workers.

Exterior site work and landscaping would be undertaken over a period of approximately six months. During this final phase, construction employment would average 20 workers with a peak of 40 workers.

During construction, the entire project site would be fenced off.

Impacts

The Secretary of the Interior's Standards for the Treatment of Historic Properties, usually the Rehabilitation Standards, are used to guide the evaluation of a project's impacts to historic resources. The Standards and associated guidelines are recognized as embodying the most common criteria used by cities, states and federal agencies when evaluating changes or work proposed to historical resources. From the National Park Service's website:

***The Standards for Rehabilitation...** "Rehabilitation" is defined as "the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values."*

CEQA guidelines 15064.5 note that,

(b) A project with an effect that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment....

(1) Substantial adverse change in the significance of an historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired.

(2) The significance of an historical resource is materially impaired when a project:

(A) Demolishes or materially alters in an adverse manner those physical characteristics of an historical resource that convey its historical significance and that justify its inclusion in, or eligibility for, inclusion in the California Register of Historical Resources; or

(B) Demolishes or materially alters in an adverse manner those physical characteristics that account for its inclusion in a local register of historical resources pursuant to section 5020.1(k) of the Public Resources Code...

(3) Generally, a project that follows the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings or the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (1995), Weeks and Grimmer, shall be considered as mitigated to a level of less than a significant impact on the historical resource.

Analysis

The proposed project would demolish the interior of the Hotel Marshall and its north and west facades, and retain its two street facades. A new structure would be constructed within the Hotel's two corner street facades to the north and west sides of those two facades, extend north of the Marshall Hotel site, and project above the height of the

existing Hotel Marshall on the northern portion of the Hotel roof and extend over the entire site of the Jade Apartments. This extension of the new hotel height over the existing Marshall Hotel's roof line would be set back to the north from its' L Street/south facade and would extend upward from the Hotel's existing roof on the same vertical plane as the 7th Street/east facade of the Marshall Hotel, though retaining all the existing projecting cornice on the two facades.

The Hotel Marshall, originally built as the Hotel Clayton, is listed individually as a Landmark in the Sacramento Register of Historic and Cultural Resources. The property meets eligibility Criteria # ~~1~~ 2 and # ~~2~~ 3 for listing in the California Register of Historical Resources due to its association with Sarah Clayton, an important Sacramento figure, and its architectural design by Charles Dickey, a master architect in California and Hawaii.

The architectural significance of the building is based primarily upon the design, materials and important features of the 7th Street and L Street facades. The remaining interior public hotel lobby has been substantially modified and has not retained significant design features or characteristics. The original ground floor commercial and storefront areas with street entrances have been altered over time by various tenants and, while elements of the original exterior storefronts and ground-floor exterior remain, the alterations are not significant in their own right and do not contribute to the character of the above facades. There is no existing evidence that there was public access to the interior of the hotel beyond the lobby. The interior hallways with carpet and plain moldings, doors and transoms have received some alterations. There have been no photographs found to date showing possible wainscoting or other features that may have been removed from the hallway over time. Shared use bathrooms have been modified as have some of the rooms. Some original interior building features and surfaces may have changed due to a \$104,000 remodeling in 1948 after a fire.

The south and east primary street facades of the hotel contain a rich collection of architectural features that are character-defining features of its design and contribute to its significance, and were constructed within its era of significance.

Exterior features on East and South Primary Street Facades:

Brickwork on façade walls from second to fifth floors

Series of brick arches framing paired windows

Eave soffits with modillions

Keystones in form of scrolls

Terra cotta tile insets

Terra cotta air vents beneath cornice

Terra cotta medallions in spandrels

Areas of patterned brick on L Street elevation

Decorative metal cornice with brackets

Dentil course beneath the cornice

Projecting belt courses, with ornamentation, above street level, and below and above top floor

Corner post and cast iron pilasters with decorative capitals, applied to ground floor facades, flanking former store windows, and dividing ground floor frontage into standard divisions

Clerestory (also referred to as transom) window areas above former store front windows

Original show window areas, delineated by iron pilasters

Wood sash and frame windows

Fire escapes: two; one on east and one on south facade

Shadow of original Hotel Clayton letters on wall above hotel entry from 7th Street

Classically derived concrete or plaster molding framing the original entry behind the current non-original canopy

Other original, individual elements on other non-significant portions of the building have also been identified, which could be considered interesting artifacts that convey the history of the building.

Exterior on North Façade:

Sliding fireproof window covers on north elevation light well

Interior:

Stair balustrades

While the Hotel Marshall is noted as a historic property, its architectural significance is limited to the south and east exterior street facades. With the exception of stair balustrades, the interior of the building lacks significant design features or characteristics, and appears to have been repaired and altered at a cost of \$104,000 after a fire in 1948. The historic importance of the interior of the building is therefore limited. The exterior west and north facades do not contribute to the architectural importance of the building and are not significant. The north facade contains sliding metal window covers for fire protection from the adjacent Jade Apartments. They comprise an individual original element of the exterior fabric but the north façade would not be considered as a contributing character-defining feature of the building.

The impacts of the project to the historic and architectural significance of the Hotel Marshall would be from the demolition of the non-significant portions of the buildings with the retention of the exterior east and south corner street facades, which would be retained and rehabilitated, and impacts would also be the result of the proposed new increased height from the additional floors to be constructed above portions of the hotel's original roof line, set back from the street facades in most areas, but aligned with the street façade on the northern portion along 7th Street.

The project would remove the interior of the Hotel Marshall and demolish a substantial portion of the building which is a Sacramento Register Landmark and eligible for listing in the California Register. Proposals for demolition of an aggregate of 50 or more linear feet of exterior wall or more than 50% of a historic building's footprint requires Preservation development project review under the City Code. The proposed demolition, retaining only the two significant primary street facades of the historic building, would result in a **significant impact** to a recognized historical resource. There would be loss of building fabric some of which is not historically significant. The only interior original characteristic elements that would be lost are the stair railings and balustrades between the floors.

The interior does not possess significant character-defining features, design distinction, or ornamentation of artistic or architectural value, or that would provide information or architectural inspiration for use in any existing or future application.

The proposed project's new addition will not comply fully with the Secretary of the Interior's Standards for Rehabilitation:

9. *New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.*

The project's proposed new construction over the existing roof line of the Marshall Hotel, would remove the existing roof and the interior of the building. The new construction would be set back from the south faced, to the north, so it would be minimally visible looking back at the hotel at pedestrian level from across L Street. The new construction would be most visible from the sidewalk across 7th Street and, while it is proposed to be designed to be differentiated from the old, it would change the massing and scale of the Hotel Marshall.

The project would not remove the significant historic south and east elevations of the building which will be retained and restored.

The new tower construction on the site of the Jade Apartments would be flush with the surface of the east elevation of the Hotel and extend above its height for about five stories. Its design would be differentiated from the Hotel's facades but would reflect the projecting Hotel cornice and floor heights. The new tower will be taller and larger than the existing Jade Apartments, which is currently part of the 'setting' of the Hotel Marshall. The construction of a taller building north of the Hotel Marshall, on its own, would not have an impact, since the hotel is located in a densely developed downtown setting, but rather it is the proposed extension of that taller mass directly above the

northern portion of the east façade of the Hotel Marshall that would cause the impact to the historical resource.

10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

The project would replace the entire interior of the Hotel Marshall with new construction, create a new elevation on the west, remove the current north elevation and incorporate it into the new tower, and add five stories above the Hotel on the northern portion of the Hotel Marshall footprint. Such extensive new construction would make it impossible to remove and restore the Hotel to its former configuration. This constitutes a **significant impact**.

While the Secretary's Standards for Rehabilitation also recognize the necessity of change for new or continued uses, safety and access in historic buildings, and alterations to the non-publically-accessible portions of the interior of the building could be proposed that would not require any discretionary review or environmental analysis of that as a project for CEQA purposes, considering the proposed project as a whole, it is the lead agencies determination that the propose project would cause a significant impact to the historical resource.

The project would not seem to change the Marshall Hotel's eligibility to the CRHR since the criteria for that eligibility do not address changes to the interior of a building eligible for its exterior architectural values and history.

While the removal of the interior of the building would be a loss, without the project, the building, now vacant and out of date in an urban location that is substantially upgrading its amenities, character, and clientele, would likely further deteriorate and become endangered due to lack of an appropriate and economically viable use. The project would preserve the building's handsome public appearance for the enhancement of the Sacramento community.

Mitigation Measures

Cultural 1 Rehabilitation The proposed rehabilitation of the two corner primary street facades of the Hotel Marshall building shall be undertaken in such a way as to preserve, rehabilitate, or, in certain instances, restore significant exterior architectural features now in a state of disrepair, or which have been lost to alteration, and are subject to further deterioration. The careful rehabilitation action shall enhance the façade elevations and ensure their retention as part of the architectural heritage and history of Sacramento.

Storefront openings shall be rehabilitated to retain original cast-iron pilasters, storefront glazing and entry systems typical of the era of significance, and retention of awning panels and upper clerestory/transom windows above the awning panels, recognizing the need for accessibility and accommodation of new ground floor commercial uses.

The retention and rehabilitation of the larger of the two Hotel Marshall signs, one interpreted within the new Hyatt hotel as part of the story of the building's history, and the other placed in local history repositories, such as the Center for Sacramento History, will contribute to the awareness, understanding, and pride of the Sacramento community in its heritage. The applicant shall incorporate one of the neon hotel signs into a display in the interior of the hotel, and shall offer to donate the other hotel sign to the Center for Sacramento History.

The applicant shall conduct additional research, as directed by the City of Sacramento Preservation Director, to identify the potential presence of former retractable awnings and consider restoring that feature, now long missing.

In order to protect the east and south elevation façade walls during the demolition and reconstruction of the interior and the new tower, a sufficient structural system shall be designed and utilized to ensure there is no damage to the two facades or significant elements of those facades during the rehabilitation work, with a focus on protection of its fragile architectural features as a primary concern. Foundation pile driving shall not be used for construction of the new tower due to its potential for damage to the historic facades and nearby historic buildings.

The attachment of the façade sections to a new interior structure shall be undertaken in such a way to ensure there is no damage to the exterior façade or significant architectural fabric or features.

This measure includes elements such as:

- Retention and rehabilitation of the two original street façade fire escapes;
- Retention and rehabilitation of the original Hotel Clayton sign carved above the 7th Street entryway;
- Retention of original street façade window opening configurations through the elimination of new hotel room walls that, as originally proposed, would have crossed original window openings;
- Retention of original street façade window opening configurations, including original storefront openings, by requiring that new structural retrofit work not cross any original openings; and
- Reconstruction of previously removed cornice return at the northeast corner of the building adjacent to the Jade Apartments.

Cultural 2 Documentation Prior to any construction activity, the existing building ~~should~~ shall be recorded photographically and in accord with Level 2 provisions of the Historic American Building Survey.

Cultural 3 Restoration Complete restoration of the projecting cornice shall be undertaken during the exterior rehabilitation of the two historic exterior facades. Both fire escapes shall be rehabilitated, though connecting ladders will be removed and windows that may have originally allowed access will be locked with appropriate warning notices on the interior that the fire escapes are not functional and directing hotel occupants to the emergency egress for the building. All new interior partition walls will align with solid exterior façade walls and not cross any of the existing window openings. New structural elements shall be designed in such a way that no structural brace frames will cross any of the existing window or storefront openings. The original Clayton Hotel sign carved over the original 7th Street entry will be retained and restored. The cornice end/corner extension at the 7th Street north-most end of the building will be restored.

Cultural 4 Optional Actions Options for funding preservation projects to mitigate impacts that may be considered as part of the project:

- Fund a survey of all hotels in the city over 45 years of age.
- Fund a digital application historic walking tour of the downtown area
- Fund an oral history program interviewing people important to the history of the Hotel Marshall/Clayton area and the downtown
- Fund processing of collections at local library and/or archival repositories
- Create exhibits/displays of lost historic buildings in the downtown area for public view and/or event attendance.
- Re-create a Clayton Club in the rehabilitated Hotel Marshall.
- Arrange for a potential distribution of salvaged building fabric from the demolition of the interior.

4.9 Residual Impact

Implementation of the mitigation measures identified above would reduce impacts on historic resources. The impact of the project on historic resources would, however, remain **significant and unavoidable**.

5.0 ALTERNATIVES

5.1 Introduction

The proposed project would demolish the Jade ~~Hotel~~ Apartments building, and demolish the interior portion of the Marshall Hotel. The existing facades of the Marshall Hotel on the east frontage (7th Street) and south frontage (L Street) would be retained. A 10-story hotel structure would be constructed on the project site. The project would have significant and unavoidable effects on historic resources.

The primary intent of the alternatives evaluation in an environmental impact report is to provide information about a reasonable range of potential alternatives to the Proposed Project that could feasibly accomplish most of the basic objectives of the project and avoid or substantially lessen one or more of the significant effects. State CEQA Guidelines section 15126.6(b). The discussion of alternatives focuses on alternatives to the project or its location that are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly.

The EIR is required to discuss a reasonable range of alternatives to the project, or to the location of the project. The purpose of this discussion is to identify other ways the applicant could feasibly achieve most of its objectives while at the same time reducing or eliminating the project's significant effects on the environment. The lead agency may consider various factors in evaluating feasibility: site suitability, economic viability, availability of infrastructure, general plan consistency, other plans and regulatory limitations and whether the project proponent can reasonably acquire, control or otherwise have access to the alternative site.

This chapter identifies the Proposed Project objectives, summarizes the significant effects of the Proposed Project that cannot be avoided or reduced to insignificance, describes the alternatives that were considered but dismissed from further evaluation and the alternatives selected for evaluation, and presents the comparative effects of the alternatives relative to the Proposed Project. As required under section 15126.6(e) of the State CEQA Guidelines, an environmentally superior alternative is recommended and included at the end of this chapter.

5.2 California Environmental Quality Act Requirements

Section 15126.6(a) of the State CEQA Guidelines requires EIRs to describe "...a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives. An EIR need not consider every conceivable alternative to a project. Rather it must consider a reasonable range of potentially feasible alternatives that will foster informed decision making and public participation. An EIR is not required to consider alternatives that are infeasible. The lead agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives. There is no ironclad rule governing the nature or scope of the alternatives to be discussed other than the rule of reason." This section of CEQA also provides guidance regarding what the alternatives analysis should consider. Subsection (b) further states the purpose of the alternatives analysis, as follows:

Because an EIR must identify ways to mitigate or avoid the significant effects that a project may have on the environment (Public Resources Code [PRC] Section 21002.1), the discussion of alternatives shall focus on alternatives to the project or its location which are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly.

The State CEQA Guidelines further require that the alternatives be compared to the project's environmental impacts and that the "no project" alternative be considered (CEQA Guidelines Section 15126.6[d] [e]).

In defining "feasibility" (e.g., "... feasibly attain most of the basic objectives of the project..."), State CEQA Guidelines Section 15126.6(f) (1) states, in part:

Among the factors that may be taken into account when addressing the feasibility of alternatives are site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries (projects with a regionally significant impact should consider the regional context), and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site (or the site is already owned by the

proponent). No one of these factors establishes a fixed limit on the scope of reasonable alternatives.

In determining what alternatives should be considered in the EIR, it is important to acknowledge the objectives of the project, the project's significant effects, and unique project considerations. These factors are crucial to the development of alternatives that meet the criteria specified in Section 15126.6(a). Although, as noted above, EIRs must contain a discussion of "potentially feasible" alternatives, the ultimate determination as to whether an alternative is feasible or infeasible is made by the lead agency's decision-making body, here the City of Sacramento City Council. (See PRC Section 21081[a] [3].)

An EIR need not evaluate the environmental effects of alternatives in the same level of detail as the proposed project, but must include enough information to allow meaningful evaluation, analysis, and comparison with the proposed project. CEQA provides the following guidelines for discussing alternatives to a proposed project:

The specific alternative of the "no project" shall also be evaluated along with its impacts....If the environmentally superior alternative is the "no project" alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives (CEQA Guidelines, section 15126.6 subd.(e)(2)).

The discussion of alternatives shall focus on alternatives to the project or its location which are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the proposed objectives, or would be more costly (CEQA Guidelines, section 15126.6 subd.(b)).

If an alternative would cause one or more significant effects in addition to those that would be caused by the project as proposed, the significant effects of the alternative shall be discussed, but in less detail than the significant effects of the project as proposed (CEQA Guidelines, section 15126.6 subd.(d)).

The range of alternatives required in an EIR is governed by a "rule of reason" that requires the EIR to set forth only those alternatives

necessary to permit a reasoned choice....The range of feasible alternatives shall be selected and discussed in a manner to foster meaningful public participation and informed decision making....An EIR need not consider an alternative whose effect cannot be reasonably ascertained and whose implementation is remote and speculative (CEQA Guidelines, section 15126.6 subd.(f)).

The requirement that an EIR evaluate alternatives to the proposed project or alternatives that address the location of the proposed project is a broad one; the primary intent of the alternatives analysis is to disclose other ways that the objectives of the project could be attained while reducing the magnitude of, or avoiding, the environmental impacts of the proposed project. Alternatives that are included and evaluated in the EIR must be feasible alternatives. However, the Public Resources Code and the CEQA Guidelines direct that the EIR need “set forth only those alternatives necessary to permit a reasoned choice.”

A discussion of alternatives considered but not analyzed in further detail is included in this chapter, following the discussion of the project alternatives and the comparison of alternatives.

5.3 Project Objectives

The objectives for the Proposed Project are:

- Rehabilitate the architecturally significant features of the registered historic structure and provide adaptive reuses for a dilapidated, vacant and functionally obsolete 100 year-old building.
- Enhance the continued economic revitalization and urbanization of downtown Sacramento with a modern, lifestyle boutique brand hotel catered towards the modern tourist and traveler.
- Construct and operate a Hyatt-branded, tourist-oriented urban hotel reflecting the character of downtown Sacramento, immediately adjacent to and complementing the new arena and entertainment center’s events and activities to better serve its

patrons.

- Construct and operate complementary meeting space, entertainment space, dining space, and fitness facilities for patrons of the hotel and downtown businesses residents.
- Create uses that modernize and enhance the downtown tourist and traveler experience, and facilitate downtown tourism.
- Support the shift within the downtown area to environmentally-conscious modes of travel by promoting ride-sharing services and non-vehicular travel by hotel guests and patrons.

5.4 Alternatives Considered In This EIR

Alternative 1: No Project Alternative

Alternative 2: Renovate Marshall Hotel, with or without demolition of Jade Hotel Apartments

Alternative 3: Demolish Jade Hotel Apartments, Expand Marshall Hotel

5.4.1 Alternative 1: No Project/No Development

~~The purpose of analyzing the No Project Alternative is to allow decision-makers to compare the impacts of the proposed project versus no project. Under the No Project/No Development Alternative, operations related to Sutter Memorial Hospital would be transferred to other SMCS facilities (as already approved), the hospital would be decommissioned, and the existing structures and associated infrastructure on the site would be demolished. The site would not be redeveloped. This alternative assumes that the proposed project would not be built and there would be no new development of the site. Under this alternative, Sutter Memorial Hospital and its associated buildings would be demolished and the site would remain vacant.~~

The no project alternative assumes that the proposed project is not approved, and that no action is taken. The project site includes two vacant hotel structures, the Jade Hotel Apartments and the Marshall Hotel, and these would remain. This alternative does not

make any assumptions regarding redevelopment of the structures, because it is possible the structures would remain vacant. The project impacts on historic resources, at least in the short term, would be avoided. The no project alternative would not accomplish any of the applicant's project objectives.

CONCLUSION

The No Project/No Action Alternative, would result in less impact than the proposed project because it would not result in the development of new hotel and commercial uses on the project site. In addition, this alternative would not result in the significant and unavoidable impact related to demolition of the cultural resources because the existing buildings on the project site would remain. However, Alternative 1 would not meet the project objectives because it would not result in the construction of a hotel reflecting the character of downtown Sacramento, would not rehabilitate the significant features of the registered historic structure's two street facades, and would not enhance the continued economic revitalization and urbanization of downtown Sacramento.

~~Alternative 1, the No Project/No Action Alternative, would result in less impact than the proposed project because it would not result in the development of new residential and commercial uses on the project site and would result in an increase in residential population. In addition, this alternative would not result in the significant and unavoidable impact related to demolition noise because the existing buildings and related infrastructure on the project site would remain. However, Alternative 1 would not meet the project objectives because it would not result in redevelopment of an infill location, would not provide high-quality housing opportunities consistent with and complementary to the overall character of the adjacent neighborhood, and would not connect the existing grid network by extending existing street patterns in the project area.~~

While the removal of the interior of the Marshall Hotel building and the demolition of the west and north facades, and the construction of the new hotel structure would be considered a significant impact, without the project, the building, now vacant and functionally obsolete in an urban location that is substantially upgrading its amenities, character, and clientele, would likely further deteriorate and become endangered due to lack of an appropriate and economically viable use.

Though it is also possible either the applicant or others might redevelop the project site in some manner, there is no substantial evidence that such redevelopment would produce a positive financial return, and the City is aware of no development interest in the project site other than the proposed project. In the absence of a project that effectively utilizes the Marshall Hotel property, however, deterioration of the building is a reasonable possibility, resulting in long-term significant effects to historic resources.

5.4.2 Alternative 2: Renovate Marshall Hotel, with or without demolition of Jade ~~Hotel~~ Apartments

Nominal height increases on the Marshall Hotel are necessary given the magnitude of increased costs resulting if more than 10 stories are constructed on the Jade ~~Hotel~~ Apartments parcel. In particular, construction costs increase significantly once more than 10 stories are constructed, so much that the project would no longer be feasible as a whole. In the end the resulting heights and configuration of the Marshall Hotel and Jade ~~Hotel~~ Apartments has been optimized to address both the concerns regarding the historical nature of the Marshall Hotel and the economic factors driving whether the project occurs at all. Any alternative to the proposed project would be no project, which would result in the continued existence of a functionally obsolete and dilapidated building located at an important focal point in the revitalization of downtown.

This alternative would retain and renovate the Marshall Hotel with its existing façade. Demolition of the Jade ~~Hotel~~ Apartments might occur, depending on the renovation program. The Jade ~~Hotel~~ Apartments site could, for example, be used as parking or uses consistent with the operation of the Marshall Hotel.

CONCLUSION

The City is aware of no substantial evidence that operation of the Marshall Hotel in its current configuration would result in a reasonable financial return, that the Jade ~~Hotel~~ Apartments would have economic value or that the Jade ~~Hotel~~ Apartments vacant site would have any economic benefit to the operator.

This alternative would avoid the significant effects on historic resources.

5.4.3 Alternative 3: Demolish Jade Hotel Apartments, Expand Marshall Hotel

This alternative would demolish the Jade Hotel Apartments and expand the Marshall Hotel without adding any development above the existing vertical height.

CONCLUSION

Alternative 3 would result in similar impacts as those identified under the proposed project. Though it is also possible either the applicant or others might redevelop the project site in some manner, there is no substantial evidence that such redevelopment would produce a positive financial return, and the City is aware of no development interest in the project site other than the proposed project. In the absence of a project that effectively utilizes the Marshall Hotel property, however, deterioration of the building is a reasonable possibility, resulting in long-term significant effects to historic resources. ~~This alternative would meet most of the objectives of the project by providing a range of new housing types similar in scope and scale to the existing neighborhood, utilizing an infill location and its proximity to the urban core, contributing to the overall character and livability of the surrounding neighborhood, creating a pedestrian-friendly walkable neighborhood, and providing a diverse mix of open space areas and parks. However, although Alternative 3 would provide access to the new development, it would not connect the existing grid network to the extent that would occur under the proposed project, because Alternative 3 would not provide the extension of 53rd Street onto and across the project site.~~

5.5 Environmentally Superior Alternative

CEQA Guidelines Section 15126.6(e)(2) states that when the no project alternative is identified as the environmentally superior alternative, the EIR must also identify an environmentally superior alternative from among the other alternatives. The environmentally superior alternative would be the No Project/No Action Alternative because it would not result in new impacts on the project site, and it would avoid the significant and unavoidable cultural resource impacts associated with the project. However, as discussed above, the No Project/No Action Alternative does not achieve any of the project's objectives, and the alternative that would best achieve some project objectives while reducing impacts would be Alternative 2.

6.0 OTHER CEQA CONSIDERATIONS

6.1 Introduction

Section 15126 of the California Environmental Quality Act (CEQA) Guidelines requires that all aspects of a project be considered when evaluating its impact on the environment, including planning, acquisition, development, and operation. As part of this analysis, the EIR must also identify the following: (1) significant environmental effects of the proposed project, (2) significant environmental effects that cannot be avoided if the proposed project is implemented, (3) significant irreversible environmental changes that would result from implementation of the proposed project, and (4) growth-inducing impacts of the proposed project. Although growth inducement itself is not considered an environmental effect, it could potentially lead to foreseeable physical environmental effects, which are discussed under Growth Inducing Impacts below.

6.2 Significant Environmental Effects

Chapter 4 of this ~~Draft~~ EIR identifies the proposed project's environmental effects, including the level of significance both before and after mitigation. The project's effects on historic resources are significant and unavoidable.

6.3 Significant And Unavoidable Impacts

Section 15126.2(b) of the CEQA Guidelines requires that an EIR describe any significant impacts that cannot be avoided, even with the implementation of feasible mitigation measures. The project's effects on historic resources are significant and unavoidable.

6.4 Significant Irreversible Environmental Effects

Section 15126.2(c) of the CEQA Guidelines requires a discussion of any significant irreversible environmental changes that would be caused by the proposed project. Section 15126.2(c) states:

Uses of nonrenewable resources during the initial and continued phases of the project may be irreversible, since a large commitment of such resources makes removal or nonuse thereafter unlikely. Primary impacts and, particularly, secondary impacts (such as highway improvement

which provides access to a previously inaccessible area) generally commit future generations to similar uses. Also, irreversible damage can result from environmental accidents associated with the project. Irretrievable commitments of resources should be evaluated to assure that such current consumption is justified.

Generally, a project would result in significant irreversible environmental changes if:

- the primary and secondary impacts would generally commit future generations to similar uses;
- the project would involve uses in which irreversible damage could result from any potential environmental accidents associated with the project;
- the project would involve a large commitment of nonrenewable resources; or
- the proposed consumption of resources is not justified (e.g., the project involves the wasteful use of energy).

Development of the proposed project would result in the continued commitment of the project site to urban development, thereby precluding any other uses for the lifespan of the project. The most notable significant irreversible impacts are increased generation of pollutants, and the short-term commitment of non-renewable and renewable natural and energy resources, such as water resources during construction activities. Operations associated with future uses would also consume natural gas and electrical energy.

While the project would result in the use, transport, storage, and disposal of some hazardous wastes, future activities would comply with applicable state and federal laws related to the use, storage, and disposal of hazardous materials, which substantially reduces the likelihood and severity of accidents that could result in irreversible environmental damage. Because the project site would be committed to commercial uses, hazardous materials used would be generally confined to cleaners and solvents.

Resources that would be permanently and consumed once the project is completed include water, electricity, natural gas, and fossil fuels; however, the amount and rate of consumption of these resources would not result in the unnecessary, inefficient, or wasteful use of resources.

6.5 Growth Inducing Impacts

As required by Section 15126.2(d) of the CEQA Guidelines, an EIR must discuss ways in which a proposed project could foster economic or population growth or the construction of additional housing, either directly or indirectly, in the surrounding environment. The EIR must discuss the characteristics of the project that could encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively.

Growth can be induced in a number of ways, such as through the elimination of obstacles to growth, through the stimulation of economic activity within the region, or through the establishment of policies or other precedents that directly or indirectly encourage additional growth. Although growth inducement itself is not considered an environmental effect, it could potentially lead to adverse environmental effects. In general, a project may foster spatial, economic, or population growth in a geographic area if the project removes an impediment to growth (e.g., the establishment of an essential public service (e.g., water service), the provision of new access to an area, or a change in zoning or general plan amendment approval); or economic expansion or growth occurs in an area in response to the project (e.g., changes in revenue base, employment expansion).

The project would be developed in a built-out, urban area of downtown Sacramento that contains established land uses and supporting infrastructure (roads, water distribution, wastewater and drainage collection, and energy distribution). An established transportation network exists in the project area that offers local and regional access to the project site. No improvements to streets adjacent to the project site would be required in order to serve the activity generated by the proposed project.

The proposed hotel would use existing public water, sanitary sewer, and storm drainage utility infrastructure. Electricity and natural gas transmission infrastructure presently exists on and in the vicinity of the project site. The project would connect to existing infrastructure. New or modified communication lines would be co-located with other utilities (such as electrical lines) wherever possible.

The proposed project would connect to existing roadways. The proposed project would connect to existing utility infrastructure and would not require the expansion of utilities

infrastructure. The proposed project is located in an existing urban area, and is surrounded by existing development. As a result, the proposed project would be considered an infill project that would redevelop a site on which previous development occurred. Therefore, the proposed project would not result in growth inducing effects.

III. Response to Comments

This chapter includes the written comments received on the Draft EIR. Consistent with CEQA Guidelines section 15132, the City has responded to significant environmental issues raised in the review and consultation process by bracketing relevant portions of the comment letters and providing a written response. Portions of the written comments on the Draft EIR do not pertain to significant environmental issues or address the adequacy of the analysis contained in the Draft EIR, and a response is not provided to such comments. The written comments received are included in Chapter I.

Preservation Sacramento, July 2, 2015

- 1-1 The comment asserts that the use of the term “adaptive reuse” is in error and that the project would have an adverse effect on the availability of affordable housing, and would be inconsistent with the City’s general plan. The comment asserts that the term adaptive reuse is not an appropriate term to use for the proposed project’s new use of the Marshall Hotel building, asserting that, “The proposed use (hotel) is also identical to the building’s original use (hotel)...”

The term “adaptive reuse” is used to designate various actions that use existing physical resources for new purposes. Changing the Marshall Hotel’s current, vacant (except for a small portion of its ground floor retail spaces) status into a modern, branded tourist hotel, could reasonably be considered to be an adaptive re-use of a building.

The DEIR project description clearly states the new use will be a modern tourist hotel. The City notes that the original Planning Entitlement Application submittal documents included both proposed hotel and housing uses, but the housing use has been eliminated and the environmental documents do not include reference to any housing uses in the proposed project. The CEQA Guidelines provide that economic or social effects shall not be treated as significant effects on the environment (section 15131). The Draft EIR included a discussion of consistency with adopted plans, but the determination of whether the project complies with the general plan is made by the decision-making body as part of the hearing process.

- 1-2 The comment discusses California Register eligibility criteria and asserts that the DEIR does not analyze the effects on historic resources within the context of the Secretary of the Interior’s (SOI) Standards for the Treatment of Historic Properties. The comment discusses California Register eligibility criteria, including use of incorrect criteria enumeration.

References to California Register eligibility criteria have been changed in the EIR to reflect the correct Arabic numbering of “2” and “3”. The Roman numerals “ii” and “iv”

were mistakenly used in some areas of the Draft EIR based upon Sacramento Register eligibility criteria enumeration, but the error does not affect the substance of the EIR discussion. The significance of the property is based upon its architectural qualities and its historic associations with an important Sacramento figure, and the eligibility criteria text related to these areas of significance is similar in both the California and Sacramento Registers. The significance of the building is dependent on both its historical and architectural significance. This is clearly stated in the Draft EIR discussion, as are the criteria.

The comment asserts that an evaluation was not provided relative to all the California Register eligibility criteria.

The CEQA Guidelines provide that, relative to impacts on historical resources, where a project, "...will be conducted in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (1995), Weeks and Grimmer, the projects impact on the historic resource shall generally be considered mitigated below a level of significance and thus is not significant." (CEQA Guidelines 15126.5((b)) Since the proposed project would not be consistent with all the Rehabilitation Standards, and the project could not be mitigated to a less than significant effect, an EIR was prepared for the project.

The Draft EIR addressed eligibility criteria that are applicable to the resource based upon historical evaluation of the Marshall Hotel building by a qualified historical consultant. There is no requirement to provide discussion for non-applicable criteria.

The building is considered an historical resource for CEQA purposes due to its inclusion in the City of Sacramento's Register of historical resources. The building was also evaluated in the Draft EIR relative to California Register eligibility and found eligible to be included in the California Register of Historical Resources.

In analyzing the effects from a project on historic resources, CEQA Guidelines 15064.5 provides:

- (b) *A project with an effect that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment...*
- (1) *Substantial adverse change in the significance of an historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired.*
- (2) *The significance of an historical resource is materially impaired when a project:*
 - (A) *Demolishes or materially alters in an adverse manner those physical characteristics of an historical resource that convey its historical significance*

and that justify its inclusion in, or eligibility for, inclusion in the California Register of Historical Resources; or (B) Demolishes or materially alters in an adverse manner those physical characteristics that account for its inclusion in a local register of historical resources pursuant to section 5020.1(k) of the Public Resources Code...

The analysis concerning impacts relates to these CEQA Guidelines, and the EIR concluded that the “substantial adverse change” resulting from the alteration of the resource’s immediate surroundings could materially impair the significance of the historical resource.

Analysis of the project impacts was based upon the evaluation by a qualified historical consultant of the Marshall Hotel building’s physical characteristics that convey its historical significance and justify its inclusion/eligibility for inclusion in the California Register, or that account for its inclusion in a local register. This analysis is related to the proposed project’s potential to impact those physical characteristics which the consultant’s evaluation concludes convey the building’s historical significance.

Physical characteristics that convey the building’s historical significance were found, through the evaluation, to be the building’s two primary street facades. The proposed project would demolish all interior spaces and the non-street facades, which were both found to be not significant. The Draft EIR analyzed the proposed project’s impacts, discussed the proposed demolition of the interior spaces and the non-street facades which lack significance, analyzed the significant street facades and the proposed project’s new additions over those street facades, which were found to not comply with SOI Rehabilitation Standards #9 and #10. The proposed project description includes the retention and rehabilitation of the two street facades to the historic building’s period of significance, but specific details of that rehabilitation were not included. Proposed Mitigation Measures will ensure that the “rehabilitation” work proposed specifically on the historic street facades will comply with the SOI Rehabilitation Standards.

- 1-3 The comment asserts the Mitigation Measures are a repetition of the basic specifications of the project and that the historical assessment “confuses” California Register of Historical Resources and Sacramento Register of Historic & Cultural Resources eligibility criteria.

Contrary to the assertion, Mitigation Measure 1 does not simply reiterate project components. Rather, the mitigation measure has been included to ensure that the project, if approved, will proceed in a manner that reduces, to the extent feasible, the significant impacts on historic resources that the City acknowledges would occur as a result of the project.

The project description used the word “rehabilitation” without providing specifics. Mitigation Measure 1 will ensure that original features of the building’s historic street

facades will be appropriately preserved, reconstructed and rehabilitated, which were not part of the original project proposal submitted to the City, such as:

- Retention and rehabilitation of the two original street façade fire escapes;
- Retention and rehabilitation of the original Hotel Clayton sign carved above the 7th Street entryway;
- Retention of original street façade window opening configurations through the elimination of new hotel room walls that, as originally proposed, would have crossed original window openings;
- Retention of original street façade window opening configurations, including original storefront openings, by requiring that new structural retrofit work not cross any original openings; and
- Reconstruction of previously removed cornice return at the northeast corner of the building adjacent to the Jade Apartments.

The City has the discretion to include optional measures to encourage discussion during the decision-making process and to provide full information to the decision-makers in determining whether the project should be approved despite its significant and unavoidable effects on historic resources. CEQA guarantees the public an opportunity to review and comment on the environmental impacts of a project and to participate meaningfully in the development of mitigation measures for potentially significant environmental impacts.

The comment encourages the City to implement the optional mitigation measures.

These measures have been included to provide perspective for the decision-makers in reviewing the project, and to inform those interested in the project regarding approaches that could be undertaken. The City has concluded, however, that none of the optional measures would be both feasible and effective in avoiding the significant impacts of the project.

Environmental documents generally discuss the local regulatory matters that both result in a discretionary project application, and that would need to be considered by decision-makers. In the case of publically-accessible interiors, if this project were one that proposed only the complete gutting of all the non-publically-accessible interiors, there would be no requirement for a City of Sacramento Preservation Development Project Site Plan & Design Review application and no discretionary project. A ministerial Building Permit would be applied for and issued based upon Building Code requirements. The City Code does not require Preservation review of work proposed on locally-listed historic buildings' non-publically-accessible interiors, regardless of those interiors historical significance. It is this project's proposed demolition, of over 50 aggregate linear feet of the building's exterior walls and over 50% of the building footprint, and the new towers proposed to be built above the building's street facades,

which are the basis for the project to be evaluated as a discretionary “project” from a CEQA perspective. As such, the building was evaluated and determined to be eligible for listing in the California Register, and as such, the City conducted an evaluation of the building’s interiors, since that was not a part of the original city landmark evaluation.

Since the current Sacramento Register eligibility criteria were developed, based in large part upon California Register eligibility criteria, with some minor differences, eligibility is often referred to relative to the type of significance being evaluated. The Draft EIR’s use of incorrect California Register eligibility criteria enumeration in some areas of the document has been corrected. This error does not affect the substance of the discussion.

The Draft EIR historical evaluation clearly identifies certain original interior hotel elements and certain elements that apparently remain from the Clayton Club interior. An historical evaluation considers many things in addition to presence of some original element or elements to assess whether or not a space is, or whether features are, significant. The presence of an original element or elements does not necessarily provide sufficient justification, alone, to assert that the space is historically significant.

- 1-4 The comment asserts that the Draft EIR was factually incorrect in stating that the significance of the Marshall Hotel was based only on architectural significance.

The DEIR historical evaluation clearly attributes eligibility of the building to both its historical and architectural significance.

The comment also discusses the inclusion of a building’s interior as part of the historical resource.

One of the areas that the historical consultant evaluated was the building’s interior. The interior had not been evaluated as part of the original City designation of the property, since, at that time, no design review was required over any proposed interior work. The consultant’s historical evaluation of the building and evaluation of the interiors supports a determination that the interiors are not physical characteristics of the historical resource that convey its historical significance or that would justify its inclusion or eligibility for inclusion in the California Register.

The consultant’s evaluation included research of historical documents relative to the building’s tenants, interiors, and permits throughout its history. The consultant described the current condition of the interior spaces and, while noting that some individual, original elements remained, concluded that, in addition to interior spaces and features that lacked architectural distinction, hotel space alterations and especially ground-floor retail spaces’ alterations over many years and many tenants, provided support for a determination that the current interiors are not physical characteristics of the historical resource, do not convey the historical or architectural significance of the building, and would not justify its eligibility for inclusion in the California Register, All architectural features, even if original, are not necessarily significant features worthy of note in an

overall historical and architectural evaluation of a resource. Many are common and/or unremarkable in terms of significance. There are degrees of pertinent quality, degrees of associations with or ability to convey significant aspects of the building's history, and also integrity considerations, all of which may factor into an evaluation of significance.

The commenter questions whether the interior alterations may have significance in their own right.

It is unknown exactly what changes took place after the 1948 fire – but the interior improvements, resulting in part from alterations completed on the hotel interior in the past, are utilitarian and have not gained significance in their own right under any of the criteria. And, while some elements of the former Clayton Club interior apparently remain, the integrity of that space appears to have been compromised with more recent tenant improvements. The City identified no substantial evidence that would support the attribution of either historical or architectural significance to the known alterations of the interior spaces, especially when integrity considerations are considered.

The comment asserts that the DEIR incorrectly stated that only the two exterior facades are “historic.”

The Draft EIR clearly stated that the Marshall Hotel building is a historical resource for CEQA purposes, and in the historical evaluation of the building, inside and out, the Draft EIR supports the conclusion that the physical characteristics of the building which convey its historical significance and that justify its eligibility for listing in the California Register are the two street facades.

1-5 The comment addresses mitigation measures. Please see response to comment 1-3 above and 3-1, below.

1-6 The comment addresses alternatives.

The City acknowledges errors in the Draft EIR including use of a template which included text from a different project's environmental document. The City has corrected those errors. See Chapter II, Changes in the Draft EIR with revisions reflected in strikethrough for deleted text and underline for revised text.

The environmental review process, with its various opportunities for public comment and the opportunity to respond to those comments, is a process with a goal to provide information to decision-makers on the proposed project, to provide the public an opportunity to review and comment on the environmental impacts of a project and to participate meaningfully in the development of mitigation measures for potentially significant environmental impacts. If any impacts cannot be reduced to a less-than-significant level through mitigation measures, then the Lead Agency should identify any feasible alternatives that can meet most of the project objectives. The City, through the EIR documents is complying with CEQA requirements in this regard.

An EIR must describe and analyze a range of reasonable alternatives to the project that would “feasibly attain most of the basic objectives of the project and would avoid or substantially lessen any of the project’s significant effects.” (CEQA Guidelines §15126.6, subd. (a).) The purpose of the alternatives analysis is to determine whether there is a feasible way to achieve the basic objectives of the project, while avoiding significant impacts. (Pub. Resources Code, § 21002.1.)

The EIR is required to examine a reasonable range of alternatives that the lead agency determines could feasibly attain most of the basic project objectives, taking into account factors that include site suitability; economic viability; availability of infrastructure; general plan consistency; other plans or regulatory limitations; jurisdictional boundaries; control or access to alternative sites; or legal, social or technological factors (CEQA Guidelines Section 15126.6[f]; CEQA Guidelines Section 15021[b]). The City, consistent with the CEQA Guidelines, considered the following criteria for selecting alternatives:

- **Identifying Alternatives.** The discussion of alternatives shall focus on alternatives to the project or its location that are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives or would be more costly (Section 15126.6[b]).
- **Range of Alternatives.** The range of potential alternatives shall include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant effects (Section 15126.6[c]). The specific alternative of “No Project” (referred to as the No Project Alternative) shall also be evaluated along with its impacts (Section 15126.6[e][1]).
- **Evaluation of Alternatives.** The alternatives should be limited to ones that would avoid or substantially lessen any of the significant effects of the project. Of those alternatives, the EIR need examine in detail only the ones that the lead agency determines could feasibly attain most of the basic objectives of the project. The range of feasible alternatives shall be selected and discussed so as to foster meaningful public participation and informed decision-making (Section 15126.6[f]). An EIR is not required to consider alternatives that are infeasible (Section 15126.6[a]).

The project sponsor objectives for the proposed project were also considered:

1. Rehabilitate the architecturally significant features of the registered historic structure and provide adaptive reuses for a dilapidated, vacant and functionally obsolete 100 year-old building.
2. Enhance the continued economic revitalization and urbanization of downtown Sacramento with a modern, lifestyle boutique brand hotel catering to the modern tourist and traveler.
3. Construct and operate a Hyatt-branded, tourist-oriented urban hotel reflecting the character of downtown Sacramento, immediately adjacent to and complementing the

new arena and entertainment center's events and activities to better serve its patrons.

4. Construct and operate complementary meeting space, entertainment space, dining space, and fitness facilities for patrons of the hotel and downtown businesses residents.
5. Create uses that modernize and enhance the downtown tourist and traveler experience, and facilitate downtown tourism.
6. Support the shift within the downtown area to environmentally-conscious modes of travel by promoting ride-sharing services and non-vehicular travel by hotel guests and patrons.

As described above, the intent of the alternatives analysis is to consider designs and development programs that could avoid or lessen significant and unavoidable impacts resulting from the proposed project. As evaluated in the Draft EIR Section 4, Cultural Resources:

- *The proposed demolition, retaining only the two significant primary street facades of the historic building, would result in a **significant impact** to a recognized historical resource.*
- *The project's proposed new construction over the existing roof line of the Marshall Hotel would remove the existing roof and the interior of the building. The new construction would be set back from the south façade to the north, so it would be minimally visible looking back at the hotel at pedestrian level from across L Street. The new construction would be most visible from the sidewalk across 7th Street and, while it is proposed to be designed to be differentiated from the old, **it would change the massing and scale of the Hotel Marshall.***
- *The construction of a taller building north of the Hotel Marshall, on its own, would not have an impact, since the hotel is located in a densely developed downtown setting, but rather it is **the proposed extension of that taller mass directly above the northern portion of the east façade of the Hotel Marshall that would cause the impact to the historical resource.***
- *The project would replace the entire interior of the hotel Marshall with new construction, create a new elevation on the west, remove the current north elevation and incorporate it into the new tower, and add five stories above the hotel on the northern portion of the Hotel Marshall footprint. **Such extensive new construction would make it impossible to restore the Hotel to its former configuration. This constitutes a significant impact.***

The City recognizes that preservation options for some project sites may be limited. For this reason, it may be appropriate for an EIR to include analysis of a partial preservation alternative that would preserve as many features of the resource that convey its historic significance as possible while taking into account the potential feasibility of the proposed

alternative and the project objectives. The project, as proposed, represents an alternative to full demolition.

Although the proposed demolition does not include the loss of the significant “character defining” features found in the two primary street facades, the street facade retention alone does not fully mitigate the cultural resource impacts. However, the City recognizes that in combination with other proposed features, retaining the facades facing the public right-of-way and incorporating setbacks to allow for an understanding of the overall height and massing of the original historic resource’s significant street facades has some beneficial effects.

In this regard, and from comments made during the Preservation Commission’s meeting on April 15, 2015, the applicant has proposed a structural approach that would provide for a 1-1/2 foot setback from the existing east/7th Street façade of the Marshall Hotel of the proposed new east wall of the tower. While the setback is still relatively minimal, having the new tower rise 1-1/2 feet behind the exterior wall plane of the historic facade will help to facilitate an understanding of the original building’s form.

Alternatives Not Considered Due to Infeasibility

An option that was mentioned during the Preservation Commission’s April 15, 2015 meeting, included using both properties, but retaining/rehabilitating the existing configuration of the Marshall Hotel interiors to accommodate as many of the new hotel rooms and other hotel functions in the Marshall interior as possible, not building any new addition above the existing Marshall roof, but then accommodating all the remaining needed hotel rooms in a much taller, new tower structure entirely on the Jade Apartments site. This option, even if it met most of the project objectives, raised such significant concerns relative to feasibility, both building code/technological and commensurate economic feasibility, that this option was considered infeasible.

The other alternative that was suggested was to leave the Marshall Hotel walls and floors “as is” and build a new hotel where the Jade Apartments building is located and construct additional stories as required to maintain 165 rooms total. This alternative was evaluated with stairs as required by the building code, 2 guest elevators, a service elevator and corridors on each floor. The existing Marshall Hotel could have 12 rooms per floor, a total of 48 guest rooms requiring the new hotel addition to have 117 guest rooms, 4 guest rooms per floor, which would require the new Jade replacement hotel to be 29 stories. This would require Type 1 non-combustible high rise construction and make the project economically unfeasible. Type 1 construction is of steel or concrete and is considerably more expensive than Type 2 metal stud bearing wall construction. (Pers. Comm, R. Harper, 8/7/15).

To support this approach, the hotel would have to be separated into two buildings by code. The Marshall Hotel is Type V combustible construction and the addition of Type I non-combustible construction would require a 4-hour rated wall between them with no shared access between the buildings. The existing wood floor and walls are out of

compliance with code and would need to be updated. This work is logistically difficult and expensive. This would make the hotel use unfeasible in many ways. The lobby and restaurant would be in different buildings from the most of the guest rooms. Guests would be required to check-in and then leave one building to go to adjacent building to a guest room. The small floor plans would consist of 36% stairs and circulation, 4 rooms, (9% per room), compared to the proposed design with 28% stairs and circulation, (1.6%/room), increasing the room / circulation ratio 562%. The exterior building skin would increase from 25 LF/RM to 64 LF/RM increasing the exterior wall per room by 39 LF/RM, for a 256% increase of exterior wall per room. Construction cost would increase 60.8%. This proposed design is not economically feasible.

Modern hotel amenities include bathrooms within the guest rooms. The existing Marshall Hotel has common restrooms to be shared by the guest rooms. This is no longer economically or socially acceptable.

No Project Alternative

The No Project Alternative assumed that the proposed project would not be approved or constructed, and that no development would occur on the site. The site is currently occupied by two structures: the Hotel Marshall and the Jade Apartments. Each of these structures is vacant, with the exception of retail tenants in some of the ground floor spaces.

The No Project Alternative assumed that the two existing structures would remain and not be rehabilitated. Given the current condition of the structures, the most likely result is that they would remain vacant or underutilized.

Suggestions that the Marshall Hotel remain in operation on a single-room-occupancy (SRO) basis do not reflect an accurate assessment of the existing conditions. Such a return to SRO use would not be likely at this time since the building's upper floors have been vacant for over a year and would require significant improvements to meet current building code requirements, including structural and fire/life safety upgrades, plumbing upgrades, heating/ventilation upgrades, accessibility upgrades, and installation of a new air conditioning system. Indeed, due to the vacancy of over one year, substantial improvements would be required to initiate any use of the structure's upper floors, even utilizing the California Historical Building Code. The situation is substantially the same with regard to the Jade Apartments. Renovations to simply upgrade either building to the level of use, for example, of the SRO occupancy of the nearby Hotel Berry, would likely entail considerable cost as observed by the rehabilitation costs of the Hotel Berry (i.e., approximately \$500 per sq. ft.) which occurred at a time when Redevelopment funds were available to help cover some of these costs. The City believes it is reasonable to view the likelihood of the Hotel Marshall's return to such use as remote.

The City has considered, moreover, the demographics of a population that would accept the existing living conditions in the facilities, even if they were renovated. As a practical matter, the cost of residency would increase in the absence of outside funding support,

and a target population, e.g., students, would be required that would accept such living conditions while covering the cost through occupancy charges.

The City has also considered other uses for the site, such as offices, but the same physical and financial challenges regarding rehabilitation and re-use exist. The likelihood that the structures could be rehabilitated, even if the building footprint were not reconfigured to achieve today's demand for larger office floor-plate layouts, to provide the type of office uses that would be required in the competitive market, at a cost level that is competitive, is remote.

If the building is not used in an economically-viable manner, which provides a revenue stream that could support the major work needed on the building, it will likely decay further and could ultimately be demolished as it becomes dangerous. The cost of upgrades and the potential for complete loss of the facility were factors considered by the City. If not meaningfully incorporated into the downtown economy and activity, the building could remain vacant, deteriorate past its useful point, and potentially be demolished.

Alternatives Considered in the Draft EIR

Alternatives 2 and 3 were not examined in greater detail because the City determined that these alternatives would not meet the project objectives.

Alternative 2: Renovate Marshall Hotel, with or without demolition of Jade Apartments

The modern, branded hotel project objective would not be feasible within the current configuration of the Marshall Hotel. The requirements of modern hotels and related building code, including the California Historical Building Code, requirements, would require an expensive structural retrofit and rehabilitation of the building, which would still not meet the objectives of the brand in terms of number and configurations of hotel rooms needed, meeting and support uses needed, back of house functions, and other expected amenities,

The Draft EIR discussion considered application of the City's High Rise Ordinance that requires various safety features for structures that exceed 75 feet in height. Clarification is offered relative to the costs of construction of a building that would trigger the "highrise" code. Structures over 75 feet tall, essentially a little over seven floors at approximately 10-feet per floor (factoring in structural, electrical, data, HVAC, plumbing, etc.), must meet building code requirements, especially fire and life safety requirements that are much more stringent than for structures under 75 feet. Even for structural concerns, over 75 feet will typically require a more conservative, more costly approach. Generally, marginal construction costs increase with the number of floors.

Off-Site Alternative

The proposed project site is located immediately adjacent to the approved Entertainment and Sports Center (ESC), now under construction. The process of considering, approving and constructing the ESC facility has involved years of City and community close attention and debate. The project objectives relate to the oft-stated City intentions regarding creation of a vibrant downtown, as well as proximity to what will likely be “ground zero” for that effort. No other site would achieve these project objectives to the same extent.

Relocating the project to another site such as the old Union building location or another downtown site which is not owned by the current owner, would not meet owner objectives. The availability of another site and its acceptability to the Hyatt Corporation is unknown.

While it may at first appear that an off-site alternative would avoid impacts on historic resources, this is unlikely to be the case. If the project were to be implemented in another location the practical considerations that have been identified for the No Project Alternative (Alternative 1) would remain in effect. The most likely result of this alternative would be continued deterioration of the Jade Apartments and Hotel Marshall properties, blight conditions that affect neighboring properties and the downtown area generally, and potential future complete loss of the historic resources that have been identified on the site. Thus, an off-site alternative would only partially accomplish project objectives while not providing any assurance that the significant effects of the project could be avoided.

Other alternatives suggested by commenters such as rehabilitating the structure for use as a residential hotel are problematic because the use was abandoned over a year ago and would require substantial investment and likely without the revenue that would be needed to support it. Such a use would not meet the project objectives and would be inconsistent with the project sponsor’s line of business.

Comparison of Alternatives

Comments were submitted that requested additional comparison of the alternatives.

Chapter 5 of the DEIR identifies and discusses the project alternatives. This includes a No Project Alternative (Alternative 1), and Alternatives 2 and 3, each of which would reduce the building intensity on the project site as compared to the proposed project. The extent to which any alternative project would achieve the identified project objectives is closely related to the project location.

The following table identifies the extent to which the alternatives could avoid the significant effects of the proposed project while accomplishing project objectives.

Comparison of Alternatives

	Meets Project Objectives	Avoids Significant Effects	Environmentally Superior Alternative
Proposed Project	Yes	No	NA
Alternative 1 (No Project)	No	Yes	Yes (see Alternative 2)
Alternative 2	Partial	Yes	Yes
Alternative 3	Partial	Unknown	No

- 1-7 The comment discusses lack of a DPR 523 forms and asserts the historical assessment “confuses” California Register of Historical Resources and Sacramento Register of Historic & Cultural Resources eligibility criteria.

The use of DPR forms can be a helpful format for conveying information on a property and in the evaluation of its historical or architectural significance, or lack thereof, but the use of the form, itself, is not a requirement of CEQA. The DEIR does reference the Entertainment and Sports Center’s DEIR, which included a DPR form and evaluation of the Jade Apartments. That document found the Jade Apartments to not be eligible as an historical resource for CEQA purposes. Though included by reference in the DEIR, that form is provided in Appendix G.

Since the current Sacramento Register eligibility criteria were developed, based in large part upon California Register eligibility criteria, with some minor differences, eligibility is often referred to relative to the type of significance being evaluated rather than particular eligibility numbers. The Draft EIR’s use of incorrect California Register eligibility criteria enumeration in some areas of the document has been corrected. This error does not affect the substance of the discussion.

- 1-8 The comment suggests that the City should revise the EIR and recirculate it for public comment.

CEQA Guidelines section 15088.5 addresses the conditions under which an EIR must be recirculated prior to certification. An EIR should be recirculated when “significant new information” is added to the EIR. According to the Guidelines, new information added to an EIR is not significant unless the EIR is changed in such a substantial manner that the public is deprived on a meaningful opportunity to comment on a substantial adverse environmental effect of the project, or a feasible way to mitigate or avoid such an effect. Section 15088.5 provides examples of information that would be considered significant:

One of the changes that has been made to the Draft EIR is correction of text that was erroneously inserted in the discussion of Alternative 3 that referred to another project. This text has been deleted. See Master Response for Alternatives and EIR sections 5.4.1 and 5.4.3. The discussion that has been inserted makes it clear that the conclusion

regarding Alternative 3 remains unchanged: Alternative 3 would result in similar impacts as those identified under the proposed project while making it more difficult to achieve the project objectives and the goals of the 2035 General Plan. The discussion does not identify any new significant impacts, and none of the examples provided in the Guidelines section is present.

The EIR provides the public and decision-makers with the information needed to discuss and consider the potential impacts of the project, and no recirculation is required.

UNITE HERE Local 49, July 2, 2015

- 2-1 The comment asserts that the DEIR does not consider potential impacts from the proposed project on transportation, public services, air quality, greenhouse gas/climate change, affordable housing and asserts that the proposed project would reduce transit-adjacent affordable housing in downtown and result in longer commutes by low-income workers.

In determining a proposed project's potential effects on the environment, "a public agency must first make a fair assessment of existing physical conditions (i.e., baseline conditions) and then compare it to the anticipated or expected physical conditions were the project completed, thereby allowing the agency to focus on the nature and degree of changes expected in those physical conditions after the project and whether those changes result in any significant effect on the existing environment. With regard to the Hotel Marshall, the existing condition, at the time environmental review began, was, except for the use of a small portion of the building's ground floor retail space, a vacant building. The comment states incorrectly, that the project is conversion of a single-room-occupancy to a tourist hotel.

Impacts other than those related to cultural resources are addressed in the Initial Study (Appendix B).

- 2-2 The comment indicates that the project site is not governed by the provisions of the Entertainment and Sports Center (ESC) Special Planning District (SPD), and asserts that the goals of the ESC SPD are not relevant

The comment correctly indicates that the project site is not inside the boundaries of the ESC SPD. Ordinance No. 2014-0014 identified the Hotel Marshall and Jade Apartments structures as "Not Part of This Site." The project site is zoned C-3-SPD, and is part of the Central Business District Special Planning District. The Planning and Development Code indicates: "Development in the Central Business District special planning district is subject to the requirements of the underlying zone." (City Code Chapter 17.408)

The project site, however, is located immediately adjacent to the ESC Special Planning District, and the goals and objectives of the ESC SPD are not irrelevant. The project objectives (Draft EIR, page 2-4) include emphasis on development of a facility that will support the continued economic revitalization and urbanization of downtown Sacramento, a goal that is convergent with the additional, and specific, objectives as stated in the ESC Special Planning District goals.

One of the primary purposes of discussion of land use consistency in an EIR is to identify development that could result in unplanned growth, resulting in the need for physical development of new infrastructure. The discussion of the 2035 General Plan in the Draft EIR makes clear that the project would be consistent with the City's planning for the central business district.

See revisions to the text of EIR in section 3.3.2 regarding this issue.

- 2-3 The comment relates to consideration of the interior features of the Marshall Hotel as contributing to considerations of historic significance.

See Response to Comment 1-2, above.

- 2-4 The comment addresses alternatives.

See Response to Comment 1-6, above and 3-2 below.

- 2-5 The comment suggests the City should re-write and recirculate the DEIR.

See Response to Comment 1-8 above.

Office of Historic Preservation, July 6, 2015

- 3-1 The comment asserts that proposed mitigation measures are already part of the proposed project and will not avoid or reduce project impacts to historic resources. The comment suggests that mitigation measures that are offered as optional, including Historic American Building Survey (HABS) documentation, should be enforceable.

Mitigation Measure 1 does not simply reiterate project components. Rather, the mitigation measure has been included to ensure that the project, if approved, will proceed in a manner that reduces, to the extent feasible, the significant impacts on historic resources that the City acknowledges would occur as a result of the project.

Mitigation Measure 1 includes provisions that were not part of the original project proposal, and which would ensure that original features of the building's historic street facades will be appropriately preserved, reconstructed and rehabilitated. These include:

- Retention and rehabilitation of the two original street façade fire escapes;
- Retention and rehabilitation of the original Hotel Clayton sign carved above the 7th Street entryway;
- Retention of original street façade window opening configurations through the elimination of new hotel room walls that, as originally proposed, would have crossed original window openings;
- Retention of original street façade window opening configurations, including original storefront openings, by requiring that new structural retrofit work not cross any original openings;
- Reconstruction of previously removed cornice return at the northeast corner of the building adjacent to the Jade Apartments.

The City has the discretion to include optional measures to encourage discussion during the decision-making process and to provide full information to the decision-makers in determining whether the project should be approved despite its significant and unavoidable effects on historic resources. CEQA guarantees the public an opportunity to review and comment on the environmental impacts of a project and to participate meaningfully in the development of mitigation measures for potentially significant environmental impacts.

The comment encourages the City to implement the optional mitigation measures. These measures have been included to provide perspective for the decision-makers in reviewing the project, and to inform those interested in the project regarding approaches that could be undertaken. The City is not satisfied, however, that any of the optional measures would be effective in avoiding the significant impacts of the project, and would be feasible.

- 3-2 The comment notes errors in the Draft EIR section on Alternatives and asserts that there is not enough evidence regarding infeasibility of the alternatives.

The City acknowledges errors in the Draft EIR including use of a template which clearly included text from a different project's environmental document. The revised Draft EIR will include corrections.

An EIR must describe and analyze a range of reasonable alternatives to the project that would "feasibly attain most of the basic objectives of the project and would avoid or substantially lessen any of the project's significant effects." (CEQA Guidelines §15126.6, subd. (a).) The purpose of the alternatives analysis is to determine whether there is a feasible way to achieve the basic objectives of the project, while avoiding significant impacts. (Pub. Resources Code, § 21002.1.)

The EIR is required to examine a reasonable range of alternatives that the lead agency determines could feasibly attain most of the basic project objectives, taking into account factors that include site suitability; economic viability; availability of infrastructure; general plan consistency; other plans or regulatory limitations; jurisdictional boundaries; control or access to alternative sites; or legal, social or technological factors (CEQA Guidelines Section 15126.6[f]; CEQA Guidelines Section 15021[b]). The City, consistent with the CEQA Guidelines, considered the following criteria for selecting alternatives:

- **Identifying Alternatives.** The discussion of alternatives shall focus on alternatives to the project or its location that are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives or would be more costly (Section 15126.6[b]).
- **Range of Alternatives.** The range of potential alternatives shall include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant effects (Section 15126.6[c]). The specific alternative of "No Project" (referred to as the No Project Alternative) shall also be evaluated along with its impacts (Section 15126.6[e][1]).
- **Evaluation of Alternatives.** The alternatives should be limited to ones that would avoid or substantially lessen any of the significant effects of the project. Of those alternatives, the EIR need examine in detail only the ones that the lead agency determines could feasibly attain most of the basic objectives of the project. The range of feasible alternatives shall be selected and discussed so as to foster meaningful public participation and informed decision-making (Section 15126.6[f]). An EIR is not required to consider alternatives that are infeasible (Section 15126.6[a]).

The project sponsor objectives for the proposed project were also considered:

1. Rehabilitate the architecturally significant features of the registered historic structure and provide adaptive reuses for a dilapidated, vacant and functionally obsolete 100 year-old building.

2. Enhance the continued economic revitalization and urbanization of downtown Sacramento with a modern, lifestyle boutique brand hotel catering to the modern tourist and traveler.
3. Construct and operate a Hyatt-branded, tourist-oriented urban hotel reflecting the character of downtown Sacramento, immediately adjacent to and complementing the new arena and entertainment center's events and activities to better serve its patrons.
4. Construct and operate complementary meeting space, entertainment space, dining space, and fitness facilities for patrons of the hotel and downtown businesses residents.
5. Create uses that modernize and enhance the downtown tourist and traveler experience, and facilitate downtown tourism.
6. Support the shift within the downtown area to environmentally-conscious modes of travel by promoting ride-sharing services and non-vehicular travel by hotel guests and patrons.

As described above, the intent of the alternatives analysis is to consider designs and development programs that could avoid or lessen significant and unavoidable impacts resulting from the proposed project. As evaluated in the Draft EIR Section 4, Cultural Resources:

- *The proposed demolition, retaining only the two significant primary street facades of the historic building, would result in a **significant impact** to a recognized historical resource.*
- *The project's proposed new construction over the existing roof line of the Marshall Hotel would remove the existing roof and the interior of the building. The new construction would be set back from the south façade to the north, so it would be minimally visible looking back at the hotel at pedestrian level from across L Street. The new construction would be most visible from the sidewalk across 7th Street and, while it is proposed to be designed to be differentiated from the old, **it would change the massing and scale of the Hotel Marshall.***
- *The construction of a taller building north of the Hotel Marshall, on its own, would not have an impact, since the hotel is located in a densely developed downtown setting, but rather it is **the proposed extension of that taller mass directly above the northern portion of the east façade of the Hotel Marshall that would cause the impact to the historical resource.***
- *The project would replace the entire interior of the hotel Marshall with new construction, create a new elevation on the west, remove the current north elevation and incorporate it into the new tower, and add six stories above the hotel on the northern portion of the Hotel Marshall footprint. **Such extensive new construction would make it impossible to restore the Hotel to its former configuration. This constitutes a significant impact.***

The City recognizes that preservation options may be limited. For this reason, it may be appropriate for an EIR to include analysis of a partial preservation alternative that would preserve as many features of the resource that convey its historic significance as possible while taking into account the potential feasibility of the proposed alternative and the project objectives. The project, as proposed, represents such an alternative to full demolition.

Although the proposed demolition does not include the loss of the significant “character defining” features found in the two primary street facades, the street facade retention alone does not fully mitigate the cultural resource impacts. However, the City recognizes that in combination with other proposed features, retaining the facades facing the public right-of-way and incorporating setbacks to allow for an understanding of the overall height and massing of the original historic resource’s significant street facades has some beneficial effects.

In this regard, and from comments made during the Preservation Commission’s meeting on April 15, 2015, the applicant has proposed a structural approach that would provide for a 1-1/2 foot setback from the existing east/7th Street façade of the Marshall Hotel of the proposed new east wall of the tower. While the setback is still relatively minimal, having the new tower rise 1-1/2 feet behind the exterior wall plane of the historic facade will help to facilitate an understanding of the original building’s form.

Alternatives Not Considered Due to Infeasibility

An option that was mentioned during the Preservation Commission’s April 15, 2015 meeting, included using both properties, but retaining/rehabilitating the existing configuration of the Marshall Hotel interiors to accommodate as many of the new hotel rooms and other hotel functions in the Marshall interior as possible, not building any new addition above the existing Marshall roof, but then accommodating all the remaining needed hotel rooms in a much taller, new tower structure entirely on the Jade Apartments site. This option, even if it met most of the project objectives, raised such significant concerns relative to feasibility, both building code/technological and commensurate economic feasibility, that this option was considered infeasible.

The other alternative that was suggested was to leave the Marshall Hotel walls and floors “as is” and build a new hotel where the Jade is currently located and construct additional stories as required to maintain 165 rooms total. This alternative was evaluated with stairs as required by the building code, 2 guest elevators, a service elevator and corridors on each floor. The existing Marshall Hotel could have 12 rooms per floor, a total of 48 guest rooms requiring the new hotel addition to have 117 guest rooms, 4 guest rooms per floor, which would require the new Jade replacement hotel to be 29 stories. This would require Type 1 non-combustible high rise construction and make the project economically unfeasible. Type 1 construction is of steel or concrete and is considerably more expensive than Type 2 metal stud bearing wall construction. (Pers. Comm, R. Harper, 8/7/15).

To support this approach, the hotel would have to be separated into two buildings by code. The Marshall Hotel is Type V combustibile construction and the addition of Type I non-combustible construction would require a 4-hour rated wall between them with no shared access between the buildings. The existing wood floor and walls are out of compliance with code and would need to be updated. This work is logistically difficult and expensive. This would make the hotel use unfeasible in many ways. The lobby and restaurant would be in different buildings from the most of the guest rooms. Guests would be required to check-in and then leave one building to go to adjacent building to a guest room. The small floor plans would consist of 36% stairs and circulation, 4 rooms, (9% per room), compared to the proposed design with 28% stairs and circulation, (1.6%/room), increasing the room / circulation ratio 562%. The exterior building skin would increase from 25 LF/RM to 64 LF/RM increasing the exterior wall per room by 39 LF/RM, for a 256% increase of exterior wall per room. Construction cost would increase 60.8%. This proposed design is not economically feasible.

Modern Hotel amenities include bathrooms within the guest rooms. The existing Marshall Hotel has common restrooms to be shared by the guest rooms. This is no longer economically or socially acceptable.

No Project Alternative

The No Project Alternative assumed that the proposed project would not be approved or constructed, and that no development would occur on the site. The site is currently occupied by two structures: the Hotel Marshall and the Jade Apartments. Each of these structures is vacant, with the exception of retail tenants in some of the ground floor spaces.

The No Project Alternative assumed that the two existing structures would remain and not be rehabilitated. Given the current condition of the structures, the most likely result is that they would remain vacant or underutilized.

Suggestions that the Marshall Hotel remain in operation on a single-room-occupancy (SRO) basis do not reflect an accurate assessment of the existing conditions. Such a return to SRO use would not be likely at this time since the building's upper floors have been vacant for over a year and would require significant improvements to meet current building code requirements, including structural and fire/life safety upgrades, plumbing upgrades, heating/ventilation upgrades, accessibility upgrades, and installation of a new air conditioning system. Indeed, due to the vacancy of over one year, substantial improvements would be required to initiate any use of the structure's upper floors, even utilizing the California Historical Building Code. The situation is substantially the same with regard to the Jade Apartments. Renovations, to simply upgrade either building to the level of use, for example, of the SRO occupancy of the nearby Hotel Berry, would likely entail considerable cost as observed by the rehabilitation costs of the Hotel Berry (i.e., approximately \$500 per sq. ft.) which occurred at a time when Redevelopment

funds were available to help cover some of these costs. The City believes it is reasonable to view the likelihood of the Hotel Marshall's return to such use as remote.

The City has considered, moreover, the demographics of a population that would accept the existing living conditions in the facilities, even if they were renovated. As a practical matter, the cost of residency would increase in the absence of outside funding support, and a target population, e.g., students, would be required that would accept such living conditions while covering the cost through occupancy charges.

The City has also considered other uses for the site, such as offices, but the same physical and financial challenges regarding rehabilitation and re-use exist. The likelihood that the structures could be rehabilitated, even if the building footprint were not reconfigured to achieve today's demand for larger office floor-plate layouts, to provide the type of office uses that would be required in the competitive market, at a cost level that is competitive, is remote.

If the building is not used in an economically-viable manner, which provides a revenue stream that could support the major work needed on the building, it will likely decay further and could ultimately be demolished as it becomes dangerous. The cost of upgrades and the potential for complete loss of the facility were factors considered by the City. If not meaningfully incorporated into the downtown economy and activity, the building could remain vacant, deteriorate past its useful point, and potentially be demolished.

Alternatives Considered in the Draft EIR

Alternatives 2 and 3 were not examined in greater detail because the City determined that these alternatives would not meet the project objectives.

Alternative 2: Renovate Marshall Hotel, with or without demolition of Jade Apartments

The modern, branded hotel project objective would not be feasible within the current configuration of the Marshall Hotel. The requirements of modern hotels and related building code, including the California Historical Building Code, requirements, would require an expensive structural retrofit and rehabilitation of the building, which would still not meet the objectives of the brand in terms of number and configurations of hotel rooms needed, meeting and support uses needed, back of house functions, and other expected amenities,

The Draft EIR discussion considered application of the City's High Rise Ordinance that requires various safety features for structures that exceed 75 feet in height. Clarification is offered relative to the costs of construction of a building that would trigger the "highrise" code. Structures over 75 feet tall, essentially a little over seven floors at approximately 10-feet per floor (factoring in structural, electrical, data, HVAC, plumbing

and similar factors), must meet building code requirements, especially fire and life safety requirements that are much more stringent than for structures under 75 feet. Even for structural concerns, construction over 75 feet will typically require a more conservative, more costly approach. Generally, marginal construction costs increase with the number of floors.

Off-Site Alternative

The proposed project site is located immediately adjacent to the approved Entertainment and Sports Center (ESC), now under construction. The process of considering, approving and constructing the ESC facility has involved years of City and community close attention and debate. The project objectives relate to the oft-stated City intentions regarding creation of a vibrant downtown, as well as proximity to what will likely be “ground zero” for that effort. No other site would achieve these project objectives to the same extent.

Relocating the project to another site such as the old Union building location or another downtown site which is not owned by the current owner, would not meet owner objectives. The availability of another site and its acceptability to the Hyatt Corporation is unknown.

While it may at first appear that an off-site alternative would avoid impacts on historic resources, this is unlikely to be the case. If the project were to be implemented in another location the practical considerations that have been identified for the No Project Alternative (Alternative 1) would remain. The most likely result of this alternative would be continued deterioration of the Jade Apartments and Hotel Marshall properties, blight conditions that affect neighboring properties and the downtown area generally, and potential future complete loss of the historic resources that have been identified on the site. Thus, an off-site alternative would only partially accomplish project objectives while not providing any assurance that the significant effects of the project could be avoided.

Other alternatives suggested by commenters such as rehabilitating the structure for use as a residential hotel are problematic because the use was abandoned over a year ago and would require substantial investment and likely without the revenue that would be needed to support it. Such a use would not meet the project objectives and would be inconsistent with the project sponsor’s line of business. See the discussion above.

Comparison of Alternatives

Comments were submitted that requested additional comparison of the alternatives.

Chapter 5 of the DEIR identifies and discusses the project alternatives. This includes a No Project Alternative (Alternative 1), and Alternatives 2 and 3, each of which would reduce the building intensity on the project site as compared to the proposed project. The extent to which any alternative project would achieve the identified project objectives is closely related to the project location.

The following table identifies the extent to which the alternatives could avoid the significant effects of the proposed project while accomplishing project objectives.

Comparison of Alternatives

	Meets Project Objectives	Avoids Significant Effects	Environmentally Superior Alternative
Proposed Project	Yes	No	NA
Alternative 1 (No Project)	No	Yes	Yes (see Alternative 2)
Alternative 2	Partial	Yes	Yes
Alternative 3	Partial	Unknown	No

CEQA Guidelines section 15088.5 addresses the conditions under which an EIR must be recirculated prior to certification. An EIR should be recirculated when “significant new information” is added to the EIR. According to the Guidelines, new information added to an EIR is not significant unless the EIR is changed in such a substantial manner that the public is deprived on a meaningful opportunity to comment on a substantial adverse environmental effect of the project, or a feasible way to mitigate or avoid such an effect. Section 15088.5 provides examples of information that would be considered significant:

One of the changes that has been made to the Draft EIR is correction of text that was erroneously inserted in the discussion of Alternative 3 that referred to another project. This text has been deleted. See EIR sections 5.4.1 and 5.4.3. The conclusion regarding Alternative 3 remains unchanged: Alternative 3 would result in similar impacts as those identified under the proposed project while making it more difficult to achieve the project objectives and the goals of the 2035 General Plan. The discussion does not identify any new significant impacts, and none of the examples provided in the Guidelines section is present.

Additionally, certain places in the Draft EIR, where CRHR eligibility criteria enumeration mistakenly used Sacramento Register eligibility criteria enumeration for similar eligibility criteria, have also been corrected. In the Draft EIR text, the significance criteria being discussed and the evaluation related to those criteria is clear and the enumeration corrections do not change the conclusions.

The EIR provides the public and decision-makers with the information needed to discuss and consider the potential impacts of the project, and no recirculation is required.

